

## INVESTMENT SUMMARY | TERRA 2019 Short-Term Flow-Through Limited Partnership A Tax-Advantaged Investment Redeemable in 2020

### WHY A TERRA LP

Investors seeking an investment that substantially reduces taxes and matures in 2020 should consider the Terra 2019 Short-Term Flow-Through LP ("Terra LP"). Terra LPs have consistently outperformed their peer group (see below). The Terra LP invests primarily in Super Flow-Through Shares of public mining resource firms and provides up to 100% in tax deductions plus 15% mining tax credits for the 2019 taxation year. Additional provincial tax credits for 2019 will also apply on qualified mining investments.

### ABOUT TERRA

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

- provided investors over \$260 million in tax benefits
- invested in over 500 energy and mining companies
- an average maturity of less than 10 months
- delivered attractive after-tax returns

### PORTFOLIO MANAGEMENT TEAM

The portfolio investments are managed by Greg Bay and Jeff Bay of Cypress Capital Management Ltd. The portfolio management team have a particularly strong capability in the small and medium capitalization areas where the majority of flow-through resource investments occur.



**Greg Bay, CFA** is Senior Portfolio Manager and has over 30 years experience investing in producers, explorers and service companies and brings established relationships in the industry, which will assist the partnership in sourcing quality investments. 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

Terra no-load units have outperformed its peer group by 25% on average and beaten the group in 5 of the past 6 years.

Year	NAV per \$25 invested		
	Terra	Peer Group	Terra Outperformance
2018	\$19.40	\$16.29	19%
2017	\$17.65	\$9.87	79%
2016	\$18.61	\$20.51	-9%
2015	\$27.42	\$21.01	30%
2014	\$9.43	\$9.34	1%
2013	\$21.66	\$16.67	30%
<b>Average</b>	<b>\$19.03</b>	<b>\$15.62</b>	<b>25%</b>

Peer Group: Brompton, Canoe, CMP, Front Street, Maple Leaf, Middlefield, NCE, Ninepoint/Sprott. Latest or rollover NAV as at June 6, 2019. Source: Company websites & regulatory filings. Hypothetical and for illustrative purposes only. Past performance does not guarantee future results.

**SPEED  
READ**

<b>Minimum Purchase</b> \$2,500	<b>Early Maturity</b> June 2020	<b>Sector Focus</b> Mining & Energy	<b>Investor Eligibility</b> Accredited - ALL PROVINCES Eligible - BC,AB,SK,MB,NS	<b>Investor Closings</b> Monthly subject to availability	<b>FundSERV Codes</b> FE: TER 319 NL: TER 419
<b>Service Providers:</b>	<b>Tax &amp; Legal Counsel</b> Stikeman Elliott LLP	<b>Auditor</b> Ernst & Young LLP	<b>Custodian</b> NBIN Inc., National Bank Financial	<b>Administrator</b> SGGG Fund Services	

## FINANCIAL ASPECTS FOR INVESTORS

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

In the table below, Canadian Exploration Expenses (CEE) and other deductions are projected to be up to \$1,170 per \$1,000 invested. Additional 15% federal investment tax credits will apply in the 2019 taxation year. Provincial tax credits available for certain provinces have not been included but will also apply for qualified investments made by the partnership.

	A Class			F Class		
	2019	2020 & beyond	Total	2019	2020 & beyond	Total
<b>A. Investment Tax Credits:</b>						
ITC - Investment Tax Credits	\$135	-	\$135	\$135		\$135
ITC - tax payable (at 50% tax rate)	-	(\$67)	(\$67)		(\$67)	(\$67)
<b>Total Investment Tax Credits</b>	<b>\$135</b>	<b>(\$67)</b>	<b>\$68</b>	<b>\$135</b>	<b>(\$67)</b>	<b>\$68</b>
<b>B. CEE &amp; Other Deductions:</b>						
<b>Total Tax Deductions</b>	<b>\$940</b>	<b>\$230</b>	<b>\$1,170</b>	<b>\$985</b>	<b>\$185</b>	<b>\$1,170</b>

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

Tax savings received from an initial \$1,000 investment are shown below. The net investment or actual cost, after factoring in the tax savings from tax deductions and tax credits, is also commonly referred to as the money at-risk or cash outlay. The break-even value represents the amount an investor must receive on redemption to recover their money at-risk/cash outlay. Downside protection shows the amount the original \$1,000 investment can decline in percentage terms before the investment incurs a loss.

