

EXECUTIVE SUMMARY | TERRA 2018 Short-Term Flow-Through Limited Partnership A Tax-Advantaged Investment Redeemable in 2019

WHY TERRA

Investors seeking an investment fund that substantially reduces taxes and matures in 2019 should consider the Terra 2018 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 \$250 million in tax benefits
- invested in over 490 energy and mining companies
- matured, on average, in less than 10 months
- delivered attractive after-tax returns

PORTFOLIO MANAGEMENT TEAM



Greg Bay, CFA is Senior Portfolio Manager and has over 29 years experience investing in producers, explorers and service companies and has 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.

PEER GROUP COMPARISON per \$25 investment

Over the most recent 5 year period Terra has outperformed its peer group by 20% on average. In 4 of the last 5 years Terra has generated total returns in excess of its peer group.

Year	---- NAV per \$25 invested ----		Terra Advantage	
	Terra	Peer Group		
2017	\$17.65	\$13.16	\$4.49	34%
2016	\$18.60	\$20.71	-\$2.11	-10%
2015	\$27.43	\$19.99	\$7.44	37%
2014	\$9.43	\$9.09	\$0.34	4%
2013	\$21.66	\$16.16	\$5.50	34%
5 Yr Avg.	\$18.95	\$15.82	\$3.13	20%

Peer Group includes: Brompton, Canoe, CMP, Front Street, Middlefield, NCE, Ninepoint, Sprott. Latest or rolled NAV as at October 4, 2018. Terra 2017 FTLP rolled June 22, 2018. Source: Company websites & regulatory filings. Hypothetical. For illustrative purposes only. Past performance does not guarantee future results.

SPEED READ

Minimum Purchase
\$1,000

Early Maturity
June 2019

Sector Focus
Primary: Energy
Secondary: Mining

Investor Eligibility
Accredited - ALL PROVINCES
Eligible - BC,AB,SK,MB,NS

Investor Closings
Monthly
subject to availability

FundSERV Codes
FE: TER 318
NL: TER 418

Service Providers

Tax & Legal Counsel
Stikeman Elliott LLP

Auditor
Ernst & Young LLP

Custodian
NBIN Inc., National Bank Financial

Administrator
SGGG Fund Services

TAX SAVINGS

The table below shows the expected tax savings (assuming a 50% marginal tax rate) for a \$1,000 investment and additional tax savings if the initial investment is reinvested, transferred to an RRSP or donated. See page 2 for Breakeven values by province.

		INVEST & REDEEM	INVEST & REINVEST OR INVEST & TRANSFER TO RRSP	INVEST & DONATE
Investment - Terra LP	A	\$1,000	\$1,000	\$1,000
Tax Deductions	B	\$1,170	\$1,170	\$1,170
Tax Rate	C	50%	50%	50%
Terra LP - Tax savings	D = B x C	(\$585)	(\$585)	(\$585)
Additional tax savings ^{1,2}	E = \$750 x 50%	-	(\$375)	(\$375)
Capital gains tax ³	F	\$43	\$230	\$230
Total tax savings	G = D + E + F	(\$542)	(\$730)	(\$730)
Cash outlay / Money at-Risk	H = A + G	\$458	\$270	\$270
Breakeven NAV per \$1,000 ⁴		\$610	\$360	-
Breakeven NAV per \$25 ⁴		\$15.25	\$9.00	
Donation cost per \$1,000 ⁵				\$270
Donation cost per \$25 ⁵				\$6.75

1. Additional tax savings are available on reinvestment, transfer to an RRSP or donation and assume a fair market value of \$750. 2. Donation tax credit rate is 50%. 3. A reinvestment, transfer to an RRSP or donation is subject to capital gains tax, which can be eliminated if capital losses are available & utilized. 4. The breakeven NAV represents the amount an investor must receive to recover their cash outlay. 5. A \$1,000 investment is expected to provide a \$750 donation for a cash outlay of \$270. Tax savings will vary by province and income level.

BREAKEVEN & DONATION COST BY PROVINCE per \$25 investment

The Break-even Nav represents the amount an investor must receive to recover their cash outlay. Investors can further reduce their break-even through reinvestment or RRSP transfer on maturity. Alternatively, the proceeds received on maturity may be donated at low cost.

