

TERRANUEVA CORPORATION
SUPPLEMENT TO MANAGEMENT DISCUSSION AND ANALYSIS
AS AT SEPTEMBER 30, 2020

PART I – AUDIT COMMITTEE DISCLOSURES

1.1 Audit Committee Charter

The Charter of the Corporation's Audit Committee is attached as Schedule A.

1.2 Composition of the Audit Committee

The Audit Committee is composed of three directors, namely Marc-André Aubé, Patrice Boily and Alain Bureau. The Board determined that all members of the Audit Committee are "independent" within the meaning of the regulations of the authorities on the Audit Committee. They are all financially literate within the meaning of the *Regulation 52-110 respecting Audit Committee* ("Regulation 52-110").

1.3 Relevant Education and Experience

All members of the Audit Committee have acquired their relevant experience through their work, their education and other directorships and senior management positions held at various companies, the whole as more particularly described hereinafter.

Marc-André Aubé holds since January 2017 the position of President and COO of Walter Surface Technologies, a leader in surface treatment technologies established in 7 countries in North America, South America and Europe. He oversees the company's strategic corporate direction with a focus on global expansion. Before joining Walter, Mr. Aubé was, from May 2007 to January 2017, President and Chief Operating Officer of GardaWorld Protective Services. He also has experience in various industry sectors including chemical products with Nalco Canada, oil and gas with Petro-Canada, and finance with the Caisse de dépôt et placement du Québec and Scotia Capital Inc. Mr. Aubé is a CFA and also holds an MBA from the HEC Montréal and an engineering degree from the Montréal Polytechnic School.

Patrice Boily is currently Chief Executing Officer of Lune Rouge 360 since January 2017 after he joined it as a consultant in January 2016. From May 2003 till June 2014, Mr. Boily was strategic advisor, Cash Services, Canada and United-States, for the multinational Garda World Security Corporation. Previously, he held the position of Chief Operating Officer for the same corporation. He has extensive North American experience in the security field. Patrice Boily is an industrial engineer graduated from the École Polytechnique of Université de Montréal. He has over 25 years of experience in operations management, specializing in business process reengineering. Prior to joining Garda, Mr. Boily served as Vice President of Operations for Touchtunes Digital Music. Prior to that, he led the operations of Dentalmatic and Discreet Logic.

Alain Bureau is currently President of Atico Mining Corporation since September 2019, a mineral exploration company listed on the TSX Venture Exchange. Alain Bureau was trained as an officer in the Canadian Armed Forces and holds a Bachelor of Engineering degree from Royal Military College of Canada. Mr. Alain Bureau is a member of the Ordre des Ingénieurs du Québec. Mr. Bureau has over 15 years of mining and construction experience in Canada and Latin America. In the past, he has been involved in major international projects such as Pinos Altos Mexico, La Ronde, Raglan, Altonorte, Izcaycruz, Yauliyacu and Escondida, the largest copper mine in the world, located in Chile. He has also

worked in Peru on mining projects, as well as for several major Canadian mining companies of international scale. Mr. Bureau was also National Construction Manager in Venezuela and in the Dominican Republic for the Canadian engineering and construction firm Dessau-Soprin International. From November 2006 till December 2016, Mr. Bureau acted as a director and President and Chief Executive Officer of Pershimco Resources Inc. (now Orla Mining Ltd.).

1.4 Audit Committee Oversight

Since the commencement of the Corporation's most recently completed financial year, the Corporation, there is no recommendation of the audit committee to nominate or compensate an external auditor that was not adopted by the Board of directors of the Corporation.

1.5 Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. Nevertheless, the Charter of the Corporation's Audit Committee, attached as Schedule A, provides that it is such Committee's responsibility to:

- (a) Recommend the appointment of the external auditors to the Board of Directors, who will consider their independence and performance and to approve their remuneration, treatment and other compensation to be paid;
- (b) Review and discuss periodically with the external auditors the relationship between the Corporation and the external auditors in order to analyze the independence and objectivity of the external auditors;
- (c) Consult at least annually the external auditors, without the attendance of the Executive Management, in order to discuss the internal audit control process and other items of concern;
- (d) Require from the external auditors a declaration of independence while filing the annual report and preceding each mandate granted;
- (e) Evaluate the performance of the external auditors and recommend their replacement if the Audit Committee believe it advisable;
- (f) Review and approve the hiring policies regarding partners, employees and former partners and employees of the present and former external auditor its predecessor;
- (g) Establish procedures that ensure the confidential receipt, filing and treatment of complaints received regarding accounting, internal accounting controls, or auditing matters. Establish procedures permitting the confidential, anonymous submission of information by employees of the Corporation regarding questionable accounting or auditing practices;
- (h) Review the Corporation's annual and interim financial statements as well as all report or other financial information to be disclosed according to the disclosure rules pursuant to competent authorities or the disclosure policy of the Corporation; and
- (i) The Audit Committee must be satisfied that adequate procedures are in place for the review of the public disclosure by the Corporation of financial information extracted or derived from the Corporation's financial statements other than those referred to in the previous paragraph and periodically review those procedures.