	Tax Savings & Break-even by Province						
	BC	AB	SK	MB	ON	QC	NS
Total Tax Deductions	\$1,170	\$1,170	\$1,170	\$1,170	\$1,170	\$1,170	\$1,170
Marginal tax rate	49.8%	48%	47.50%	50.4%	53.53%	53.31%	54%
<b>A. Initial Investment</b>	<b>\$1,000</b>	<b>\$1,000</b>	<b>\$1,000</b>	<b>\$1,000</b>	<b>\$1,000</b>	<b>\$1,000</b>	<b>\$1,000</b>
B. Tax savings from Tax Deductions	(\$583)	(\$562)	(\$556)	(\$590)	(\$626)	(\$624)	(\$632)
C. Tax savings from Investment Tax Credits	(\$68)	(\$70)	(\$71)	(\$67)	(\$63)	(\$63)	(\$62)
D. Capital gains tax	\$42	\$41	\$40	\$43	\$46	\$45	\$46
<b>E. Money at-risk / Cash outlay (A + B + C + D)</b>	<b>\$392</b>	<b>\$409</b>	<b>\$413</b>	<b>\$386</b>	<b>\$357</b>	<b>\$358</b>	<b>\$352</b>
F. Break-even value	\$522	\$538	\$540	\$516	\$487	\$488	\$482
G. Downside protection (%)	48%	46%	46%	48%	51%	51%	52%

### 3. EQUIVALENT DEDUCTION - per \$1,000 investment

Expressing the investment tax credit as a tax deduction and adding to total tax deductions is referred to as the equivalent tax deduction.

Equivalent Tax Deduction - \$	\$1,307	\$1,317	\$1,320	\$1,303	\$1,288	\$1,289	\$1,285
Equivalent Tax Deduction - % (of Initial Investment)	131%	132%	132%	130%	129%	129%	129%

Investors should refer to the Offering Memorandum for a more detailed description. All investments are assumed to qualify for the federal 15% mining investment tax credit. Figures are for illustrative purposes only and are not intended as a forecast of future events. Actual tax deductions & tax credits may be more or less. Tax rates are subject to change.

## PAST PERFORMANCE: OVERVIEW FOR ALL TERRA LPS SINCE INCEPTION

per \$25 invested

NAV on rollover	# LPs	% Occurrences	Cumulative %	Comments
> \$35	1	5%	5%	
> \$25	1	5%	11%	
> \$23	2	11%	21%	
> \$20	2	11%	32%	
> \$18	3	16%	47%	
> \$17	2	11%	58%	
> \$16	4	21%	79%	79% likelihood NAV on rollover exceeds Breakeven
<b>\$15</b>	<b>Breakeven NAV</b>		-	
< \$15	4	21%		

NAV for Class A units on rollover for all 19 Terra Flow-through LPs. Occurrences or batting average represents the frequency Terra LPs have met or exceeded a NAV threshold on rollover. Breakeven NAV assumes a marginal tax rate of 50%. Past performance does not guarantee future results.

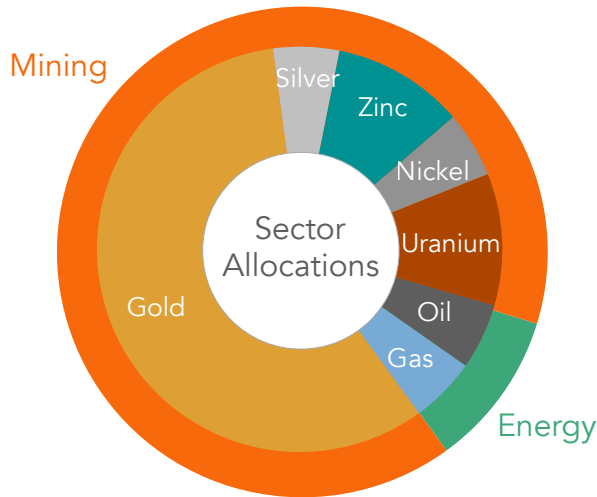
## PAST PERFORMANCE: BY LP SINCE INCEPTION