ACTION	MARGINAL TAX RATE	50%	BC 49.8%	AB 48%	SK 47.5%	MB 50.4%	ON 53.53%	QC 53.31%	NS 54%
Invest & Redeem	BREAK-EVEN NAV	\$15.25	\$15.31	\$15.75	\$15.87	\$15.15	\$14.31	\$14.37	\$14.18
Invest & Reinvest; or Invest & RRSP transfer	BREAK-EVEN NAV	\$9.00	\$9.10	\$9.85	\$10.08	\$8.83	\$7.45	\$7.55	\$7.25
Invest & Donate	DONATION COST	\$6.75	\$7.23	\$6.35	\$7.58	\$6.60	\$6.05	\$5.88	\$5.30

PAST PERFORMANCE per \$25 investment

The table below shows actual tax savings, market value and profit/return for the most recent 5-year period, assuming a 50% marginal tax rate.

Terra FTLP		2013	2014	2015	2016	2017	Average
Investment - Terra LP	A	(\$25.00)	(\$25.00)	(\$25.00)	(\$25.00)	(\$25.00)	(\$25.00)
Tax Savings	B	\$13.14	\$13.80	\$13.26	\$14.61	\$14.63	\$13.89
Cash outlay / Money at-Risk	C = A+B	(\$11.86)	(\$11.20)	(\$11.74)	(\$10.39)	(\$10.38)	(\$11.11)
Market Value	C	\$21.66	\$9.43	\$27.43	\$18.60	\$17.65	\$18.95
Capital gains tax	D	(\$5.42)	(\$2.36)	(\$6.86)	(\$4.65)	(\$4.41)	(\$4.74)
Profit / Return - \$	E = A thru D	\$4.39	(\$4.13)	\$8.83	\$3.56	\$2.86	\$3.10
Profit / Return - %	F = E / (A+B)	37%	(37%)	75%	34%	28%	28%

Market value is the NAV on maturity / rollover. Returns are after-tax estimates for no-load units, are net of fees and also referred to as "cash-on-cash" returns. Past performance does not guarantee future results. Tax savings & returns will vary by province and income level.



2005

First funds launched;
\$5.3 million raised

2009

Launched
1-yr hold LP

2010

F Class units
introduced

2011

Flow-Through
Giving Foundation
launched

2013

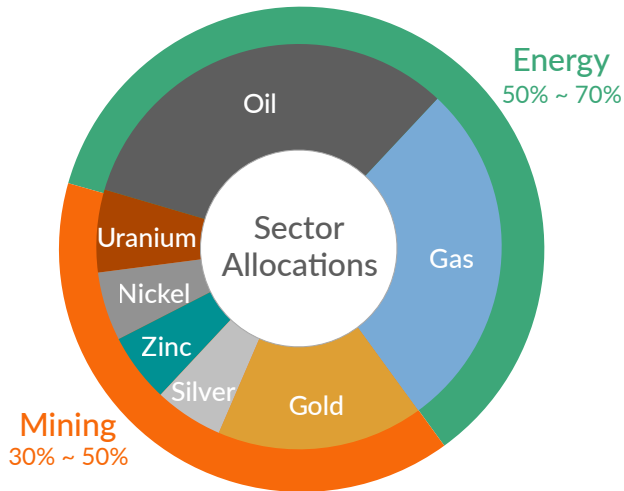
Cypress Capital
appointed portfolio
manager

2018

To date, Terra provided
investors over \$250
million in tax benefits

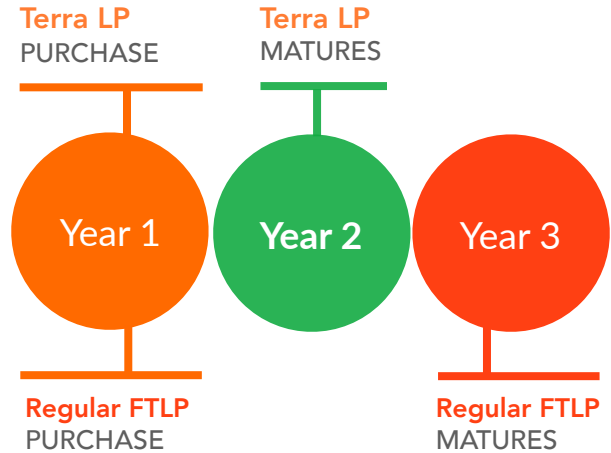
HOW WE BUILD PORTFOLIOS

We actively invest and manage a diversified portfolio of primarily public energy and mining firms that provide attractive tax savings and will benefit from even a modest recovery. Sector weightings are determined by the portfolio manager.



