



TERRACO
GOLD  **CORP**

Precious Metals Summit: September 2016

TSX.V: TEN | US: TCEGF

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The technical information in this corporate presentation has been reviewed and approved by Charles Sulfrian, CPG., Vice President, Exploration, of Terraco and a 'qualified person', as defined by National Instrument 43-101, Standards of Disclosure for Mineral Projects.

Highlights

❖ Nevada – Gold Royalties:

- **Gold Royalties** on Waterton's 100% owned Spring Valley and Moonlight Gold Projects

❖ Idaho – Gold Development Assets:

- Advanced-stage **Nutmeg Mountain Gold** Project with NI43-101 resource

❖ Terraco Gold has two proven mine finders:

- Charles Sulfrian – VP Exploration / former Barrick Gold geologist
- Dr. Ken Snyder – Consulting geologist, discovered the Ken Snyder “Midas” Mine for Franco Nevada also former Newmont geologist

Corporate Profile

MANAGEMENT

Todd Hilditch – President, CEO and Director (BSc)

- Former President & CEO of Salares Lithium Inc.

Charles Sulfrian – Vice-President, Exploration (P.Geo.)

- 22 years of geological experience in exploration and development with Barrick Gold Corp.

Bryan McKenzie – CFO (CPA, CA)

- 10 years experience in finance, accounting, auditing and public markets and former CFO of Salares Lithium Inc.

BOARD OF DIRECTORS

William Lamb – Director (MBA)

- President & CEO of Lucara Diamond Corp. and former Director of Salares Lithium Inc.

Richard Delong – Director (P. Geo.)

- President, Enviroscentists Inc. and former President of the Northwest Mining Association

Alfred Fischer – Director (P. Geo.)

- CEO of Optimal Resources Inc. and CFO of the Calgary Saddledome Foundation

Zahir Dhanani – Director

- Former Chairman of Western Standard Metals Ltd.

ADVISORS

Ken Snyder – Advisor (PhD Geology, P.Geo)

- Discovered Newmont's lowest cost producing mine, the Ken Snyder "Midas" Mine

Matt Johnston – Corporate Development Advisor (BBA)

- Former corporate advisor of Salares Lithium Inc. and Talison Lithium Ltd.

Low Geopolitical Project Risk Jurisdictions

Mining friendly jurisdictions – Nevada & Idaho

- ❖ United States is ranked as one of the top geopolitical mining jurisdictions in the world
- ❖ Fraser Institute ranks Nevada 3rd in the World & Idaho in the top 10 in the United States
- ❖ Supportive local communities
- ❖ Established mining states

Project locations with extensive mining history

- ❖ Historic mining areas, not pristine wilderness
- ❖ Excellent road access
- ❖ Local infrastructure

Streamlined permitting

- ❖ Strong history in Nevada of permitting success
- ❖ Interagency Joint Review Process (Idaho)