TERRA LIMITED PARTNERSHIP	STATUS	Invested Amount	Class A NAV on rollover	Class F NAV on rollover
Terra 2018 Short-Term Flow-Through LP	Rolled over	\$25	\$18.24	\$19.40
Terra 2017 Short-Term Flow-Through LP	Rolled over	\$25	\$16.59	\$17.65
Terra 2016 Short-Term Flow-Through LP	Rolled over	\$25	\$17.63	\$18.61
Terra 2015 Short-Term Flow-Through LP	Rolled over	\$25	\$26.21	\$27.42
Terra 2014 Short-Term Flow-Through LP	Rolled over	\$25	\$8.93	\$9.43
Terra 2013 Short-Term Flow-Through LP	Rolled over	\$25	\$20.53	\$21.66
Terra 2013 Charitable Flow-Through LP	Rolled over	\$25	\$18.96	\$19.86
Terra 2012 Flow-Through LP	Rolled over	\$25	\$16.54	\$17.46
Terra 2012 Foundation Flow-Through LP	Rolled over	\$25	\$18.55	\$19.55
Terra 2011 Flow-Through LP	Rolled over	\$25	\$9.01	\$9.51
Terra 2011 Foundation Flow-Through LP	Rolled over	\$25	\$17.93	\$18.80
Terra 2010 Mining & Energy Flow-Through LP	Rolled over	\$25	\$21.96	\$22.94
Terra 2009 Mining & Energy Flow-Through LP	Rolled over	\$25	\$23.21	-
Terra 2008 Mining & Energy Flow-Through LP	Rolled over	\$25	\$16.45	-
Terra 2007 Energy & Mining Flow-Through LP	Rolled over	\$25	\$11.42	-
Terra 2006 Mining Flow-Through LP	Rolled over	\$25	\$23.29	-
Terra 2006 Energy Flow-Through LP	Rolled over	\$25	\$8.27	-
Terra 2005 Mining Flow-Through LP	Rolled over	\$25	\$35.33	-
Terra 2005 Oil & Gas Flow-Through LP	Rolled over	\$25	\$16.16	-
<b>AVERAGE NAV ON ROLLOVER PER INVESTMENT</b>			<b>\$18.17</b>	<b>\$18.52</b>

NAV for Class A & F units is calculated on rollover. Past performance does not guarantee future results.

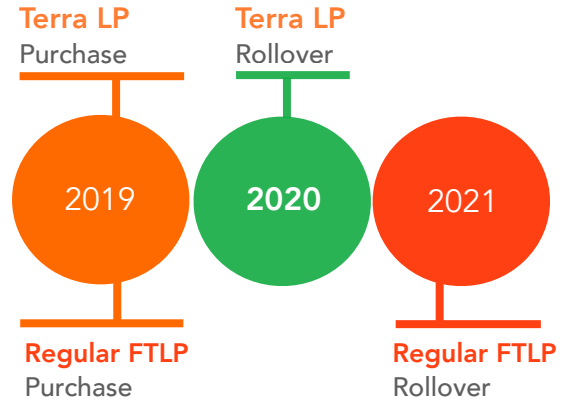
## HOW WE BUILD PORTFOLIOS

The partnership invests in a diversified portfolio of primarily Super Flow-Through Shares of public mining firms and provides up to 100% in tax deductions plus 15% mining tax credits for the 2019 taxation year. Additional provincial tax credits for 2019 will also apply on qualified mining investments. Sector weightings are determined by the portfolio manager.



## EARLY ROLLOVER / MATURITY

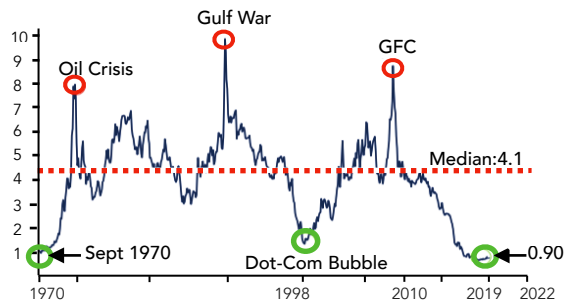
Terra LPs mature in  $\leq 1$  year compared to most flow-through limited partnerships that have a life span of two years. On rollover / maturity, a Terra LP can be redeemed or reinvested, transferred to an RRSP or donated for additional tax savings.



## Mining & Energy: Commodities are Cheap

Over the past decade, soft commodity prices and limited access to capital have constrained resource exploration and development. The credit crises and fears of a general economic slowdown have further discouraged the replenishment of producer reserves and curtailed funding for resource exploration. The relative valuation of commodities as compared with equities is at historic lows (see graph below) making commodities an attractive investment opportunity. Relative to financial assets, the GSCI is at one of its lowest points in history. For these and other reasons, Terra believes many resource companies offer attractive upside as many are currently trading at historical lows and often below their intrinsic value. As supply continues to decline and fails to keep pace with demand, resource prices are expected to rise.

S&P GSCI(TR) / S&P 500 Ratio. 1970 - 2019



Sources: Dr. Torsten Dennen, Incrementum, Bloomberg, May, 2019

## TERRA MILESTONES

### 2005

First funds launched;  
\$5.3 million raised

### 2009

Offers  
1-yr redemption  
feature

### 2010

F Class no-load  
units introduced

### 2011

Flow-Through  
Giving Foundation  
launched

### 2013

Cypress Capital  
appointed portfolio  
manager

### 2019

To date, Terra has provided  
investors over \$260 million  
in tax benefits