1.6 Reliance on Certain Exemptions

Since the commencement of the Corporation's most recently completed financial year, the Corporation has not relied on the following exemptions of Regulation 52-110:

- (a) the exemptions in section 2.4 (De Minimis Non-audit Services);
- (b) the exemptions in subsections 6.1.1 4), 5) and 6) (Composition of Audit Committee); or
- (c) an exemption, in whole or in part, granted under Part 8 of Regulation 52-110 (Exemptions).

1.7 External Auditor Service Fees

In addition to performing the audit of the Corporation's consolidated financial statements, the Corporation's external auditor, PriceWaterhouseCoopers LLP, provided other services to the Corporation and billed the following fees for each of the Corporation's two most recently completed financial years:

Professional fees	Fiscal year ended September 30, 2020	Fiscal year ended September 30, 2019
Audit Fees ⁽¹⁾	\$75,000	\$85,000
Audit-Related Fees ⁽²⁾	\$-	\$-
Tax Fees ⁽³⁾	\$7,500	\$7,000
All other Fees ⁽⁴⁾	\$-	\$-
TOTAL:	\$82,500	\$92,000

Notes:

- (1) Refers to the aggregate professional fees billed by the Corporation's external auditor for audit services.
- (2) Refers to the aggregate professional fees billed for assurance and related services by the Corporation's external auditor that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not reported under note (1) above, including professional services rendered by the Corporation's external auditor for accounting consultations on proposed transactions and consultations related accounting and reporting standards.
- (3) Refers to the aggregate professional fees billed for professional services rendered by the Corporation's external auditor for tax compliance, tax advice and tax planning. These fees refer to various consultations with the external auditors relating to general taxation.
- (4) Refers to the aggregate professional fees billed for products and services provided by the Corporation's external auditor, other than the services reported under notes (1), (2) and (3) above. In particular, those other fees for the preparation of a report from PricewaterhouseCoopers LLP in connection with an ISAE 3402 audit in the United States of America and Canada in respect of the Corporation which described the cash management systems which carry out the operations of customers of the Corporation's subsidiaries.

SCHEDULE A
AUDIT COMMITTEE CHARTER

CORPORATION TERRANUEVA /
TERRANUEVA CORPORATION



TERRANUEVA

ORGANIZATIONAL CHARTER - Audit Committee

1. General Objectives

In accordance with its functions, the Audit committee (hereinafter referred to as the “Audit Committee”), must encourage the continuous improvement and to see compliance with guidelines, procedures and financial practices of Corporation Terranueva / Terranueva Corporation (previously Axe Exploration Inc.) and its subsidiaries (hereinafter collectively referred to as the “Corporation”).

The primary and principal roles of the Audit Committee include acting as an independent and objective party so as to : (i) ensure an appropriate process for the Corporation's financial disclosure and internal controls; (ii) ensure an appropriate process for the audit of the Corporation's external auditors; (iii) foster open and frank communication among the Corporation's external auditors, executive management (the "Executive Management") and the Board of Directors (the "**Board**"); and (iv) ensure that appropriate disclosure and financial management policies are in place for the Corporation.

The Audit Committee will act as to accomplish its responsibilities by executing the tasks enumerated in section 4.

2. Composition

The Audit Committee shall be composed of a minimum of three (3) directors of the Corporation, a majority of whom shall be independent according to Regulation 52-110.

While a diversity of skills and experience is an asset to an effective and balanced Audit Committee, all members should have a basic knowledge of financial matters and at least one (1) member of the Committee should have specialized knowledge of accounting or financial management.

“Basic knowledge of financial matters" means the ability to read and understand basic financial statements, including a balance sheet, income statement and cash flow statement, and the ability to ask probing questions about the Company's accounting and financial risks.

A member will be deemed to have “specialized knowledge” if he has professional experience in finance or accounting, a professional accreditation in that field or another experience or background that made him develop specialized knowledge in financial matters.

