



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, Enviroscientists 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)



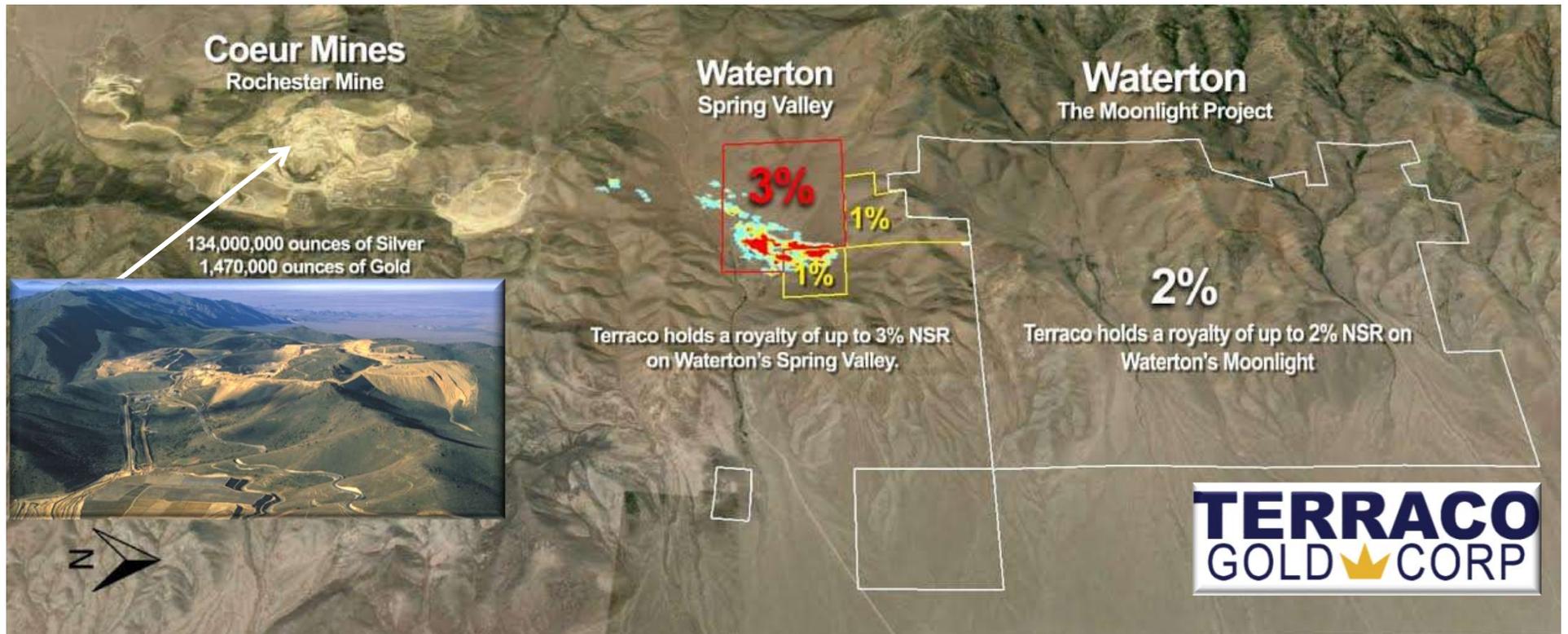
Humboldt Range - Precious Metals Trend

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



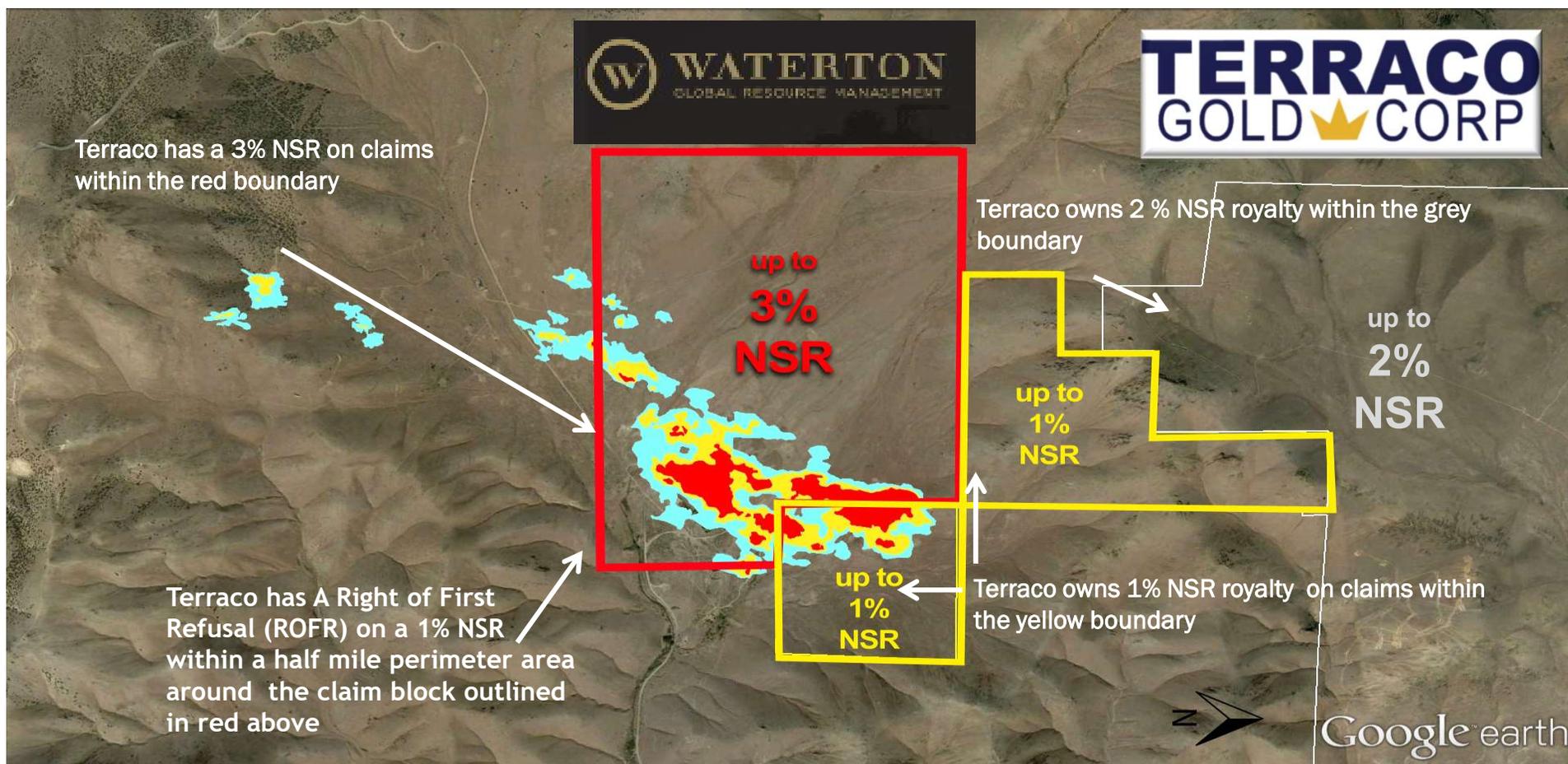
- ❖ The Southern Humboldt Range is roughly 200 km (125 miles) from Reno Nevada and 45 km (28 miles) northeast of Lovelock, Nevada
- ❖ Excellent highway and road access to the projects.

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 shows the relationship between gold production and revenue. On the left, an equals sign is followed by an image of gold bars. This is multiplied by "NSR%" (Net Smelter Royalty percentage). The result is an equals sign followed by an image of money bags.