MATURITY & LIQUIDITY OPTIONS

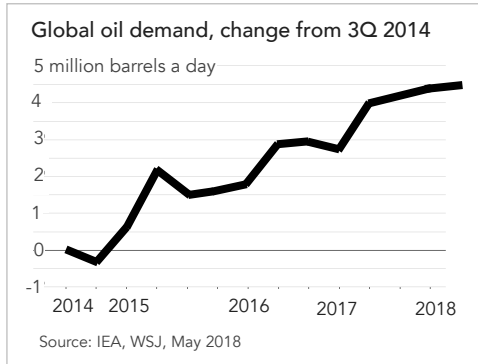
Terra LPs mature in ≤ 1 year compared to most flow-through limited partnerships that have a life span of two years. On maturity, a Terra LP can be redeemed or reinvested, transferred to an RRSP or donated for additional tax savings (see page 2).



WHY ENERGY & MINING SHARES ARE HEADING HIGHER

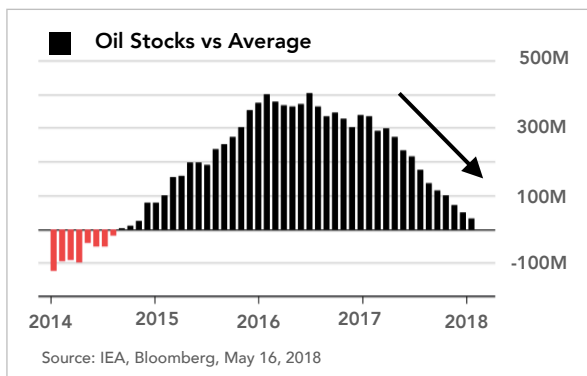
Energy: Global Oil Demand Grows

The IEA has forecasted global oil demand growth in 2018 at 1.4 mb/d. World oil demand is expected to average 99.2 mb/d in 2018.



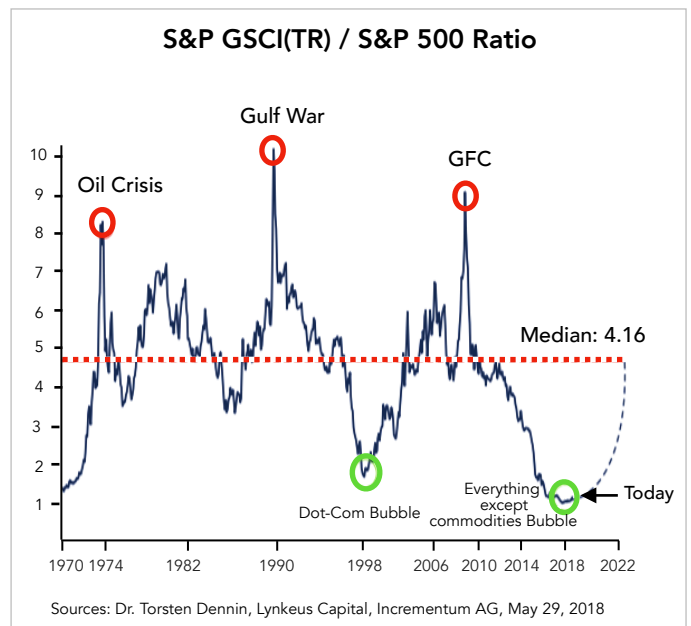
Energy: The Oil Glut is Gone

OPEC and non-OPEC production cuts and slower shale drilling growth is reducing the oil glut, which could fade away in 2018 or early 2019.



Energy & Mining: Commodities are Cheap

Compared to the S&P 500, the S&P Goldman Sachs Total Return Commodity Index or S&P GSCI(TR), is trading at its lowest level in 50 years and well below its long term median of 4.16, making commodities an attractive investment opportunity (see graph below).



FINANCIAL ASPECTS FOR INVESTORS

TAX DEDUCTIONS - per \$1,000 investment

In the table below, a \$1,000 investment is projected to provide the following tax deductions and tax credits. Total tax deductions can be up to \$1,170 per \$1,000 invested, or more, if certain investment targets are achieved. Additional federal investment tax credits will apply on qualified mining investments. Provincial mining tax credits have been ignored but may also apply.

	EXPECTED
Total tax deductions	\$1,170
Tax deductions qualifying for 15% Federal Investment Tax Credit	\$315 ~ \$525

SENSITIVITY ANALYSIS - per \$1,000 investment

The table below shows the impact alternate maturity/rollover values (i.e. **Breakeven, Average & High**) have on Profit/Return. On maturity in 2019, investors can obtain additional tax savings by (1) redeeming their investment and reinvesting in a 2019 LP; (2) transferring their investment to their RRSP; or (3) donating their investment.