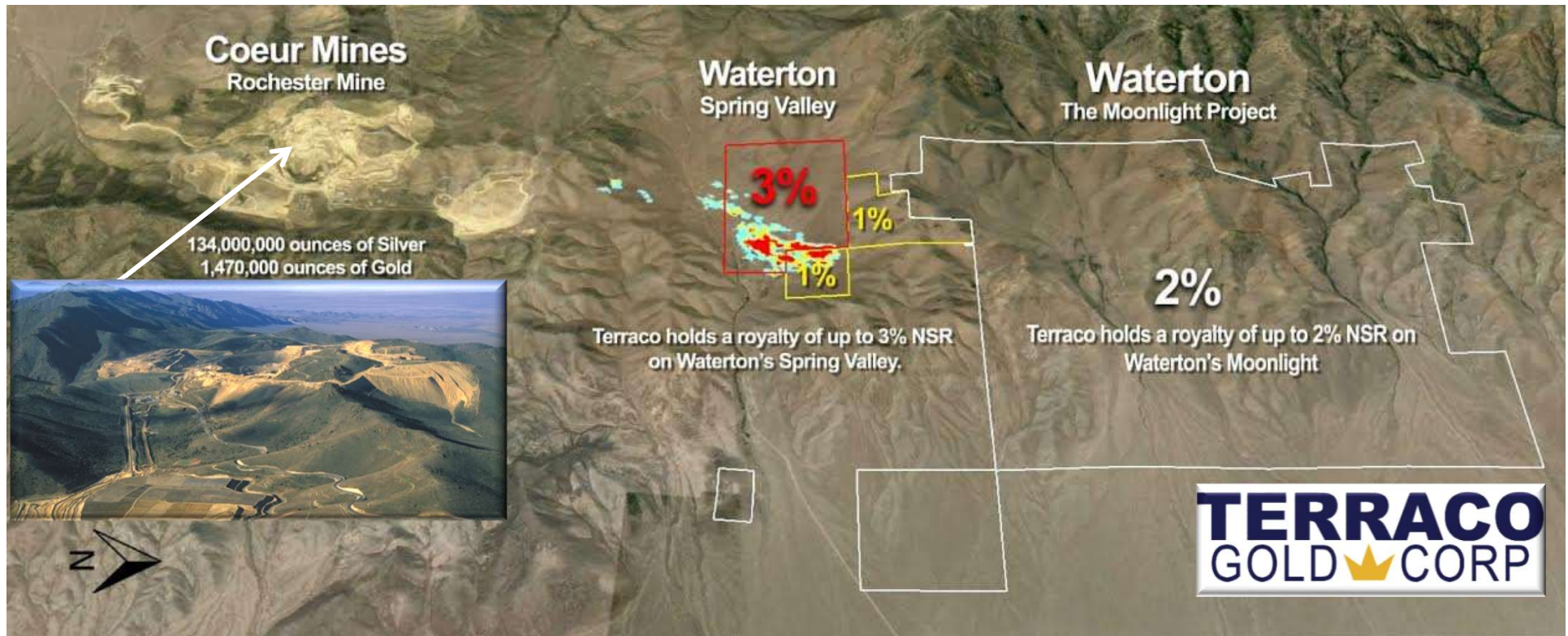
Humboldt Range - Precious Metals Trend

Historic and Current Gold / Silver Production in Pershing County, Nevada



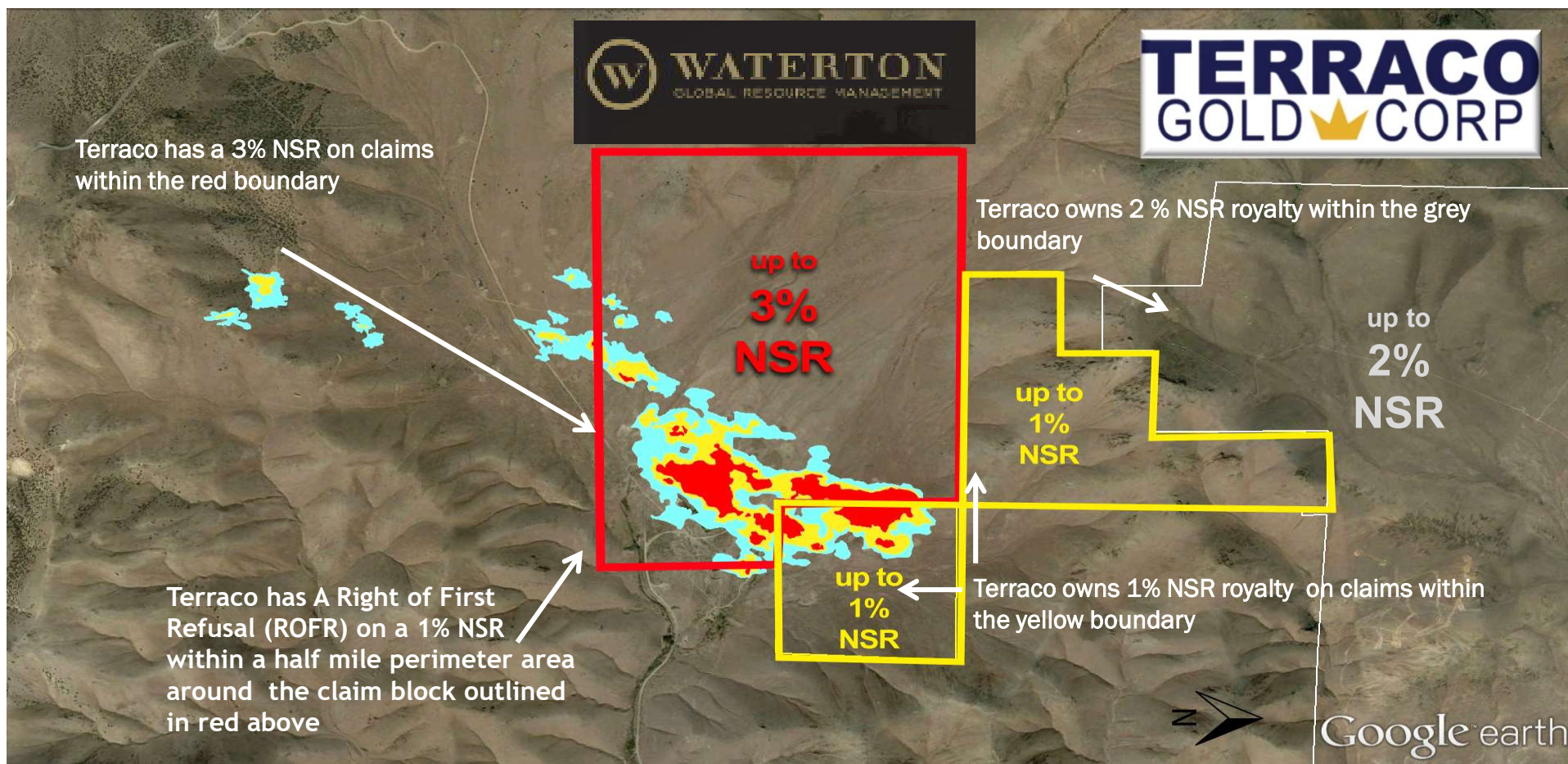
- ❖ The Southern Humboldt Range is roughly 200 km (125 miles) from Reno Nevada and 45 km (28 miles) northeast of Lovelock, Nevada
- ❖ Excellent highway and road access to the projects.

