Form **8937** (December 2017) Department of the Treasury Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

OMB No. 1545-0123

Part I Reporting Issuer

1 Issuer's name: Sailfish Royalty Corp			2 Issuer's employer identification number (EIN): None
3 Name of contact for additional information: PETER Van Zoost	4 Telephone No. of contact: +1 284 494 6401		5 Email address of contact: info@sailfishroyalty.com
6 Number and street (or P.O. box if mail is not delivered to street address) of contact: Sea Meadow House P.O. Box 116 Road Town			7 City, town, or post office, state, and ZIP code of contact: Tortola British Virgin Islands VG1110
8 Date of action: August 19, 2019	9 Classification and description: Common Shares		
10 CUSIP number: G7777C102	11 Serial number(s)	12 Ticker symbol: FISH (TSX-V	13 Account number(s)

Part II Organizational Action

Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ See attachment.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ See attachment.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ See attachment.

Part II Organizational Action *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See attachment.

18 Can any resulting loss be recognized? ▶ See attachment.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See attachment.

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ Date ▶ 10/1/2019

Print your name ▶ Akiba Leisman Title ▶ CEO

Paid Preparer Use Only				
Print/Type preparer's name: Leo Mitsiadis	Preparer's signature	Date: 10/01/2019	Check ☐ if self-employed	PTIN: P00236081
Firm's name ▶ PricewaterhouseCoopers LLP				Firm's EIN ▶ 98-0189320
Firm's address ▶ 250 Howe Street - Suite 1400, Vancouver BC, Canada V6C 3S7				Phone no. 604-806-7000

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

Sailfish Royalty Corp.
Attachment to Form 8937
REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES

The information contained herein does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of shareholders.

Part II
Box 14

Pursuant to a Plan of Arrangement (the "Plan of Arrangement") under British Columbia provincial law, Sailfish Royalty Corp. ("Sailfish") acquired all the issued and outstanding common shares of Terraco Gold Corp. ("Terraco") on August 19, 2019. Each shareholder of Terraco received 0.12 of a common share of Sailfish (a "Sailfish Share") in exchange for each common share of Terraco (a "Terraco Share") they held on August 19, 2019.

Further discussion of the tax consequences of the organizational actions can be found in the Notice of Special Meeting and Information Concerning the Arrangement – Reasons for the Arrangement (the "Information Circular"), as filed on July 17, 2019, under the heading "Certain United States Federal Income Tax Considerations". The Information Circular may be accessed at www.sedar.com.

Box 15

The exchange of Terraco Shares for Sailfish Shares pursuant to the Plan of Arrangement may be treated as a transaction that qualifies as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code").

Although the transaction may be treated as a reorganization under Section 368(a) of the Code, a gain may result if any non-stock consideration is received or deemed to be received by shareholders of Terraco. If any non-stock consideration is received or deemed to be received by a shareholder of Terraco, then the share exchange may be fully taxable. If the Plan of Arrangement does not qualify as a reorganization, a shareholder of Terraco Shares may need to recognize a gain or loss on the exchange of Terraco Shares for Sailfish Shares in an amount equal to the difference, if any, between (a) the fair market value of Sailfish Shares received in exchange for Terraco Shares and (b) the adjusted tax basis of such shareholder in the Terraco Shares surrendered.

Even if the Plan of Arrangement qualifies as a reorganization under Section 368(a) of the Code, certain special rules may apply if Terraco was classified as a passive foreign investment company ("PFIC"), as defined under Section 1297 of the Code, for any tax year during which a shareholder held Terraco Shares. Terraco believes that it was a PFIC in prior tax years, as noted in the Information Circular. Shareholders should review the Information Circular and consult their own tax advisors regarding the U.S. federal income tax consequences of the Plan of Arrangement.

Box 16

If the Arrangement qualifies as a Reorganization, and subject to the PFIC (as discussed in the Information Circular) rules, the following U.S. federal income tax consequences will result for U.S. Holders who receive Sailfish Shares pursuant to the Arrangement:

(a) a U.S. Holder should not recognize gain or loss on the exchange of Terraco Shares for Sailfish Shares pursuant to the Arrangement;

(b) the aggregate tax basis of a U.S. Holder in the Sailfish Shares acquired in the Arrangement should be equal to such U.S. Holder's aggregate tax basis in the Terraco Shares surrendered in exchange therefor; and

(c) the holding period of a U.S. Holder for the Sailfish Shares acquired in the Arrangement should include such U.S. Holder's holding period for the Terraco Shares surrendered in exchange therefor.

In general, if the Arrangement does not qualify as a Reorganization, and subject to the PFIC rules (discussed in the Information Circular), the following U.S. federal income tax consequences will result for U.S. Holders:

(a) a U.S. Holder will recognize gain or loss on the exchange of Terraco Shares for Sailfish Shares pursuant to the Arrangement in an amount equal to the difference, if any, between (a) the fair market value of the Sailfish Shares received in exchange for the Terraco Shares and (b) the adjusted tax basis of such U.S. Holder in the Terraco Shares surrendered;

(b) the aggregate tax basis of a U.S. Holder in the Sailfish Shares acquired in the Arrangement will be equal to the fair market value of such Sailfish Shares on the date of receipt; and

(c) the holding period of a U.S. Holder for the Sailfish Shares acquired in the Arrangement will begin on the day after the date of receipt.

Subject to the PFIC rules (discussed in the Information Circular), any gain or loss described in clause (a) immediately above would be capital gain or loss, which would be long-term capital gain or loss if such Terraco Shares are held for more than one year on the date of the exchange. Preferential tax rates apply to long-term capital gains of a U.S. Holder that is an individual, estate, or trust. There are no preferential tax rates for long-term capital gains of a U.S. Holder that is a corporation. Deductions for capital losses are subject to complex limitations under the U.S. Tax Code.

For purposes of calculating fair market value, the closing price a Sailfish Share as of August 19, 2019 on the TSX Venture Exchange was estimated to be US$1.26 (converted into US dollars).

Shareholders should consult with their own tax advisors to determine whether they are required to recognize any gain and to determine their adjusted cost basis in Sailfish Shares.

Box 17

Sailfish believes that the Plan of Arrangement should qualify as a reorganization within the meaning of Section 368(a) of the Code. Consequently, the U.S. federal income tax consequences to the Terraco shareholders should be determined under Sections 354, 358, 367, 1001 and 1221 of the Code.

Additionally, if Terraco was classified as a PFIC, as defined under Section 1297 of the Code, the PFIC rules and Sections 1291 – 1298 of the Code would be applicable. Shareholder should review the Information Circular and consult with their own tax advisors regarding the potential application of the PFIC rules.

Box 18

If the Plan of Arrangement qualifies as a reorganization under Section 368(a) of the Code, then each Terraco shareholder who received Sailfish Shares for all of his or her shares should not recognize any loss. If the Plan of Arrangement does not qualify as a reorganization under Section 368(a) of the Code, then a loss could result as noted above.

Box 19

The share exchange above occurred on August 19, 2019. In general, a gain (if any) or loss recognized should be reported by shareholders for the taxable year which includes August 19, 2019 (e.g. a calendar year shareholder would report the transaction on his or her U.S. federal income tax return filed for the 2019 calendar year).