



Terra Nova Resources Inc. Announces Closing of CDN \$9.5 Million Private Placement Financing Co-Led by Canaccord Genuity and Gravitas Securities

October 30, 2020 Vancouver, British Columbia: Terra Nova Resources Inc. (CSE: TENO) (the "**Company**" or "**Terra Nova**", and upon completion of the Proposed Transaction (as defined below), the "**Resulting Issuer**"), listed on the Canadian Securities Exchange (the "**CSE**"), is pleased to announce the closing of its oversubscribed private placement offering of an aggregate of 31,741,161 subscription receipts of the Company and the Company's wholly-owned subsidiary 1259724 B.C. Ltd. ("**Newco**") at a price of C\$0.30 per subscription receipt for aggregate gross proceeds of C\$9,522,348.30 (the "**Concurrent Financing**"). Canaccord Genuity Corp. ("**Canaccord Genuity**") and Gravitas Securities Inc. ("**Gravitas**" and together with Canaccord Genuity, the "**Co-Lead Agents**"), served as Co-Lead Agents for the Concurrent Financing.

The Concurrent Financing consisted of an aggregate of 28,469,565 subscription receipts issued by Newco (the "**Newco Subscription Receipts**") for gross proceeds of \$8,540,869.50 and an additional 3,271,596 subscription receipts issued by the Company (the "**Company Subscription Receipts**") for gross proceeds of \$981,478.80. The total amount of the Concurrent Financing included the exercise by the Co-Lead Agents of their over-allotment option, increasing the size of the offering by \$522,348 from the initial offering amount of up to \$9,000,000. The gross proceeds of the Concurrent Financing, less 50% of the Agents' cash commission (as described below) and certain expenses of the Agents, have been deposited in escrow until the satisfaction of certain release conditions, including the satisfaction of all conditions precedent to the Proposed Transaction (the "**Release Conditions**").

Summary of the Private Placement

As previously announced on September 24, 2020, the Concurrent Financing was conducted in connection with the Company's previously announced proposed acquisitions of WellteQ Ltd. ("**WellteQ**") and CBDS Health Inc. ("**CBDS**"), which will constitute a fundamental change under the rules and policies of the CSE. As previously announced, the Proposed Transaction is expected to involve the acquisition by the Company of all of the outstanding shares of WellteQ by way of an off market takeover effected pursuant to the laws of Australia (the "**WellteQ Acquisition**"), and the acquisition by the Company of all of the outstanding shares of CBDS by way of a three cornered amalgamation among the Company, Newco and CBDS, effected pursuant to the laws of British Columbia (the "**CBDS Amalgamation**", and together with the WellteQ Acquisition, the "**Proposed Transaction**"). Prior to completion of the Proposed Transaction, it is expected that the Company will complete a consolidation of its outstanding common shares on the basis of 0.3 post-consolidation shares for every one (1) pre-consolidation common share (the "**Consolidation**"). Completion of the Proposed Transaction remains subject to a number of conditions, including, but not limited to, the receipt of all required regulatory approvals, including the acceptance of the CSE.

Newco Subscription Receipts

As previously announced on September 24, 2020, upon satisfaction of the Release Conditions, each Newco Subscription Receipt will entitle the holder to receive, without any further action on the part of the holder, and without

payment of any further consideration, one (1) unit of Newco (each a "**Newco Unit**"). Each Newco Unit will consist of one common share in the capital of Newco (a "**Newco Share**") and one-half of one warrant (each whole warrant being a "**Newco Warrant**"), with each whole Newco Warrant entitling the holder thereof to purchase one additional Newco Share at a price of \$0.45 per Newco Share for a period of 24 months from the date the Release Conditions are satisfied. Upon completion of the CBDS Amalgamation, each Newco Share will be automatically exchanged for one post-Consolidation common share of the Resulting Issuer (each such post-Consolidation common share being a "**Resulting Issuer Share**"), and each Newco Warrant will be exchanged for one whole share purchase warrant of the Resulting Issuer entitling the holder thereof to purchase one (1) additional Resulting Issuer Share on the same terms and conditions as the Newco Warrants.