Members of the Committee will be appointed by the Board and will hold their function until the next meeting of the Board following the general meeting of shareholders or until their successors are duly appointed. Unless the President of the Audit Committee is appointed by all the members of the Board of Directors, members of the Committee will be entitled to appoint a President by way of a majority vote in the presence of all the members of the Audit Committee.

3. Organization

Except as specifically provided herein, or adopted from time to time, the by-laws of the Corporation shall govern the meetings of the Audit Committee. In particular, it is agreed that the Audit Committee shall meet at least four (4) times per year or more if justified by the circumstances. In order to foster open and straightforward communications between key players, the Audit Committee shall meet, at least annually, with Executive Management and the external auditors of the Corporation. These meetings shall be held distinctively and privately in order to discuss any matter that the Audit Committee or each of these groups will consider important or useful.

4. Responsibilities and Duties

In order to satisfy its duties and roles, the Audit Committee shall namely:

External Auditors

1. Recommend to the Board of Directors the selection of external auditors considering their independence and effectiveness and approve their compensation, salaries and other compensations to be paid;<;
2. Review and discuss periodically with the external auditors the relationship between the Corporation and the external auditors in order to analyze the independence and objectivity of the external auditors;
3. Consult at least annually the external auditors, without the attendance of the Executive Management, in order to discuss the internal audit control process and other areas of concern;
4. Require from the external auditors a declaration of independence while filing the annual report and preceding each mandate granted;
5. Evaluate the performance of the external auditors and recommend their replacement if the Audit Committee believe it advisable;
6. For the duration of the annual financial statements review process and prior to their issuance, review independently with the Executive Management and the external auditors any important difficulties incurred during the review process, including any restrictions on the work load completed or the access to required information;
7. Review any important disagreements between the Executive Management and the external auditors regarding financial statements;
8. Review and approve the hiring policies regarding partners, employees and former partners and employees of the present and former external auditor its predecessor;

Financial Reporting and Disclosure of Documents

9. Review the integrity of the financial disclosure process in consultation with the external auditors and the Executive Management of the Corporation;
10. Discuss the quality of the accounting principles with the external auditors of the Corporation, including accuracy of the financial information disclosure, highly judgmental areas such as reserves or estimates and the application of accounting principles by Executive Management;
11. In case of changes to accounting principles adopted by the Corporation as suggested by the Executive Management and endorsed by the external auditors, review and submit these changes for approval to the Board;
12. Reviewing the Company's annual and quarterly financial statements as well as any report or other financial information to be disclosed in accordance with the disclosure rules enacted by the competent authorities or the Company's disclosure policy;
13. Ensure that adequate procedures are in place to review the public disclosure of financial information extracted or derived from the financial statements and periodically review these procedures;
14. Review any certificate, report, opinion, letter or correspondence sent by the external auditors of the Corporation and, if applicable, any answers from the Executive Management to the said correspondence;
15. Review annually the mandates of the Audit Committee and recommend to the Board of Directors any amendments to the mandates that it deems desirable or necessary;
16. Prepare and recommend annually to the Board of Directors a "Summary of the Audit Committee Practices" to be included in the annual report or in the management proxy circular;
17. Review and update, if necessary, this Charter periodically, at least annually;

Disclosure Policy and other

18. See to the establishment and respect by the Corporation's Executive Management of the disclosure policy regarding; i) financial information; ii) operations, activities, facts or events having a material effect on the Corporation's financial condition;
19. Ensure that the Executive Management acts in compliance with the Corporation's disclosure policy; and
20. Establish procedures to ensure the confidentiality of the receipt, retention and treatment of complaints received regarding accounting, internal accounting controls or auditing matters. Maintain a process for the confidential receipt of information from employees (on an anonymous basis) regarding questionable accounting or auditing matters.

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PART II – STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Canadian Securities Administrators (the “**Authorities**”) adopted Regulation 58-101 *respecting Disclosure of Corporate Governance Practices* (the “**Authorities’ Governance Disclosure Regulation**”) and Policy Statement 58-201 *to Corporate Governance Guidelines* (the “**Authorities’ Governance Policy**”). The Authorities’ Governance Policy provides guidance on corporate governance practices to Canadian issuers, while the Authorities’ Governance Disclosure Regulation requires issuers to make the prescribed disclosure regarding their corporate governance practices, if necessary. The disclosure made hereunder refers to the items of the Authorities’ Governance Disclosure Regulation as well as to the Authorities’ Governance Policy, where appropriate. The Corporation believes that its corporate governance practices meet the requirements of the Authorities’ Governance Disclosure Regulation and the Authorities’ Governance Policy, as reflected in the disclosure made hereunder.