Humboldt Range - New Discovery / Mine



1. Coeur d'Alene's Rochester Mine - current gold/silver production
2. Waterton Global's Spring Valley - potential new mine
3. Terraco holds gold royalties on Waterton's Spring Valley and Moonlight Gold Projects

Terraco's Royalty Assets on Spring Valley



- ❖ The cost base on Terraco's Spring Valley Royalties is ~\$283 per ounce
- ❖ Spring Valley hosts an evolving 2014 National Instrument 43-101 compliant gold resource of 4,370,000 million ounces of gold measured + indicated* and 1,070,000 ounces Inferred*
- ❖ Spring Valley is in pre-feasibility stage
- ❖ Waterton purchased 100% of Spring Valley for ~US\$83 million (December 2015)
- ❖ Waterton purchased 100% of Terraco's Moonlight for ~US\$7million (June 2016)

The Royalty Advantage



No costs to Terraco through the entire gold discovery to gold production lifeline

$$= \text{Gold Bars} \times \text{NSR\%} = \text{Money Bags}$$

The equation illustrates the royalty advantage. It starts with an equals sign, followed by an image of gold bars, then a multiplication sign, followed by "NSR%" in large blue letters, then another equals sign, and finally an image of money bags. Above the money bags is the logo for TERRACO GOLD CORP, which includes a crown icon.

Benefits to Terraco

- ❖ \$0 - Cost for Terraco to hold NSR royalty
- ❖ \$0 - Cost to Terraco to grow the gold resource
- ❖ \$0 - Cost for Terraco when the mine is in production

