

**EXECUTIVE SUMMARY | TERRA 2017 Short-Term Flow-Through Limited Partnership**

**A Tax-Advantaged Investment Redeemable in 2018**

**Why Terra**

Investors seeking an investment fund that substantially reduces taxes and matures in 2018 should consider the Terra 2017 Short-Term Flow-Through LP ("Terra LP"). The fund also aims to generate attractive returns by investing primarily in public energy and mining firms that will benefit from even a modest recovery. Targeted sectors include light oil, natural gas, gold, silver, zinc and uranium.

**About Terra**

Since 2005, Terra has provided investors substantial tax savings through tax-advantaged investment funds offering low fees, expert management, early liquidity and potential for attractive investment returns. Since inception Terra LPs have:

- provided investors over \$240 million in tax benefits
- invested in over 470 energy and mining companies
- matured, on average, in less than 10 months
- delivered attractive after-tax returns (see page 2)

**Portfolio Management Team**



**Greg Bay, CFA** is Senior Portfolio Manager and has over 29 years experience investing in producers, explorers and service companies and access to extensive deal flow. Mr. Bay is a director of Mullen Group (TSX:MTL).



**Jeff Bay, CFA** is Portfolio Manager and previously worked with the Energy Investment Banking Group at GMP Securities advising on transactions and financings for intermediate and junior oil & gas companies. Mr. Bay holds a B.Comm from the Peter B. Gustavson School of Business at the University of Victoria.

**Tax Savings**

The table below shows the expected tax savings for a \$1,000 investment for 3 scenarios. For additional tax savings, the initial investment can be redeemed and reinvested, donated or transferred to an RRSP on maturity in 2018.

|                                     |                      | Terra<br>(Invest & hold) | Terra +<br>Reinvest/ RRSP transfer /Donate | Terra +<br>Reinvest/ RRSP transfer /Donate<br>(with capital losses) |
|-------------------------------------|----------------------|--------------------------|--|---|
| Investment                          | A                    | \$1,000                  | \$1,000                                    | \$1,000   |
| Tax Rate                            | B                    | 54%                      | 54%  | 54%   |
| Terra LP - Tax savings              | C = A x B            | \$540                    | \$540                                      | \$540   |
| Terra LP - ITC tax savings          | D                    | \$22                     | \$22                                       | \$22  |
| Additional tax savings <sup>1</sup> | E                    | -                        | \$405                                      | \$405   |
| Capital gains tax <sup>1,2</sup>    | F                    | -                        | (\$203)                                    | \$0   |
| <b>Total tax savings</b>            | <b>C + D + E + F</b> | <b>\$562</b>             | <b>\$764</b>                               | <b>\$967</b>  |

1. Assumes a \$1,000 investment has a fair market value of \$750 on reinvestment, donation or transfer to an RRSP. 2. A reinvestment in another Terra LP funded through a redemption, a donation or an RRSP transfer are subject to capital gains tax, which can be eliminated if capital losses are utilized. Actual tax savings will vary by province and income level.



| Minimum Purchase | Early Maturity | Sector Focus    | Investor Eligibility                                    | Investor Closings                                     | FundSERV Codes             |
|------------------|----------------|-----------------|---|---|----------------------------|
| \$1,000          | June 2018      | Energy & Mining | Accredited - All Provinces<br>Eligible - BC,AB,SK,MB,NS | Sep 29, Oct 31<br>& Nov 15<br>subject to availability | FE: TER 317<br>NL: TER 417 |

This document is a summary only and must be read in conjunction with the Offering Memorandum. This document does not provide disclosure of all information required for an investor to make an informed investment decision. Investors should read the offering memorandum, especially the risk factors relating to the securities offered, before making an investment decision. By acceptance hereof, the reader agrees that they will not transmit, reproduce or make available this summary or any information contained herein to the public or press. Securities legislation in all provinces and territories prohibit such distribution. The information contained herein, while obtained from sources that are believed to be reliable, is not guaranteed as to accuracy or completeness. This summary is for information purposes only and does not constitute an offer to sell nor a solicitation to buy the securities referred to herein. Investors must receive a confidential Offering Memorandum prior to subscribing for Units. Last update: September 14, 2017.