The Corporation periodically reviews its corporate governance practices in order to respond to the evolution of best practices.

<p style="text-align: center;">Authority Guidelines</p>	<p style="text-align: center;">Corporate Governance Practices of the Corporation</p>
<p>1. Board of Directors</p> <p>(a) Disclose how the Board of Directors of the Corporation (the “Board”), facilitates its exercise of independent supervision over management, including:</p> <p>i) the identity of directors who are independent; and</p> <p>ii) the identity of directors who are not independent, and the basis for that determination.</p>	<p>Of the current eight (8) members of the Board, four (4) directors are independent within the meaning of the Authorities’ Governance Disclosure Regulation. They are Messrs. Sylvain Aird, Marc-André Aubé, Patrice Boily, Alain Bureau, Louis Doyle and Rafael Percopo.</p> <p>After having examined the relationship of each of its members, the Board has determined that the following director was not independent: Mr. Peter Polatos is the Interim President and Chief Executive Officer of the Corporation and Francisco Perez Jr. is Chief Operating Officer and therefore, they do not qualify as “independent” within the meaning of the Authorities’ Governance Disclosure Regulation.</p> <p>During all meetings of the Board and meetings of committees of the Board, the independent directors have the opportunity to meet without any representatives of management being present.</p>

<p style="text-align: center;">Authority Guidelines</p>	<p style="text-align: center;">Corporate Governance Practices of the Corporation</p>
<p>(b) If a director is currently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.</p>	<p>The directorships of all current directors with other reporting issuer are the following:</p> <p>Peter Polatos: BTB Real Estate Investment Trust</p> <p>Louis Doyle: Abitibi Royalties Inc. and Lumiera Santé Inc. (formerly, Produits Naturels Mondias Inc.)</p> <p>Sylvain Aird: Geekco Technologies Corporation</p>
<p>2. Orientation and Continuing Education</p>	
<p>Describe what steps, if any, the Board takes to orient new Board members, and describe any measures to provide continuing education for directors.</p>	<p>The Corporate Governance and Human Resources Committee is responsible for monitoring the Corporation's orientation and continuing education for new directors.</p> <p>The Corporation offers new directors orientation and continuing education which focuses on strategic thrusts, financial information and human resources, including the roles, responsibilities and liabilities of directors.</p> <p>Presentations on the Corporation's business are made by management at each Board meeting. Also, the directors have access to the legal counsels of the Corporation for any question concerning their duties as directors.</p>

<p style="text-align: center;">Authority Guidelines</p>	<p style="text-align: center;">Corporate Governance Practices of the Corporation</p>
<p>3. Ethical Business Conduct</p> <p>Describe what steps, if any, the Board takes to encourage and promote a culture of ethical business conduct.</p>	<p>The Board has adopted an internal Confidentiality and Disclosure Policy, a Trading Restrictions and Blackout Periods Policy and a Code of Ethics.</p> <p>The Board, through its Audit Committee and Corporate Governance and Human Resources Committee, has the responsibility to periodically review the corporate governance policies and monitor adherence thereto by management.</p> <p>The policies are available upon request addressed to the Corporation’s Secretary.</p> <p>In accordance with applicable law, when a conflict of interest arises, a director is required to disclose his or her interest and abstain from voting on the matter. In practice, the Board requests every director to disclose any direct or indirect interest he or she has in any organization, business or association, which could place the director in a conflict of interest. Should there be a discussion or decision relating to an organization, business or association in which a director has an interest, the Board would request such director not to participate in any such discussion or decision.</p>
<p>4. Nomination of Directors</p> <p>Disclose what steps, if any, are taken to identify new candidates for Board nominations, including:</p> <p>(a) who identifies new candidates;</p>	<p>The Corporate Governance and Human Resources Committee is responsible to receive and review the candidates, and recommend to the Board the hiring of executive management, or the appointment or election of directors of the Corporation.</p>

<p style="text-align: center;">Authority Guidelines</p>	<p style="text-align: center;">Corporate Governance Practices of the Corporation</p>
<p>(b) the process of identifying new candidates.</p>	<p>The Corporate Governance and Human Resources Committee has the responsibility of recommending to the Board adequate procedures for the selection of new directors and to periodically review the criteria adopted by the Board. It also has the responsibility of recommending to the Board candidates who are deemed competent and capable of becoming members of the Board, in accordance with the criteria of the new directors adopted from time to time by the Board and established according to the Charter of the Corporate Governance and Human Resources Committee.</p> <p>In addition to receiving and to reviewing the applications of candidates and recommend the hiring, the Corporate Governance and Human Resources Committee considers and approves the requests to hire special counsels, recommends the opportunity to create new functions in the Corporation, analyses the needs of the Board if there are any vacancies and recommends the dismissal of a director or a member of the Executive Management, if necessary.</p>