STEP 1: INVEST		SCENARIOS		
Tax Deductions	A	\$1,170	\$1,170	\$1,170
Tax Rate	B	50%	50%	50%
Tax Savings	C = A x B	\$585	\$585	\$585
Investment	D	(\$1,000)	(\$1,000)	(\$1,000)
		BREAKEVEN	AVERAGE	HIGH
Market Value on maturity/rollover - \$	E	\$610	\$758	\$1,100
Capital gains tax	F	(\$195)	(\$232)	(\$318)
Profit/Return	G = C thru F	\$0	\$111	\$368
STEP 2: OPTIONAL - ON MATURITY: REINVEST / TRANSFER TO RRSP / DONATE				
Market Value on maturity/rollover - % investment	H = E / D	61%	76%	110%
Additional Tax Savings - Reinvest in 2019 LP	I = C x H	\$357	\$443	\$644
Additional Tax Savings - Transfer to RRSP / Donate	J = B x E	\$305	\$379	\$550

Investors should refer to the Offering Memorandum for a more detailed description. 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 and vary by income level. Actual tax deductions and tax savings may be more or less.

1. The calculations assume a 50% marginal income tax rate. Actual tax rates vary by province and income level.
2. Federal and Provincial investment tax credits have been ignored but may also apply.
3. A redemption, reinvestment, transfer to an RRSP or donation is subject to capital gains tax, which can be eliminated if capital losses are available.
4. Donation tax credit rate is assumed to be 50%.

EVEN MORE BENEFITS

Terra offers significantly more value and flexibility than competing flow-through limited partnerships and labour sponsored investment funds.



Low Minimum
Starting at \$1,000



No Hidden Fees
Know exactly what you pay



You're in Control
Matures in ≤ 1 year



Available since 2005
Now offering our 19th LP

OFFERING SUMMARY

ISSUER	Terra 2018 Short-Term Flow-Through Limited Partnership
FUNDSERV CODES	FE: TER 318 (A Class), NL: TER 418 (F Class)
FORM OF ISSUE	Tax-advantaged limited partnership units.
ISSUE SIZE	Maximum \$35,000,000 (350,000 Units); Minimum \$150,000 (1,500 Units).
MINIMUM PURCHASE	A Class & F Class: \$1,000 (10 Units);
INCREMENTAL PURCHASE	Multiples of \$1,000 (10 - A Class Units, 10 - F Class Units)
WHO CAN PURCHASE	Accredited Investors (All provinces) & Eligible Investors (BC, AB, SK, MB, NS)
GENERAL PARTNER	Terra Flow-Through GP Management Ltd.
LEGAL & TAX COUNSEL	Stikeman Elliott LLP
AUDITORS	Ernst & Young LLP, Chartered Professional Accountants
MUTUAL FUND ROLLOVER	Between March 31, 2019 and November 30, 2019, the LP intends to complete the Mutual Fund Rollover Transaction pursuant to which Limited Partners will receive redeemable Terra Mutual Fund Shares.
FEES & EXPENSES	No Agents' Fee will be paid for the sale of Class F Units. The Agents' Fee is 5.75% for Class A Units and will be paid by the Partnership. 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.
MANAGEMENT FEE	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.
PERFORMANCE BONUS	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.
ELIGIBILITY	LP Units are not qualified investments under the Tax Act for RRSPs, RRIFs, DPSPs, RESPs or TFSA's. However, once the LP has rolled over to the Mutual Fund, the Mutual Fund Shares issued to an investor become qualified for RRSPs and TFSA's and may also be donated to charity.
CLOSINGS	Monthly , subject to availability.



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2018

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investors over \$250
million in tax benefits

ABOUT US

GENERAL PARTNER

Terra Flow-Through GP Management Ltd.

John Jacobi is the President and Chief Executive Officer and a director of Terra Flow-Through GP Management Ltd.. He has been or is also the President, CEO and a director of the Terra 2005 to 2017 and Terra 2018 Flow-Through Limited Partnerships. Mr. Jacobi also serves as a Director of TerraTundra Foundation and is President of Terra Fund Management Ltd. and Linden Mills Investments Inc. Prior to 1993, Mr. Jacobi held a number of senior management positions with high technology start-ups. Mr. Jacobi has a Bachelor of Commerce degree from Queen's University and a Masters of Business Administration from the Ivey School of Business, Western University.