## TERRA PAST PERFORMANCE & MATURITY

### Past Performance - most recent and since inception

Terra flow-through limited partnerships also provide attractive returns. Current and average returns since inception are shown below.

| Terra LPs                       | Status      | Maturity  | NAV     | After-Tax Returns by Province |     |     |     |     |     |
|---------------------------------|-------------|-----------|---------|-------------------------------|-----|-----|-----|-----|-----|
|                                 |             |           |         | BC                            | AB  | SK  | MB  | ON  | QC  |
| Terra 2016 Short-Term FTLP      | Rolled over | May 2017  | \$705   | 11%                           | 12% | 12% | 16% | 23% | 23% |
| Terra 2015 Short-Term FTLP      | Rolled over | June 2016 | \$1,048 | 48%                           | 35% | 44% | 47% | 52% | 54% |
| Average since inception in 2005 |             |           | \$730   | 23%                           | 13% | 20% | 25% | 27% | 39% |

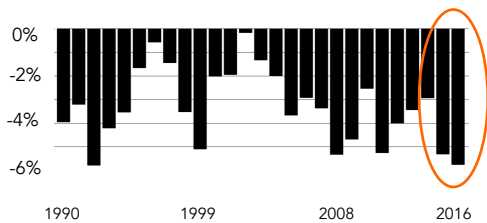
Net asset value and after-tax returns for a \$1,000 investment on rollover. After-tax returns are estimates and assume the highest marginal tax rate and are net of fees. Past performance does not guarantee future results. Returns are expressed as the after-tax gain or loss on the investor's projected after-tax cost or "money at risk." These returns are also referred to as "cash-on-cash" returns.

## REASONS WHY ENERGY & MINING SHARES ARE HEADING HIGHER

### Energy: Oil Producer Cutbacks

Low oil prices are forcing producers to cut spending on older mature fields causing output to decline at the fastest pace in 24 years. The fast-declining supply will likely cause a shortfall.

Output from mature fields declines

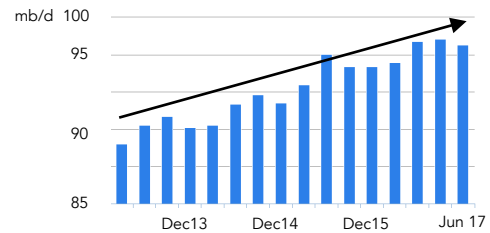


Source: Rystad Energy, Bloomberg, July 2017

### Energy: Demand growth continues

Global oil demand grew very strongly year-on-year in 2Q17, by 2.3 mb/d (2.4%). For 2017, the IEA has revised upwards its growth estimate to 1.6 mb/d.

World Oil Demand



## FINANCIAL ASPECTS FOR INVESTORS BY PROVINCE

### 1. TAX DEDUCTIONS - per \$1,000 investment

In the table below, a \$1,000 investment is projected to provide the following tax deductions. An additional federal 15% investment tax credit will also apply on qualified investments. Provincial tax credits have been ignored but may also apply.

|                             | A & F Class    |
|-----------------------------|----------------|
| Resource deductions         | \$1,053        |
| Other deductions            | \$117          |
| <b>Total tax deductions</b> | <b>\$1,170</b> |
| Federal tax credit          | \$22 ~ \$25    |

### 2. BREAKEVEN BY PROVINCE - per \$1,000 investment

The break-even represents the expected amount an investor must receive such that the investor would not lose money. The combination of tax savings, tax credits and future investment value provides investors their overall return or profit.

|                                       |                        | Break-even by Province |              |              |              |              |              |
|---------------------------------------|------------------------|------------------------|--------------|--------------|--------------|--------------|--------------|
|                                       |                        | BC                     | AB / SK      | MB           | ON           | QC           | NS           |
| Marginal tax rate                     |                        | 47.7%                  | 48%          | 50.4%        | 53.53%       | 53.31%       | 54%          |
| <b>Breakeven value</b>                | A                      | <b>\$600</b>           | <b>\$598</b> | <b>\$574</b> | <b>\$543</b> | <b>\$544</b> | <b>\$538</b> |
| Original cost                         | B                      | (\$1,000)              | (\$1,000)    | (\$1,000)    | (\$1,000)    | (\$1,000)    | (\$1,000)    |
| Return on Investment                  | C = A - B              | (\$400)                | (\$402)      | (\$426)      | (\$457)      | (\$456)      | (\$462)      |
| Tax Savings - Terra LP <sup>1,2</sup> | D                      | \$518                  | \$521        | \$547        | \$581        | \$578        | \$586        |
| Tax Credits - Terra LP <sup>3</sup>   | E                      | \$25                   | \$25         | \$23         | \$22         | \$22         | \$22         |
| Capital gains tax <sup>4</sup>        | F = A x 50% x tax rate | (\$143)                | (\$144)      | (\$145)      | (\$145)      | (\$145)      | (\$145)      |
| <b>Return / Profit</b>                | C + D + E + F          | <b>\$0</b>             | <b>\$0</b>   | <b>\$0</b>   | <b>\$0</b>   | <b>\$0</b>   | <b>\$0</b>   |

#### Notes:

Investors should refer to the Offering Memorandum for a more detailed description of the assumptions and notes. This offering is available only to qualified investors in all provinces and territories of Canada. The figures are for illustrative purposes only and are not intended as a forecast of future events. Calculations assume AMT does not apply. Tax rates are subject to change. Actual tax deductions may be less.