<p style="text-align: center;">Authority Guidelines</p>	<p style="text-align: center;">Corporate Governance Practices of the Corporation</p>
<p>6. Diversity</p>	<p>The Board has not adopted a formal policy with respect to term limits for directors or other mechanisms for board renewal as it has not considered such mechanisms to be appropriate given the size and stage of development of the Corporation. The Board is of the view that limiting the term of office may result in a loss of beneficial contributions by directors and may be detrimental to the Corporation.</p> <p>The Board has not adopted a formal policy with respect to the nomination and appointment of directors who are women, Aboriginal Peoples, persons with disabilities and members of visible minorities (collectively, the "designated groups"). The Board recognizes the benefits of diversity on its Board, at the senior management level and at all levels of the organization, but does not believe that the adoption of a formal policy would further increase the representation of designated groups over the current recruitment and selection process. The board has not set formal representation goals for designated group members on the board or in senior management positions. The Corporation assesses the competencies, skills, experience and other necessary qualifications of each candidate as a whole, and the representation of the designated groups is one of many factors considered in the recruitment and selection of candidates for board or senior management positions. Currently, no member of the Corporation's Board or senior management team is a member of the Designated Groups (0%).</p>
<p>5. Compensation</p> <p>Disclose what steps, if any, are taken to determine compensation for the directors and Chief Executive Officer, including:</p> <p>(a) who determine compensation;</p>	<p>The Corporation's compensation program concerning directors and executive management is the responsibility of the Corporate Governance and Human Resources Committee.</p> <p>The Committee also approves the recruiting as well as the levels of compensation of all the members of Executive Management and shares its decisions in this respect with the Board.</p>

<p style="text-align: center;">Authority Guidelines</p>	<p style="text-align: center;">Corporate Governance Practices of the Corporation</p>
<p>(b) the process of determining compensation.</p>	<p>The Corporate Governance and Human Resources Committee has the responsibility to periodically review the compensation of executive management.</p> <p>The Corporate Governance and Human Resources Committee is responsible for periodically reviewing and evaluating the performance and contribution of all directors and the effectiveness of the Board as a whole; and, annually reviewing the compensation of the directors in their capacity as directors and make recommendations to the Board.</p> <p>The Corporate Governance and Human Resources Committee has namely the responsibility of examining and approving the goals and objectives of the Corporation relating to the compensation of the President and Chief Executive Officer, to evaluate the performance of the President and Chief Executive Officer with respect to these goals and objectives, to account for the results of such an evaluation of the Board and to recommend to the Board the level of compensation of the President and Chief Executive Officer according to this evaluation.</p>
<p>6. Other Board Committees</p> <p>If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.</p>	<p>The Board has created the Corporate Governance and Human Resources Committee. The Corporate Governance and Human Resources Committee assists the Board within the exercise of its functions, supervises the Executive Management of the Corporation in order to improve the value of the securities of the Corporation in the long-run for the shareholders, guides the Board with respect to the policies and decisions regarding corporate governance, as well as the appointment and compensation of both executive management and directors of the Corporation and its subsidiaries.</p> <p>The Corporate Governance and Human Resources Committee is currently composed of three (e) directors of the Corporation, namely Messrs. Sylvain Aird, Alain Bureau and Louis Doyle, all are “independent” within the meaning of the Authorities’ Governance Disclosure Regulation.</p>
<p>7. Assessments</p> <p>Disclose what steps, if any, the Board takes to satisfy itself that the Board, its committees, and its individual directors are performing effectively.</p>	<p>The Board has an informal process for assessing its effectiveness and that of its committees. The Chairman of the Board bears this responsibility along with the President of the Corporate Governance and Human</p>

Authority Guidelines	Corporate Governance Practices of the Corporation
	<p>Resources Committee. On an annual basis, each director and Corporate Governance and Human Resources Committee member evaluates the performance of the Board or Corporate Governance and Human Resources Committee of which he is a member, taking into account various criteria, namely the composition, functioning, responsibilities, surveillance activities and efficiency of the Board or Corporate Governance and Human Resources Committee, as well as the comprehension of the business and the remuneration of its members. The observations of each member are informally submitted to the Chairman of the Board or Corporate Governance and Human Resources Committee. They are discussed within the Corporate Governance and Human Resources Committee and are then presented to the Chairman of the Board.</p>