# <u>Notice of Change in Corporate Structure</u>

**Pursuant to Section 4.9 of**
**National Instrument 51-102 *Continuous Disclosure Obligations***

**Item 1 Names of the Parties**

Sailfish Royalty Corp. ("**Sailfish**")
Terraco Gold Corp. ("**Terraco**")

**Item 2 Description of the transaction**

On August 19, 2019, Sailfish acquired all of the issued and outstanding shares of Terraco pursuant to an arrangement agreement between Sailfish and Terraco dated June 19, 2019 (the "**Arrangement**").

Pursuant to the Arrangement: (i) Sailfish acquired all of the outstanding common shares of Terraco, each in exchange for 0.12 of a common share of Sailfish (the "**Exchange Ratio**"); and (ii) all outstanding options of Terraco (the "**Terraco Options**") were adjusted in accordance with their terms and the Exchange Ratio such that 1,626,120 outstanding options of Sailfish have been reserved for exercise by the former holders of the Terraco Options.

In connection with completion of the Arrangement, Sailfish also repaid in full the US$12,031,055 outstanding senior unsecured convertible debenture held by Solidus Resources, LLC, a wholly-owned subsidiary of Waterton Precious Metals Fund II Cayman, LP (the "**Debenture**").

Wexford Spectrum Trading Limited and Wexford Catalyst Trading Limited (together, the "**Wexford Funds**") loaned Sailfish US$12,031,055 (the "**Loan**"), the proceeds of which were used by Sailfish on behalf of TGC Holdings Ltd., a wholly-owned subsidiary of Terraco (and, following completion of the Arrangement, Sailfish), to repay the Debenture. The Loan is unsecured, has a three year term and bears interest at a rate of 8% per annum, accruing daily and payable on maturity or prepayment, and may be prepaid at any time by Sailfish. As consideration for the Loan, Sailfish paid the Wexford Funds a commitment fee equal to 1.5% of the Loan amount.

The Loan from the Wexford Funds to Sailfish was a "related party transaction" as defined in Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"). The Loan was considered and unanimously approved by Sailfish's independent directors, with one director abstaining due to his affiliation with the Wexford Funds. The Loan is not subject to the formal valuation requirement of MI 61-101 and is exempt from the minority shareholder requirements of MI 61-101, pursuant to the exemption contained in s. 5.7(f) (Loan to Issuer, No Equity or Voting Component).

**Item 3 Effective Date of the Transaction**

August 19, 2019

**Item 4 Names of each party, if any, that ceased to be a reporting issuer after the transaction and of each continuing entity**

Terraco is in the process of applying to cease to be a reporting issuer in each jurisdiction where Terraco is currently a reporting issuer. Sailfish has continued as an entity.

**Item 5 Date of reporting issuer's first financial year-end subsequent to the transaction**

Not applicable.

**Item 6 Periods, including comparative periods, if any, of the interim and annual financial statements required to be filed for the reporting issuer's first financial year subsequent to the transaction**

Not applicable.

**Item 7 Documents filed under this Instrument that described the transaction and where those documents can be found in electronic format**

Further information about the Arrangement is contained in the management information circular and related proxy materials of Terraco dated July 12, 2019 and filed with the Canadian securities regulatory authorities. The meeting materials are available under the Terraco profile on SEDAR at www.sedar.com.