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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

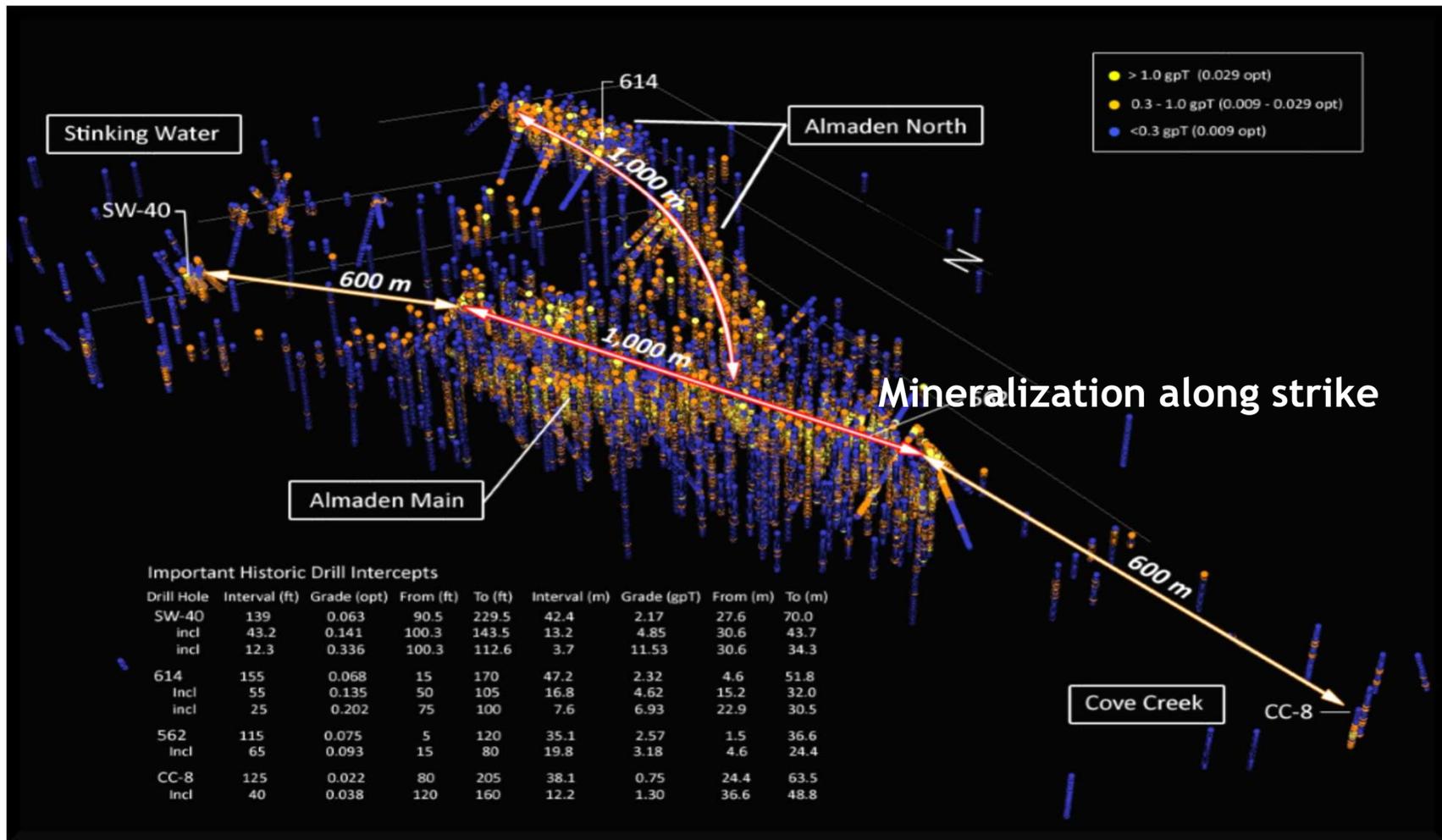
Nutmeg Mountain Gold Project - Washington County, Idaho