The Company paid a cash fee to the Co-Lead Agents equal to 8% (4% for subscribers on the president's lists) of the aggregate gross proceeds from the sale of Newco Subscription Receipts, plus compensation options (the "**Newco Agent's Compensation Options**") equal to 8% (4% for subscribers on the president's list) of the total number of Newco Subscription Receipts issued. Each Newco Agent's Compensation Option issued in connection with the sale of Newco Subscription Receipts is exercisable for one (1) Newco Unit at an exercise price of \$0.30 per Newco Unit for a period of 24 months following the date the Release Conditions are satisfied. Upon the completion of the Proposed Transaction, each Newco Agent's Compensation Option will be exchanged for one (1) compensation option of the Resulting Issuer entitling the holder thereof to purchase Resulting Issuer Shares and warrants to purchase Resulting Issuer Shares on the same terms and conditions as the Newco Agent's Compensation Options. In addition, as a corporate finance fee, the Co-Lead Agents were issued that number of Newco Subscription Receipts equal to 5% of the total number of Newco Subscription Receipts issued.

Company Subscription Receipts

Each Company Subscription Receipt will entitle the holder to receive, without any further action on the part of the holder, and without payment of any further consideration, one (1) unit of the Resulting Issuer, consisting of one Resulting Issuer Share and one-half of one warrant, with each whole warrant entitling the holder thereof to purchase one additional Resulting Issuer Share at a price of \$0.45 per share for a period of 24 months from the date the Release Conditions are satisfied.

The Company paid a cash fee to the Co-Lead Agents equal to 8% (4% for subscribers on the president's lists) of the aggregate gross proceeds from the sale of Company Subscription Receipts, plus compensation options (the "**Company Compensation Options**") equal to 8% (4% for subscribers on the president's list) of the total number of Company Subscription Receipts issued. Each Company Compensation Option issued in connection with the sale of Company Subscription Receipts is exercisable for one (1) unit of the Company (each a "**Company Unit**") at an exercise price of \$0.30 per unit for a period of 24 months following the date the Release Conditions are satisfied. Each Company Unit consists of one Resulting Issuer Share and one-half of one warrant, with each whole warrant entitling the holder thereof to purchase one (1) additional Resulting Issuer Share at a price of \$0.45 per share for a period of 24 months from the date the Release Conditions are satisfied. In addition, as a corporate finance fee, the Co-Lead Agents were issued that number of Company Subscription Receipts equal to 5% of the total number of Company Subscription Receipts issued.

In the event that the Release Conditions have not been satisfied prior to 180 days following the closing of the Concurrent Financing, or the Company advises the Co-Lead Agents or announces to the public that it does not intend to satisfy the Release Conditions or that the Proposed Transaction has been terminated, the aggregate issue price of the Newco Subscription Receipts and the Company Subscription Receipts (plus any interest earned thereon) will be returned to the applicable holders, and such subscription receipts shall be automatically cancelled and be of no further force and effect, provided that no payment will be made in respect of Newco Subscription Receipts and Company Subscription Receipts issued to the Co-Lead Agents as part of the corporate finance fee.

All Subscription Receipts issued in connection with the Concurrent Financing are subject to a statutory hold period in Canada. The Company anticipates that following completion of the Proposed Transaction, the Resulting Issuer Securities issued in exchange for securities of Newco Units in connection with the CBDS Amalgamation will not be subject to a statutory hold period in Canada.

The Resulting Issuer will use the net proceeds from the Concurrent Financing for sales and marketing, software development, and for general working capital purposes.

"We are humbled and honoured by the level of investor interest in WellteQ, and the sector as a whole whose adoption has been accelerated by the onset of Covid-19. WellteQ will be differentiated as one of the few digital health and wellness companies that truly has a global footprint," stated Mark Lawson, Terra Nova's Chief Executive Officer and Director.

"WellteQ is different from many digital health companies in that we already operate in over 30 countries so we're extremely excited to further accelerate our expansion with this growth capital. I'm very grateful for the teams of agents, partners and investors involved or supporting this financing which is a big step towards WellteQ becoming a truly global leader in digital health and wellness," stated Scott Montgomery, WellteQ Chief Executive Officer.

