FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 **Name and Address of the Company**

TerraVest Industries Inc. ("**TerraVest**" or the "**Company**")
4901 Bruce Road
Vegreville, Alberta
T9C 1L3

Item 2 **Date of Material Change**

October 24, 2018

Item 3 **News Release**

A news release disclosing the nature and substance of the material change was issued by TerraVest on October 22, 2018 and filed on SEDAR, and is attached as Schedule "A".

Item 4 **Summary of Material Change**

On October 22, 2018, TerraVest announced the results of its previously announced substantial issuer bid (the "**Offer**") pursuant to which TerraVest offered to purchase up to 450,000 of its outstanding common shares (the "**Shares**") and up to $1,000,000.00 aggregate principal amount of the issued and outstanding 7.0% convertible unsecured subordinated debentures due June 20, 2020 (the "**Debentures**") (or such greater number as TerraVest determined it was willing to take up and pay for) at a purchase price of $11.00 per Share and $1,333.33 per $1,000.00 principal amount of Debentures.

Based on the final report provided by the depositary for the Offer, a total of 619,907 Shares and $5,637,000.00 principal amount of Debentures had been deposited at the expiration of the Offer. As the Offer was oversubscribed, TerraVest announced it would take up, on a prorated basis, 619,907 Shares and $2,500,000.00 principal amount of Debentures. On October 24, 2018, TerraVest finalized the taking up of the Shares and Debentures with the depositary. This resulted in shareholders having 100% of their deposited Shares taken up for purchase and debentureholders having approximately 44.35% of their deposited Debentures taken up for purchase.

The total purchase price for the Shares was approximately $6,818,977.00 and $3,333,325.00 for the Debentures, and was funded with cash on hand. Following the purchase and cancellation of the Shares and Debentures, TerraVest will have 17,033,224 Shares and $13,775,000.00 aggregate principal amount of Debentures outstanding.

Item 5 **Full Description of Material Change**

Please see the news release attached as Schedule "A".

Item 6 **Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

Item 7 **Omitted Information**

Not applicable.

Item 8 **Executive Officer**

For further information please contact:
Dustin Haw
TerraVest Industries Inc.
Chief Executive Officer
(416) 855-1928
dhaw@terravestindustries.com

Item 9 **Date of Report**

November 1, 2018

SCHEDULE "A"

See attached.

TerraVest Industries Inc. Announces Results of Substantial Issuer Bid

VEGREVILLE, AB, Oct. 22, 2018 /CNW/ - TerraVest Industries Inc. ("**TerraVest**" or the "**Company**") (TSX: **TVK**) today announced the results of its substantial issuer bid dated September 11, 2018 (the "**Offer**") to purchase for cancellation up to 450,000 of its outstanding common shares (the "**Shares**") at a purchase price of $11.00 per Share, as well as to purchase for cancellation up to $1,000,000.00 aggregate principal amount of the issued and outstanding 7.0% convertible unsecured subordinated debentures due June 20, 2020 (the "**Debentures**") at a purchase price of $1,333.33 per $1,000.00 principal amount of Debentures (or such greater amount of Shares and Debentures that the Company determines it will take up and pay for).

The Offer expired at 5:00 p.m. (Toronto Time) on October 19, 2018. Based on the final report provided by the depositary for the Offer, a total of 619,907 Shares and $5,637,000 principal amount of Debentures have been deposited at the expiration of the Offer. As the Offer was oversubscribed, TerraVest intends to take up, on a prorated basis, 619,907 Shares and $2,500,000 principal amount of Debentures deposited pursuant to the Offer in accordance with applicable securities laws and as set forth in the Offer documents. Shareholders will have approximately 100% of their deposited Shares purchased by TerraVest and Debentureholders will have approximately 44.35% of their deposited Debentures purchased by TerraVest.

The total purchase price for the Shares deposited under the Offer will be approximately $6,818,977 and $3,333,325 for the Debentures deposited under the Offer, and will be funded with cash on hand. Payment for the Shares and Debentures deposited and accepted for purchase will be made as soon as practicable in accordance with the Offer.

Following the purchase and cancellation of the 619,907 Shares and $2,500,000 principal amount of Debentures deposited under the Offer, TerraVest will have 17,033,224 Shares and $13,775,000 aggregate principal amount of Debentures outstanding.

Forward-Looking Statements

This press release may contain or refer to certain forward-looking statements relating, but not limited to, TerraVest's expectations, intentions, plans and beliefs with respect to TerraVest. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "does not expect", "is expected", "budget", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or equivalents or variations, including negative variations, of such words and phrases, or state that certain actions, events or results, "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. These forward-looking statements include, but are not limited to, statements regarding: the Company's intention to commence the Offer; the expected terms and conditions of the Offer; the completion of the Offer; and a liquid market existing following completion of the Offer.

Forward-looking statements rely on certain underlying assumptions that, if not realized, can result in such forward-looking statements not being achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause the actual results of TerraVest to be materially different from the historical results or from any future results expressed or implied by such forward-looking statements. Risks and uncertainties include, among others, the Company's investment strategy, legal and regulatory risks, general market risk, potential lack of diversification in the Company's investments and interest rates and foreign currency fluctuations. Although TerraVest has attempted to identify important factors that could cause actual actions, events or results or cause actions, events or results not to be estimated or intended, there can be no assurance that forward-looking statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Other than as required by applicable Canadian securities laws, TerraVest does not update or revise any such forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events. Accordingly, readers should not place undue reliance on forward-looking statements.

SOURCE TerraVest Industries Inc.

View original content: http://www.newswire.ca/en/releases/archive/October2018/22/c1139.html

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For further information: Dustin Haw, TerraVest Industries Inc., Chief Executive Officer, (416) 855-1928, dhaw@terravestindustries.com

CO: TerraVest Industries Inc.

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