

January 27, 2020



TerraAscend Announces Termination of Gravitas Nevada Ltd. Acquisition

TORONTO, Jan. 27, 2020 /CNW/ - TerraAscend Corp. (CSE: TER; OTCQX: TRSSF) ("TerraAscend" or "the Company"), the first and only global cannabis company licensed for sales in Canada, the U.S., and the EU, today announced the termination of the Securities Purchase Agreement (the "Agreement"), pursuant to which TerraAscend would have acquired all of the issued and outstanding equity interests of Gravitas Nevada Ltd. ("Gravitas"), a vertically-integrated business engaged in the cultivation, processing, packaging and dispensing of cannabis and cannabis related products in Nevada. Gravitas operates a retail cannabis dispensary in Las Vegas, Nevada under the trade name "The Apothecarium." The transaction, for \$33.5mm in cash and 625 proportionate voting shares in the equity of TerraAscend equivalent to 625,000 common shares of the Company, was originally announced on February 11, 2019.

Pursuant to the terms of the Agreement, TerraAscend has paid a \$3mm reverse termination fee to the sellers, which had been placed in escrow in June of 2019. As part of the termination, the Company is no longer liable for the remaining \$30.5mm and proportionate voting shares in the equity of TerraAscend equivalent to 625,000 common shares of the Company. TerraAscend has agreed to continue licensing The Apothecarium, State Flower and Valhalla names and related intellectual property to Gravitas and its related operations in Nevada, pursuant to such final terms as will be mutually agreed by the parties.

The Canadian Securities Exchange ("CSE") has neither approved nor disapproved the contents of this news release. Neither the CSE nor its Market Regulator (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.

About TerraAscend

TerraAscend provides quality products, brands, and services to the global cannabinoid market. As the first North American Operator (NAO), with scale operations in both Canada and the US, the Company participates in the medical and legal adult use market across Canada and in several US states where cannabis has been legalized for therapeutic or adult use. TerraAscend is the first and only cannabis company with sales in the US, Canada, and Europe. TerraAscend operates a number of synergistic businesses, including The Apothecarium, an award-winning cannabis dispensary with several retail locations in California; Arise Bioscience Inc., a manufacturer and distributor of hemp-derived products; Ilera Healthcare, Pennsylvania's premier medical marijuana cultivator, processor and dispenser; Ascendant Laboratories Inc., a biotechnology and licensing company committed to the continuous improvement of cannabinoid expressing plants; Solace RX Inc., a proposed Drug Preparation Premises (DPP) focused on the development of novel formulations and delivery forms; and Valhalla Confections, a manufacturer of premium cannabis-infused edibles. Additionally, TerraAscend holds a cultivation permit in the State of New Jersey and is pending approval for a vertically integrated medical cannabis operation

with the ability to operate up to 3 Alternative Treatment Centers. For more information, visit www.terrascend.com.

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, among other things, cultivate, distribute or possess cannabis in the United States. 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 TerrAscend of liability under US federal law, nor will it provide a defense to any federal proceeding which may be brought against TerrAscend. The enforcement of federal laws in the United States is a significant risk to the business of TerrAscend and any proceedings brought against TerrAscend thereunder may adversely affect TerrAscend's operations and financial performance.

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