- ❖ Global NI 43-101 gold resource of 864,000 ounces Measured + Indicated and 84,000 ounces inferred (within 90 m of surface)
- ❖ 66,140 m of historic mostly shallow drilling in 935 drill holes
- ❖ Potential for high-grade mineralization at depth
- ❖ Excellent access and infrastructure
- ❖ Located 12 miles from Weiser, Idaho

NI 43-101 measured resource of 239,000 ounces of gold (10,810,000 tons grading 0.022 ounces per ton ("opt"), an indicated resource of 625,000 ounces of gold (32,240,000 tons grading 0.019 opt) and an inferred resource of 84,000 ounces of gold (5,270,000 tons grading 0.016 opt), at cut-off grades of 0.008 opt, 0.012 opt and 0.023 opt, respectively, for oxide, mixed and sulfide mineralization (December 2009 NI 43-101 technical report).

Nutmeg Mountain Exploration

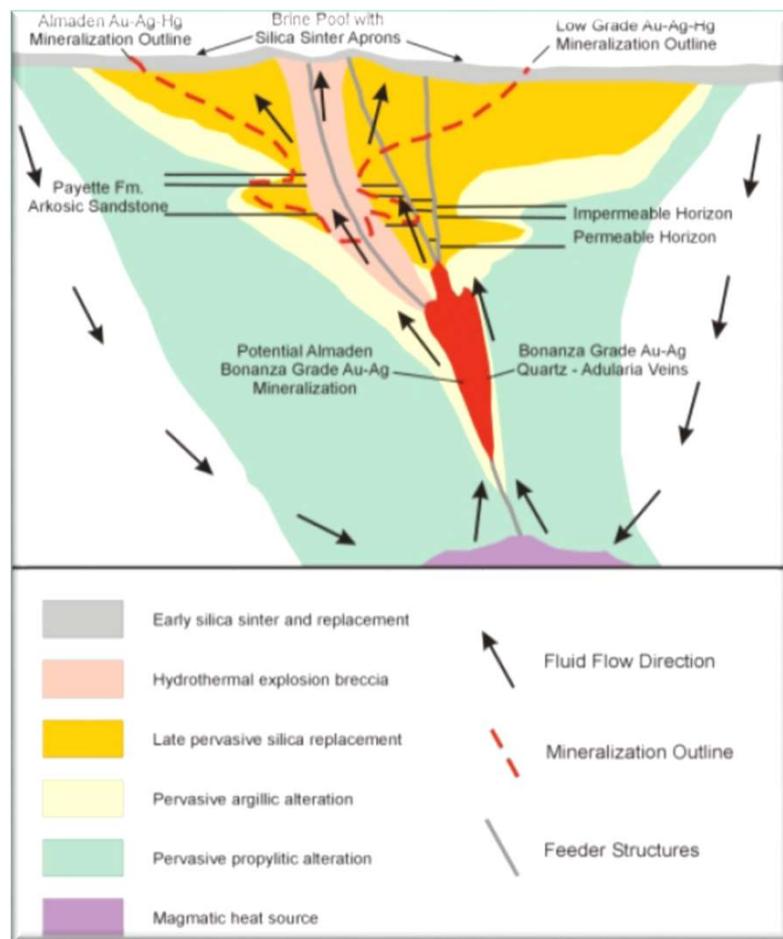


- ❖ Majority of historic drilling tested to depths of only 100 m
- ❖ Approximately 85 – 90% of Measured + Indicated Resource sits on Patented Land

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



TEN.V Terraco Gold Corp. TSXV © StockCharts.com

Materials / Precious Metals 9-Sep-2016 2:12 pm
 Open: **0.175** Chg: **+0.00%**
 High: **0.175** Last: **0.170**
 Low: **0.170** Prev Close: **0.170** Volume: **106,300**



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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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