

VANCOUVER, BRITISH COLUMBIA--(Marketwired - June 17, 2016) - [Terraco Gold Corp.](#) (TSX VENTURE:TEN) ("Terraco" or the "Company") is pleased to announce that, further to its press release of May 16, 2016, the asset purchase and convertible debenture transaction (collectively, the "Transaction") with Solidus Resources, LLC, a wholly-owned subsidiary of Waterton Precious Metals Fund II Cayman, LP (collectively, "Waterton"), has closed.

Terraco, directly or indirectly, now holds 100% of the following core assets:

1. a 3% NSR on a majority of the current resources of Spring Valley ("Schmidt claims");
2. a 1% NSR on an additional portion of Spring Valley;
3. a right of first refusal relating to a 1% NSR on certain lands within one-half mile of the Schmidt claims;
4. a 2% NSR on the Moonlight Project;
5. the Almaden-Nutmeg Mountain Gold Project located in Western Idaho; and
6. approximately CDN\$3.8 million in cash.

Pursuant to the Transaction, Waterton subscribed for a senior unsecured convertible debenture in the aggregate principal amount of US\$12,030,000, in TGC Holdings Ltd ("TGC Holdings"), a wholly-owned subsidiary of the Company (the "Debenture"). As noted in the May 16, 2016 press release, the Debenture may be converted into common shares of Terraco and/or TGC Holdings. Any shares of Terraco issued on conversion of the Debenture will be subject to a hold period expiring four months after the date of issuance of such shares.

"We are pleased to have worked closely with Waterton on the asset sale and strategic financing, totaling over USD\$19 million. Terraco now owns two royalties on Spring Valley, a Nevada-based gold development asset which Waterton acquired from [Barrick Gold Corp.](#) and [Midway Gold Corp.](#) in 2015," stated Todd Hilditch, President and CEO of Terraco. *"We believe that the Spring Valley royalties are great platform assets which will help launch additional royalty growth for our Company."*

Further details about the transaction can be obtained from Terraco's May 16, 2016 press release available on the Company's website and on SEDAR.

Haywood Securities Inc. ("Haywood") acted as financial advisor to Terraco. Gowling WLG (Canada) LLP acted as Canadian legal counsel, and Erwin & Thompson LLP and Dorsey & Whitney LLP acted as US legal counsel to Terraco.

In consideration for Haywood's services, Terraco agreed to pay Haywood an advisory fee, of which Terraco elected to pay a portion through the issuance of 2,417,247 Terraco shares.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy these securities, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction. The securities offered have not been registered under the U.S. Securities Act of 1933, as amended, or any other securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

About Terraco

Terraco is a junior mining company with a gold royalty and asset portfolio, currently focused largely on or around Spring Valley.

The Company is listed on the TSX Venture Exchange under the symbol "TEN". Please visit the Company's website at www.terracogold.com for additional information.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Forward-Looking Statements

This news release contains forward-looking statements. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, undue reliance should not be placed on them because the Company can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Additional information on these and other factors that could affect the Company's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com).

Contact

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