



## **Terra Nova Resources Inc. Announces Upsizing of Private Placement Financing**

### **Canaccord Genuity and Gravitass Engaged to Co-Lead Upsized Private Placement of up to \$9M**

**October 06, 2020 Vancouver, British Columbia:** Terra Nova Resources Inc. (CSE: TENO) (the “Company” or “Terra Nova”), a resource issuer listed on the Canadian Securities Exchange (the “CSE”), is pleased to announce that, due to strong investor demand, it has agreed with Canaccord Genuity Corp. (“Canaccord Genuity”) and Gravitass Securities Inc. (“Gravitass” and together with Canaccord Genuity, the “Co-Lead Agents” or “Agents”), acting as Co-Lead Agents, to increase the size of the previously announced private placement to up to 30,000,000 subscription receipts (the “Newco Subscription Receipts”) of the Company’s wholly-owned subsidiary 1259724 B.C. Ltd. (“Newco”) at a price of C\$0.30 per Subscription Receipt (the “Issue Price”) for aggregate gross proceeds of up to C\$9,000,000 (the “Concurrent Financing”). A portion of the Concurrent Financing may be completed by the issuance of subscription receipts of Terra Nova on substantially equivalent terms to the Newco Subscription Receipts at the discretion of the Agents, the Company and Terra Nova.

#### **Summary of the Private Placement**

As previously announced on September 24, 2020, the Concurrent Financing is being conducted in connection with the Company’s previously announced acquisitions of WellteQ Ltd. (“WellteQ”) and CBDS Health Inc. (“CBDS”, and the proposed acquisitions of WellteQ and CBDS collectively being the “Proposed Transaction”), 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, 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”). 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”).

As previously announced, under the terms of the Concurrent Financing, upon satisfaction of the Release Conditions (as defined below), 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”) upon satisfaction of the Release Conditions (as described below). 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 Company (each a “Company Share”), and each Newco Warrant will be exchanged for one whole share purchase warrant of the Company (a “Company Warrant”) entitling the holder thereof

to purchase one (1) post-Consolidation Company Share on the same terms and conditions as the Newco Warrants. The Agents will have an option (the “Agent’s Option”), exercisable at any time prior to completion of the Concurrent Financing, to increase the size of the offering by up to C\$1,000,000 or 3,333,333 Newco Subscription Receipts.

The gross proceeds of the Financing, less 50% of the Agents’ cash commission (as described below) and certain expenses of the Agents, will be deposited in escrow on closing of the Concurrent Financing until the satisfaction of certain release conditions, including that all conditions precedent to the Proposed Transaction have been met (the “Release Conditions”).

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 (plus any interest earned thereon) shall be returned to the applicable holders of the Newco Subscription Receipts, and such Newco Subscription Receipts shall be automatically cancelled and be of no further force and effect.

In connection with the Concurrent Financing, the Agents will be entitled to receive a cash fee equal to 8% of the aggregate gross proceeds of the Concurrent Financing (the “Cash Commission”) (provided that the Cash Commission for subscribers on the president’s list will be 4%), and such number of compensation warrants (the “Agent’s Warrants”) equal to 8% of the number of Newco Subscription Receipts issued in connection with the Concurrent Financing (provided that the number of Agent’s Warrants issued to subscribers on the president’s list will be equal to 4% of the number of Newco Subscription Receipts issued). Each Agent’s Warrant will be 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 Agent’s Warrant will be exchanged for one (1) agent’s warrant of the Company entitling the holder thereof to purchase post-Consolidation Company Shares and warrants to purchase post-Consolidation Company Shares on the same terms and conditions as the Agent’s Warrant.

The Subscription Receipts will be offered in all provinces of Canada and such other jurisdictions as Terra Nova and the Co-Lead Agents may agree where the Concurrent Financing can be offered and sold without the requirement to file a prospectus or similar document. It is expected that the net proceeds from the Concurrent Financing will be used for sales and marketing, software development, recruitment and for general working capital purposes.

*This press release does not constitute an offer to sell or solicitation of an offer to sell any of the securities in the United States. The securities being offered under the Concurrent Financing have not been, and will not be registered, under the United States Securities Act of 1933, as amended (the “1933 Act”) or any state securities laws and may not be offered or sold within the United States or to any person in the United States or to U.S. persons unless registered under the 1933 Act and any applicable state securities laws, or exemption from such registration requirements is available.*

#### 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 secured large multinational brands as customers. WellteQ services employees of corporate customers including Toll Logistics, Willis Towers Watson and Credit Suisse as well as white labels its technology for health

insurance policyholders at nib (Australia) and Bupa (Australia) and is refining a digital health product for selected customers of Sanofi, one of the largest pharmaceutical companies in the world.

#### 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.

#### Further Information

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

Investors are cautioned that, except as disclosed in the listing statement (or other disclosure document prepared by Terra Nova) 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 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 the parties hereto will obtain the requisite director, shareholder and regulatory approvals for the Proposed Transaction; (b) there is no assurance that the Concurrent Financing will be completed or as to the actual offering price or gross proceeds to be raised in connection with the Concurrent Financing; (c) 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; (d) compliance with extensive government regulation; (e) domestic and foreign laws and regulations could adversely affect Terra Nova's business and results of operations; (f) 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 (g) 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.*

**Information contact:**

Investors: Mark Lawson, CEO

Terra Nova Resources Inc.

[mark@lawson.net](mailto:mark@lawson.net)

T: 647 302 0393