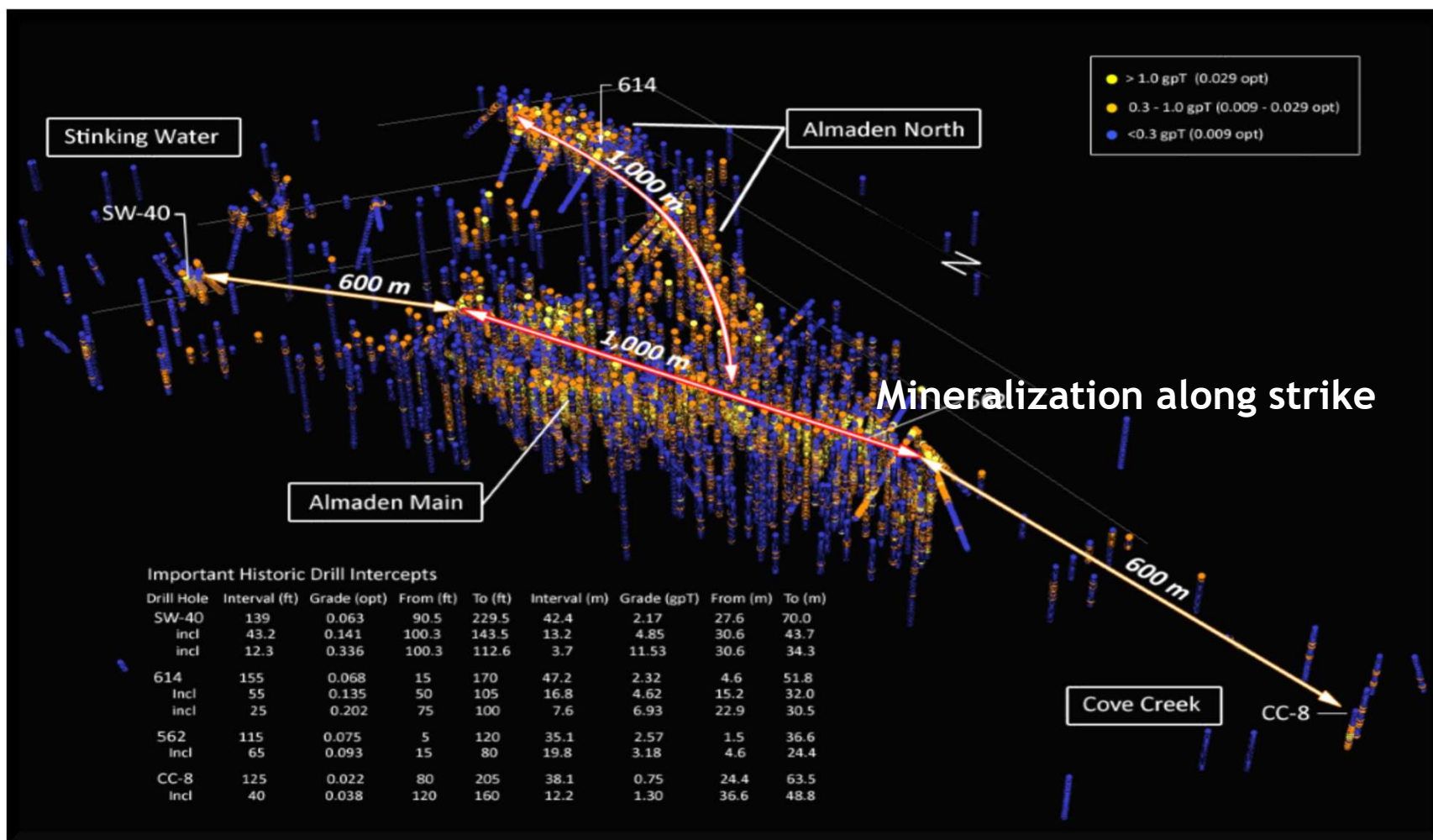
- ❖ **Terraco will receive cash flows from gold production**
- ❖ Spring Valley is operated by Waterton (US\$2.5 Billion Private Equity)
- ❖ Both projects are located in a mining friendly jurisdiction (Nevada)
- ❖ NSR royalty can significantly increase the valuation of the Company as Spring Valley is led to production