- Canadian qualified resource expenditures may be claimed as a deduction by an investor. Total tax deductions are estimated at \$1,170 per \$1,000 investment if certain investment targets are achieved.
- The calculations assume the highest marginal income tax rate for each province. Actual results may vary from the estimates above, depending on an investor's province of residence and actual marginal tax rate.
- Assumes a federal 15% investment tax credit applies on 35% of qualified investments. Provincial tax credits have been ignored but may also occur.
- Capital gains tax is equal to 50% inclusion of the investment value / breakeven value times the marginal tax rate for each province. Capital gains tax may be eliminated if capital losses are utilized.
- It is assumed that for Québec provincial tax purposes only, a Limited Partner who is an individual (including a personal trust) resident, or subject to tax, in Québec has investment income that exceeds his or her investment expenses for a given year.

## OFFERING SUMMARY

|                                |  |
|--------------------------------|--|
| <b>ISSUER</b>                  | <b>Terra 2017 Short-Term Flow-Through Limited Partnership</b>  |
| <b>FUNDSERV CODES</b>          | FE: <b>TER 317</b> (A Class), NL: <b>TER 417</b> (F Class)   |
| <b>FORM OF ISSUE</b>           | Tax-advantaged limited partnership units.  |
| <b>ISSUE SIZE</b>              | Maximum \$35,000,000 (350,000 Units); Minimum \$150,000 (1,500 Units).   |
| <b>MINIMUM PURCHASE</b>        | A Class & F Class: \$1,000 (10 Units);   |
| <b>INCREMENTAL PURCHASE</b>    | Multiples of \$1,000 (10 - A Class Units, 10 - F Class Units)  |
| <b>WHO CAN PURCHASE</b>        | Accredited Investors ( All provinces) & Eligible Investors ( BC, AB, SK, MB, NS )  |
| <b>GENERAL PARTNER</b>         | Terra Flow-Through GP Management Ltd.  |
| <b>PORTFOLIO MANAGERS</b>      | <p>Cypress Capital Management Ltd. (Cypress) will source and direct investments for the Partnership. Founded in 1998 in Vancouver, Cypress is a boutique money manager made up of an eight-member team of investment professionals managing over \$3 billion in assets for institutional and private clients.</p> <p>Greg Bay, CFA is Senior Portfolio Manager for the Partnership. Mr. Bay, a co-founder and Managing Partner of Cypress, has over 29 years experience investing in the resource sector and brings established relationships in the industry, which will assist Terra in sourcing quality investments. He and his team have a particularly strong capability in the small and medium capitalization areas where the majority of flow-through offerings occur. Mr. Bay is a director of Mullen Group (TSX:MTL).</p> <p>Jeff Bay, CFA is Portfolio Manager for the Partnership and previously worked with the Energy Investment Banking Group at GMP Securities advising on transactions and financings for intermediate and junior oil &amp; gas companies. Mr. Bay holds a B.Comm from the Peter B. Gustavson School of Business at the University of Victoria.</p> |
| <b>LEGAL &amp; TAX COUNSEL</b> | Stikeman Elliott LLP   |
| <b>AUDITORS</b>                | Ernst & Young LLP, Chartered Professional Accountants  |
| <b>MUTUAL FUND ROLLOVER</b>    | Between March 31, 2018 and November 30, 2018, the LP intends to complete the Mutual Fund Rollover Transaction pursuant to which Limited Partners will receive redeemable Terra Mutual Fund Shares.   |
| <b>FEES &amp; EXPENSES</b>     | The Agents' Fee is 5.75% for Class A Units and will be paid by the Partnership. No Agents' Fee will be paid for the sale of Class F Units. The General Partner has agreed that the offering expenses to be paid by the Partnership shall not exceed 2.0% of the gross proceeds or \$450,000 in the case of the maximum offering, plus any applicable taxes, and the General Partner will pay any excess amount. The Partnership will pay all of its administrative and operating expenses which cannot exceed \$300,000 over the life of the Partnership.  |
| <b>MANAGEMENT FEE</b>          | The Investment Fund Manager will be entitled during the period commencing on the Initial Closing and ending on the earlier of (i) the effective date of the Liquidity Event; and (ii) the date of dissolution of the Partnership, to an annual management fee equal to 2%, plus any applicable taxes.  |
| <b>PERFORMANCE BONUS</b>       | Performance bonus is 15% of any gains over the starting \$100 per Unit value. In other words, 100% of the profits from the Partnership go to the investor until the original investment is fully recouped. Thereafter, the investor keeps 85% of all profits. The bonus is payable once only and is calculated on the rollover date of the Partnership.  |
| <b>ELIGIBILITY</b>             | LP Units are not qualified investments under the Tax Act for RRSPs, RRIFs, DPSPs, RESPs or TFSAs. However, once the LP has rolled over to the Mutual Fund, the Mutual Fund Shares issued to an investor become qualified for RRSPs and TFSAs and may also be donated to charity.   |
| <b>CLOSINGS</b>                | <b>Monthly</b> , subject to availability.  |