

INVESTMENT 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.

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 C	-	(\$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 value ⁴		\$610	\$360	-
Donation cost ⁵				\$270

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 value represents the amount an investor must receive to recover their cash outlay. 5. Donation cost is the expected cost to make a \$750 donation. Tax savings will vary by province and income level.

**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

BREAKEVEN & DONATION COST BY PROVINCE per \$1,000 investment

The break-even represents the amount an investor must receive such that, after paying capital gains tax, the investor would recover their cash outlay / money at-risk. The donation cost is the expected cost to make a \$750 donation.

		50%	BC 49.8%	AB 48%	SK 47.5%	MB 50.4%	ON 53.53%	QC 53.31%	NS 54%
MARGINAL TAX RATE									
BREAKEVEN	Invest & Redeem	\$610	\$613	\$630	\$635	\$606	\$572	\$575	\$567
BREAKEVEN	Invest & Reinvest; or Invest & Transfer to RRSP	\$360	\$364	\$394	\$403	\$353	\$298	\$302	\$290
DONATION COST	Invest & Donate	\$270	\$289	\$254	\$303	\$264	\$242	\$235	\$212

PAST PERFORMANCE per \$1,000 investment

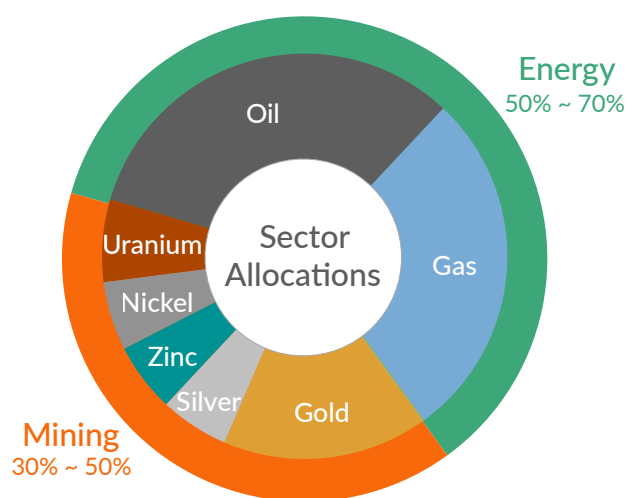
The table below shows actual tax savings, market value and profit/return for the most recent 5-year period, assuming a 50% marginal tax rate.

TERRA SHORT-TERM FTLP		2013	2014	2015	2016	2017	AVERAGE
Investment - Terra LP	A	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)
Tax Savings	B	\$526	\$552	\$531	\$584	\$581	\$555
Market Value	C	\$866	\$377	\$1,097	\$744	\$706	\$758
Capital gains tax	D	(\$217)	(\$94)	(\$274)	(\$186)	(\$176)	(\$190)
Profit / Return - \$	E = A thru D	\$175	(\$165)	\$353	\$142	\$111	\$123
Profit / Return - %	F = E / (A+B)	37%	(37%)	75%	34%	26%	27%

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.

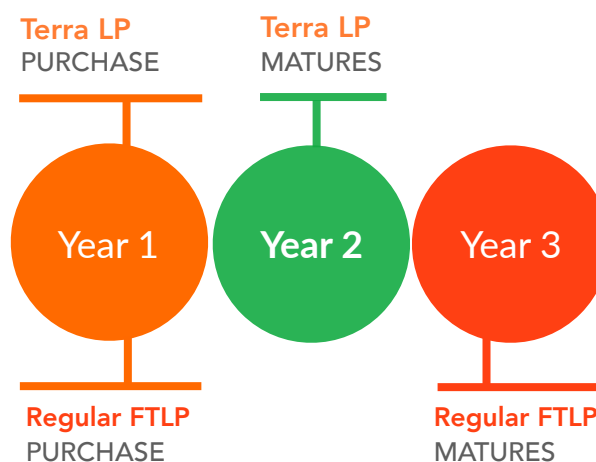
HOW WE BUILD PORTFOLIOS

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 3).



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

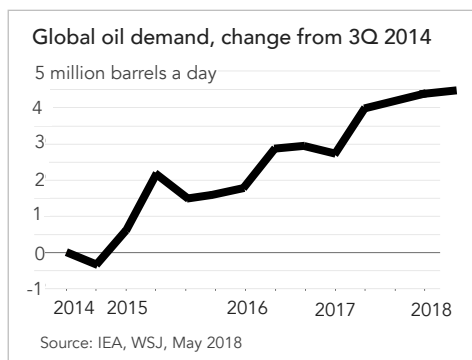
2013
Cypress Capital
appointed portfolio
manager

2018
To date, Terra provided
investors over \$250
million in tax benefits

WHY ENERGY & MINING SHARES ARE HEADING HIGHER

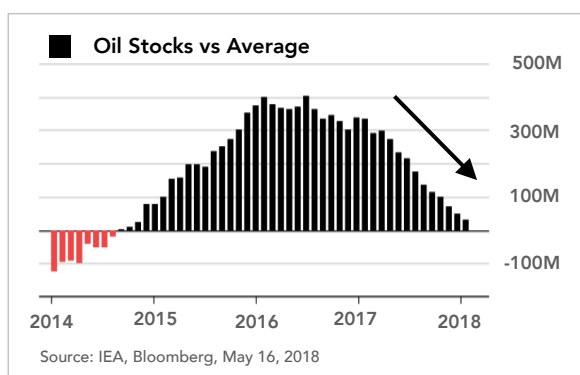
Energy: Global Oil Demand Grows

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.



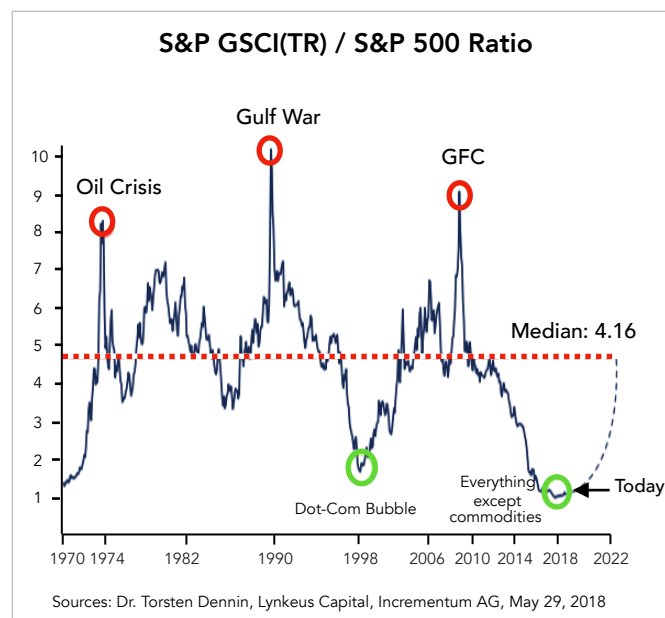
Energy: The Oil Glut is Gone

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).



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.