



TERRANUEVA

MATERIAL CHANGE REPORT

PURSUANT TO REGULATION 51-102 RESPECTING CONTINUOUS DISCLOSURE OBLIGATIONS

ITEM 1: **Name and Address of Corporation**

Terranueva Corporation (“**Terranueva**” or the “**Corporation**”)
803 Boulevard de l’Ange-Gardien
L’Assomption QC J5W 1T3
Canada

ITEM 2: **Date of Material Change**

July 13, 2022.

ITEM 3: **News Release**

A press release was issued in English and French by Terranueva on July 13, 2022. The English copy of the press release is attached hereto.

ITEM 4: **Summary of Material Change**

Terranueva closes a private placement of debentures for an aggregate principal amount of \$2,950,000 maturing on July 12, 2027, bearing an annual interest rate of 5% and convertible into common shares at a conversion price of \$0.08 per share until July 13, 2025.

ITEM 5: **Full Description of Material Change**

Terranueva announces the closing of a non-brokered private placement of second rank convertible debentures for an aggregate gross principal amount of \$2,950,000 paid in cash and bearing an interest rate of 5% per annum (the "Offering"). The principal amount and interest are payable in five years, namely at the maturity of July 12, 2027, and the principal amount is convertible at any time until July 13, 2025, at the option of the holder, into voting common shares of the share capital of Terranueva ("Common Shares") at a conversion price of \$0.08 per Common Share. The debentures will be secured by a second rank hypothec on the universality of the Corporation's movable property. The debentures and the underlying Common Shares are subject to a mandatory holding period of four months and one day from the closing.

All parties to the Offering are dealing at arm's length with Terranueva, except the participation of an officer and controlling shareholder of the Corporation described below, and no commission was payable. The whole is subject to applicable regulatory approvals.

The proceeds of the Offering will be used primarily to replenish the Corporation's working capital and for business development.



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An officer and controlling shareholder of the Corporation subscribed, directly and indirectly, for an aggregate principal amount of \$2,315,750 convertible into up to a potential of 28,946,875 Common Shares. Its current holding on a non-diluted basis remains unchanged at 26.92% while its holding on a partially diluted basis (should a potential conversion occurs), currently of 42.47% will increase by 13.95% following the conversion of the total gross principal amount of the Offering. The issuance of the debentures to this insider constitutes a related party transaction, but which is exempt from the requirement to provide a formal valuation and obtain minority approval under Regulation 61-101 respecting Protection of Minority Security Holders in Special Transactions, and the board of directors of the Corporation, which includes independent directors in respect of the transaction who are not employees of the Corporation, has unanimously approved the Offering. In addition, neither the Corporation nor the said related party has knowledge of any material information concerning the Corporation or its securities that has not been generally disclosed. Terranueva did not file a material change report with respect to the insider's interest at least 21 days prior to the date of the closing of the private placement, as such insider's interest was not determined at that time.

ITEM 6: Reliance on Subsection 7.1(2) of Regulation 51-102

Not applicable.

ITEM 7: Omitted Information

Not applicable.

ITEM 8: Executive Officer

Dominique St-Louis, Chief Financial Officer of the Corporation, Phone : (450) 591-1011

ITEM 9: Date of Report

July 13, 2022.



TERRANUEVA

PRESS RELEASE

FOR IMMEDIATE RELEASE

TICKER SYMBOL: TEQ

July 13, 2022

TERRANUEVA CLOSES A PRIVATE PLACEMENT OF DEBENTURES FOR \$2,950,000

L'ASSOMPTION, QUÉBEC - Terranueva Corporation (CSE: TEQ) ("Terranueva" or the "Corporation") announces the closing of a non-brokered private placement of second rank convertible debentures for an aggregate gross principal amount of \$2,950,000 paid in cash and bearing an interest rate of 5% per annum (the "Offering"). The principal amount and interest are payable in five years, namely at the maturity of July 12, 2027, and the principal amount is convertible at any time until July 13, 2025, at the option of the holder, into voting common shares of the share capital of Terranueva ("Common Shares") at a conversion price of \$0.08 per Common Share. The debentures will be secured by a second rank hypothec on the universality of the Corporation's movable property. The debentures and the underlying Common Shares are subject to a mandatory holding period of four months and one day from the closing.

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ABOUT TERRANUEVA

Terranueva relies on research and development, innovation and operational efficiency to become a major player in the emerging cannabis industry. Their goal is to provide the Canadian and international markets with premium quality cannabis. To achieve this goal, Terranueva is implementing a modular production approach that incorporates the latest advances and innovations in process automation. Terranueva Pharma Corporation, its wholly owned subsidiary, holds the necessary licenses from Health Canada to execute its mission.

For more on Terranueva, visit www.terranueva.ca

The CSE and its regulatory service providers (as this term is attributed in its policies) assume no responsibility for the relevance or accuracy of this press release.

For more information, please contact:

Dominique St-Louis, Chief Financial Officer of the Corporation.

Phone : (450) 591-1011