Advanced-stage Gold Project

Nutmeg Mountain Gold Project - Washington County, Idaho



Nutmeg Mountain Exploration

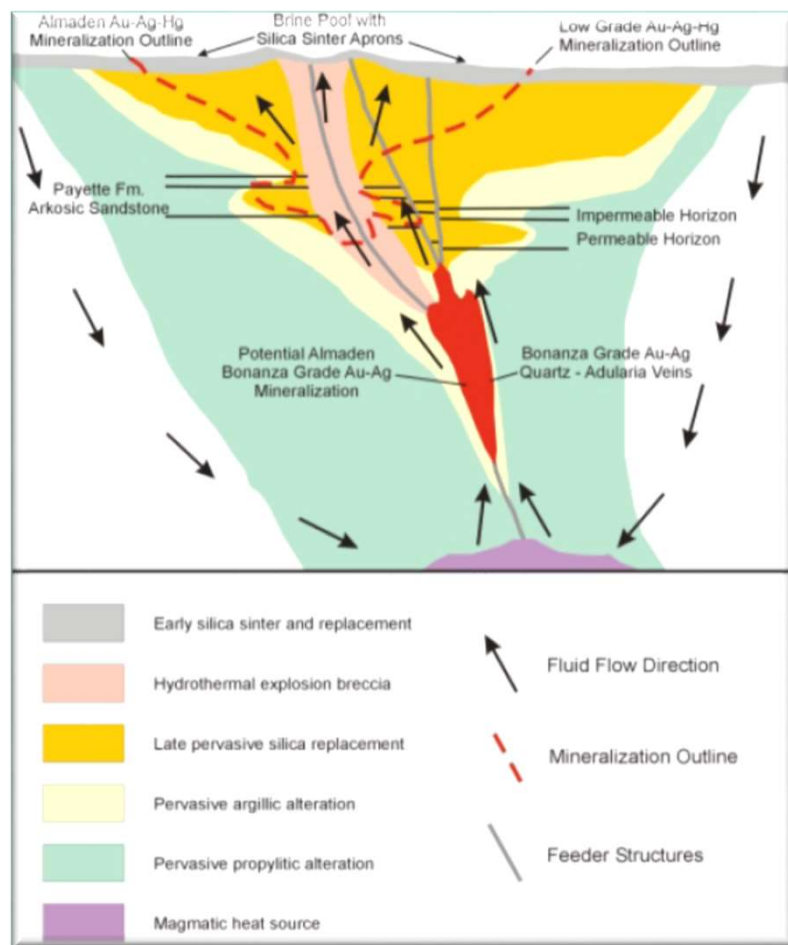


- ❖ Majority of historic drilling tested to depths of only 100 m
- ❖ Approximately 85 – 90% of Measured + Indicated Resource sits on Patented Land

Nutmeg Mountain Gold Project

Potential at Depth

- ❖ The Nutmeg Mountain Gold Project is a **low sulfidation, epithermal hot spring type system**
- ❖ Continued exploration for high grade mineralization at depth could result in the discovery of a “bonanza-grade” feeder zone(s) similar to that of the Ken Snyder “Midas” Mine, Fire Creek and Hollister in Nevada



Path to Production

Nutmeg Mountain Gold Project

- ❖ Exploration costs complete, gold deposit at surface
- ❖ Low strip ratio expected, power to property
- ❖ Fast tracking to environmental assessment
- ❖ Advancing to Preliminary Economic Assessment (2016)



Capital Structure

| | |
|--------------------|-------------|
| Shares Outstanding | 146,055,795 |
| Options | 14,301,000 |
| Warrants | 5,420,698 |
| Fully Diluted | 165,777,493 |



Stock Options & Warrants

| Stock Option Expiry date | Price per share | Number |
|--------------------------|-----------------|------------|
| | | |
| October 18, 2016 | \$0.26 | 1,975,000 |
| October 31, 2018 | \$0.11 | 2,925,000 |
| June 9, 2019 | \$0.16 | 5,051,000 |
| November 26, 2020 | \$0.12 | 4,050,000 |
| | | 14,001,000 |

| Warrant Expiry date | Exercise price per share | Number |
|---------------------|--------------------------|-----------|
| | | |
| December 22, 2016 | \$0.35 | 1,000,000 |
| July 31, 2017 | \$0.10 | 5,420,698 |
| | | 6,420,698 |

Appendix

Spring Valley - Resource Growth 2011-2014

| 2014 Gold Resource | Tonnage | Grade (g/t Au) | Contained Ounces |
|--------------------|-------------|----------------|------------------|
| Measured | 83,000,000 | 0.60 | 1,590,000 |
| Indicated | 162,500,000 | 0.53 | 2,780,000 |
| Total M&I | 245,500,000 | 0.55 | 4,370,000 |
| Inferred | 71,000,000 | 0.47 | 1,070,000 |

| 2011 Gold Resource | Tonnage | Grade (g/t Au) | Contained Ounces (Moz) |
|--------------------|-------------|----------------|------------------------|
| Measured | 59,032,000 | 0.49 | 931,000 |
| Indicated | 85,793,000 | 0.45 | 1,229,000 |
| Total M&I | 144,825,000 | 0.46 | 2,160,000 |
| Inferred | 103,935,000 | 0.59 | 1,971,000 |

* As reported by Midway Gold Corp. in its May 2011 Technical Report on Spring Valley, filed on Sedar and as reported August 12, 2014 in a press release with the 2014 resource report to be filed on Sedar within 45 days of the announcement. Resource estimate at 0.14 g/t Au cut-off. Drilling has been conducted at Spring Valley since 1996.

Terraco Gold's Spring Valley Royalty Details

❖ 2-7% sliding scale NSR royalty based on the price of gold:

- $< \$300/\text{oz Au} = 2\%$
- $300 \leq x < \$400/\text{oz Au} = 3\%$
- $400 \leq x < \$500/\text{oz Au} = 4\%$
- $500 \leq x < \$600/\text{oz Au} = 5\%$
- $600 \leq x < \$700/\text{oz Au} = 6\%$
- $\geq \$700/\text{oz Au} = 7\%$
- Royalty vendor retained an NSR royalty on commercial production from Spring Valley of over 500,000 ounces



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