

November 27, 2018



Terrascend Shareholders Approve U.S. Expansion Strategy

-- Shareholders approve plan of arrangement --

-- U.S. team in place and ready to execute growth strategy --

TORONTO, Nov. 27, 2018 /PRNewswire/ - TerrAscend Corp. (CSE: TER; OTCQX: TRSSF) ("TerrAscend" or the "Company") is pleased to announce that its shareholders voted today to approve the previously announced plan of arrangement (the "Arrangement"), which will pave the way for TerrAscend to explore and pursue growth opportunities in the United States, including potential acquisitions of operators in states that have legalized cannabis for therapeutic or adult-use. Pursuant to the Arrangement, the capital of the Company will be reorganized and certain contractual covenants that currently restrict TerrAscend from operating in the United States will be waived by Canopy Growth Corporation (TSX: WEED; NYSE: CGC), Canopy Rivers Corporation (a subsidiary of Canopy Rivers Inc. (TSXV: RIV)) and entities controlled by Jason Wild, Chairman of the Company.

"We are thrilled that our shareholders are aligned with our plan to expand to the U.S. The vote today represents a pivotal moment in TerrAscend's journey," said Michael Nashat, President and Chief Executive Officer. "I would like to thank all of our shareholders and recognize the collective support from Canopy Growth, Canopy Rivers and JW Asset Management as TerrAscend positions itself to pursue the tremendous opportunities in the states that have a legalized cannabis market."

Approximately 99% of the votes cast by TerrAscend shareholders were in favour of the Arrangement, including approximately 97% of the votes cast by TerrAscend shareholders other than shareholders whose votes were required to be excluded pursuant to Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*. To be passed, the resolution approving the Arrangement required at least two-thirds of the votes cast by all shareholders and a simple majority of votes cast by disinterested shareholders to be voted in favour of the Arrangement.

"With an experienced U.S. team in place and an established network in the cannabis industry, we have an early-mover advantage as we begin to execute on our U.S. growth strategy. We have identified acquisition prospects with significant market share, strong brand recognition and substantial global potential. TerrAscend's goal is to become the leading multi-state operator in the U.S. cannabis industry while continuing to capitalize on sizeable opportunities in Canada and the rest of the world," concluded Nashat.

It is expected that TerrAscend will apply for a final order of the Ontario Superior Court of Justice (Commercial List) for approval of the Arrangement on November 29, 2018. Completion of the Arrangement remains subject to other customary closing conditions for a transaction of this nature, including the aforementioned court order. Assuming the

satisfaction or waiver of these closing conditions, the Arrangement is expected to close within the next two weeks.

Further details regarding the terms of the Arrangement are set out in the management information circular for the shareholder meeting, which is available under the profile of the Company on SEDAR at www.sedar.com.

About TerrAscend Corp.

TerrAscend Corp. is a biopharmaceutical and wellness company that is committed to quality products, brands and services for the global cannabinoid market. The Company provides support to patients and consumers through its wholly-owned subsidiaries, TerrAscend Canada Inc., a licensed producer of cannabis pursuant to the *Cannabis Regulations* under the *Cannabis Act* (Canada) that provides medical cannabis to patients through its online medical marketplace Solace Health, and Solace Health Network Inc., a clinical support program and education platform led by healthcare professionals. The Company participates in the legal adult-use market in Canada through direct and indirect supply agreements in several provinces and has stated its intention to expand into the US market in states where cannabis has been legalized for therapeutic or adult-use. The Company also has an interest in Ascendant Labs, a cannabis biotechnology and licensing company committed to the continuous improvement of the cannabis plant, which is a strategic joint venture with leading researchers Cistron Corp.

Caution Regarding Cannabis Operations in the United States

Investors should note that there are significant legal restrictions and regulations that govern the cannabis industry in the United States. Cannabis remains a Schedule I drug under the US Controlled Substances Act, making it illegal under federal law in the United States to cultivate, distribute or possess cannabis in the United States. Furthermore, financial transactions involving proceeds generated by, or intended to promote, cannabis-related business activities in the United States may form the basis for prosecution under applicable US federal money laundering legislation.

While the approach to enforcement of such laws by the federal government in the United States has trended toward non-enforcement against individuals and businesses that comply with medical or adult-use cannabis programs in states where such programs are legal, strict compliance with state laws with respect to cannabis will neither absolve the Company of liability under US federal law, nor will it provide a defense to any federal proceeding which may be brought against the Company. Following any investment made by the Company in operations in the United States, enforcement of federal laws in the United States will be a significant risk to the business of the Company and any proceedings brought against the Company thereunder may adversely affect the Company's operations and financial performance.

Forward Looking Information

This news release contains "forward-looking information" within the meaning of applicable securities laws. Forward-looking statements in this press release may be identified by the use of words such as, "may", "would", "could", "will", "likely", "expect", "anticipate", "believe", "intend", "plan", "forecast", "project", "estimate", "outlook" and other similar expressions, and

include statements with respect to the completion of the Arrangement and TerrAscend's intention to pursue business opportunities in the United States. Forward-looking statements are not a guarantee of future performance and are based upon a number of estimates and assumptions of management in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors relevant in the circumstances, including assumptions in respect of current and future market conditions, the current and future regulatory environment; and the availability of licenses, approvals and permits.

Although TerrAscend believes that the expectations and assumptions on which such forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because TerrAscend can give no assurance that they will prove to be correct. Actual results and developments may differ materially from those contemplated by these statements. Forward-looking statements are subject to a variety of risks and uncertainties that could cause actual events or results to differ materially from those projected in the forward-looking statements. Such risks and uncertainties include, but are not limited to, the Company's ability to complete the reorganization, including obtaining the necessary approval of the court; the Company's ability to source attractive investment opportunities in the United States and execute on such opportunities, including being able to finance any such opportunities; risks related to federal, state, provincial, territorial, local and foreign government laws, rules and regulations, including federal and state laws in the United States relating to cannabis operations in the United States; TerrAscend's ability to successfully integrate any acquired businesses in the future; fluctuations in foreign currency exchange rates.

The statements in this press release are made as of the date of this release. TerrAscend disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws. TerrAscend undertakes no obligation to comment on analyses, expectations or statements made by third-parties in respect of TerrAscend, its securities, or financial or operating results (as applicable).

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