PORTFOLIO MANAGER

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. 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). 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 & gas companies. Mr. Bay holds a B.Comm from the Peter B. Gustavson School of Business at the University of Victoria.

ADVISORY BOARD

Don W. Hunter, FCPA, FCA, ICD.D

Mr. Hunter is a professional director and a retired partner of PricewaterhouseCoopers LLP (PwC). Mr. Hunter is currently Chair of the Advisory Board of Terra Fund Management Ltd, Chairman of the Independent Review Committee at CIBC Asset Management, Chairman of the Board at Knowledge First Financial and member of the appeal hearing panel for the Canadian Public Accountability Board. Mr. Hunter has been on the Accounting and Auditing Advisory panel of the Financial Services Commission of Ontario, has lectured at the University of Toronto and CPA Ontario and has participated on numerous community boards. In 2009, Mr. Hunter was elected the FCPA designation by CPA Ontario that honours members who have given outstanding service to the profession and brought distinction to it. Mr. Hunter has an MBA from York University, a B.E.Sc. (Engineering) from Western University.

TERRATUNDRA FOUNDATION - BOARD OF DIRECTORS

TerraTundra Foundation

A registered foundation that offers a simplified and tax-smart approach to charitable giving using flow-through investments or other qualified assets.

Meg Beckel, Chairperson of the Board

Ms. Beckel is President and CEO of the Canadian Museum of Nature in Ottawa since 2011 and is responsible for overseeing the museum's strategic direction and increasing its public value both nationally and internationally. Throughout her career, Ms. Beckel has held senior positions at the Bank of Nova Scotia, Vancouver Playhouse Theatre, National Ballet of Canada, Vancouver Symphony Society and Foundation, University of Calgary, University of Victoria Foundation, University of Waterloo and the Royal Ontario Museum. She has served as a director on the boards of the National Ballet School of Canada and The Museum in Kitchener, Ontario (formerly Waterloo Region Children's Museum). Ms. Beckel completed her BA in political science at Queen's University in 1981 and earned an MBA from the University of Western Ontario in 1986.

Erin Sargeant Greenwood, Director

Ms. Sargeant Greenwood is Vice President, Advancement at Saint Mary's University since February 2017 and is responsible for leading fundraising and engaging external benefactors and alumni. Ms Sargeant Greenwood was previously with the University of Waterloo, most recently as Interim Vice-President, Advancement. Before joining the University of Waterloo, she led the advancement operations at Branksome Hall and worked with more than 15 not-for-profits across all sectors as Campaign Director and then Associate Vice President at KCI (Ketchum Canada Inc.). Ms. Sargeant Greenwood graduated from Wilfrid Laurier University with an Honours Bachelor of Arts, Business Administration Option in 1996 and is a member of the Canadian Council for the Advancement of Education, the Canadian Association of Gift Planners and the Association of Fundraising Professionals.

Sameer Hajee, Director

Mr. Hajee is the co-founder of Nuru Energy, an international social enterprise that provides low power electricity and lighting solutions to the one billion people in developing countries that are disconnected from the electricity grid and who live below the poverty line. He has received numerous personal awards for his work including the McMaster University Arch Award for Outstanding Young Alumni, Social Entrepreneur of the Year Award by the Schwab Foundation/World Economic Forum and the INSEAD Alumni Force for Good Award. Prior to his work in Base of Pyramid (BOP) markets, Mr. Hajee worked as a microprocessor design engineer in Silicon Valley, California and as a telecom engineer for Afghanistan's first mobile phone network provider, Roshan, in Kabul. He has a bachelors degree in Electrical Engineering from McMaster University in Canada and an MBA from INSEAD, where he is currently an Entrepreneur-in-Residence.

John Jacobi, Director

Mr. Jacobi is the President and Chief Executive Officer and a director of Terra Flow-Through GP Management Ltd. He has been or is also the President, CEO and a director of the Terra 2005 to 2017 and 2018 Terra Flow-Through Limited Partnerships. Mr. Jacobi also serves as President of Terra Fund Management Ltd. and Linden Mills Investments Inc. Prior to 1993, Mr. Jacobi held a number of senior management positions with high technology start-ups. Mr. Jacobi has a Bachelor of Commerce degree from Queen's University and a Masters of Business Administration from the Ivey School of Business, Western University.