Updates to Proposed Transaction

The Company, Newco and CBDS agreed to amend the terms of the amalgamation agreement entered into with respect to the CBDS Amalgamation, and the Company and WellteQ have agreed to amend the terms of the bid implementation agreement entered into with respect to the WellteQ Acquisition, to revise the terms of the Consolidation. As originally agreed to by each of the Company, CBDS and WellteQ, all of the outstanding common shares of the Company was to be consolidated on the basis of 0.2285 post-consolidation shares for every one (1) pre-consolidation share. As amended, all of the outstanding common shares of the Company are now expected to be consolidation on the basis of 0.3 post-consolidation shares for every one (1) pre-consolidation share.

About WellteQ

WellteQ is a leading provider of corporate wellness solutions within Asia Pacific, and has developed and grown the business on the technology and data-driven smarts to communicate personalised wellness content to a user in order to engage healthier behaviour. As an enterprise (business-to-business) model WellteQ has two main sectors of customers where they have secured large multinational brands as customers for their SaaS revenue. WellteQ white labels its technology for the consumer insurance policyholders for one of Australia's largest private health insurers and for corporate insurance customers of Bupa (Australia). Direct services are offered to large employer customers including Toll Logistics, Willis Towers Watson APAC and are about to launch to global employees of South East Asia's largest bank, DBS Bank. WellteQ are also co-developing a mental health product for the customers of one of the world's largest pharmaceutical companies projected to launch in Q1-2021.

About CBDS Health Inc.

Co-founded by Mr. Brian Leeners, CBDS is a privately-held company focused on the development of Internet of Medical Things (IoMT) connected patient applications in healthcare. Leveraging its founders' years of experience building commercial IoT solutions, CBDS has developed an entirely new IoMT platform that can connect multiple standardized medical devices and applications to the cloud.

Advisors

O'Neill Law LLP is acting as legal counsel to the Company in connection with the Proposed Transaction and the Concurrent Financing, with Wildeboer Dellelce LLP acting as legal counsel to the Co-Lead Agents.

Further Information

Further details about the Proposed Transaction and the Company following completion thereof will be provided in a CSE listing statement to be prepared and filed by the Company in respect of the Proposed Transaction.

Investors are cautioned that, except as disclosed in the listing statement (or other disclosure document prepared by the Company) in connection with the Proposed Transaction, any information released or received with respect to the Proposed Transaction may not be accurate or complete and should not be relied upon.

Cautionary Note Regarding Forward-Looking Statements:

This news release contains statements that constitute "forward-looking statements." Such forward looking statements involve known and unknown risks, uncertainties and other factors that may cause Terra Nova's actual results, performance or achievements, or developments to differ materially from the anticipated results, performance or

achievements expressed or implied by such forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects," "plans," "anticipates," "believes," "intends," "estimates," "projects," "potential" and similar expressions, or that events or conditions "will," "would," "may," "could" or "should" occur.

Forward-looking statements in this document include, among others, statements relating to expectations regarding the completion of the Proposed Transaction (including the receipt of all required approvals), the listing on the CSE, the use of proceeds of the Concurrent Financing, the business plans of Terra Nova, WellteQ and CBDS and other statements that are not historical facts. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors and risks include, among others: (a) that there is no assurance that WellteQ or CBDS will obtain the requisite director, shareholder and regulatory approvals for the Proposed Transaction; (b) following completion of the Proposed Transaction, Terra Nova may require additional financing from time to time in order to continue its operations which may not be available when needed or on acceptable terms and conditions acceptable; (c) compliance with extensive government regulation; (d) domestic and foreign laws and regulations could adversely affect the Resulting Issuer's business and results of operations; (e) the stock markets have experienced volatility that often has been unrelated to the performance of companies and these fluctuations may adversely affect the price of the Company's securities, regardless of its operating performance; and (f) the impact of COVID-19.

The forward-looking information contained in this news release represents the expectations of Terra Nova as of the date of this news release and, accordingly, is subject to change after such date. Readers should not place undue importance on forward-looking information and should not rely upon this information as of any other date. Terra Nova undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.

The CSE has not passed upon the merits of the Proposed Transaction and has neither approved nor disapproved the contents of this news release.

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