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TerrAscend Receives Michigan Pre-Qualification Approval for the Acquisition of Gage Cannabis

NEW YORK and TORONTO, Sept. 17, 2021 /CNW/ - TerrAscend Corp. ("TerrAscend" or the "Company") (CSE: TER) (OTCQX: TRSSF), a leading North American cannabis operator, today announced that it has received pre-qualification approval for cultivation, processing and retail licenses from the state of Michigan's Marijuana Regulatory Agency pursuant to the Medical Marijuana Facilities Licensing Act. The pre-qualification approval represents TerrAscend's successful completion of the most comprehensive portion of the State's licensing and regulatory approval process. The pre-qualification approval is a key closing condition for TerrAscend's previously announced acquisition of Gage Growth Corp. ("Gage") (the "Transaction"). The Transaction will close as soon as possible after receipt of the applicable shareholder, court and other regulatory approvals and satisfaction or waiver of all other conditions in the definitive arrangement agreement (the "Arrangement Agreement").



"Our prequalification is an important step as we progress towards closing the acquisition of Gage in a timely manner," said Jason Wild, Executive Chairman of TerrAscend. "Upon closing, our combined company will bring together strong cultivation, processing capabilities, brands and retail networks to execute on the significant opportunities ahead."

Upon completion of the Transaction, the combined business will have operations in 5 states and Canada, including 7 cultivation and processing facilities and 23 operating dispensaries serving both medical and adult-use cannabis markets in the U.S. and Canada.

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 TerrAscend

TerrAscend is a leading North American cannabis operator with vertically integrated operations in Pennsylvania, New Jersey, and California, licensed cultivation and processing operations in Maryland and licensed production in Canada. TerrAscend operates an award-winning chain of The Apothecarium dispensary retail locations as well as scaled cultivation,

processing, and manufacturing facilities on both the East and West coasts. TerrAscend's best-in-class cultivation and manufacturing practices yield consistent, high-quality cannabis, providing industry-leading product selection to both the medical and legal adult-use market. The Company owns several synergistic businesses and brands, including The Apothecarium, Ilera Healthcare, Kind Tree, Prism, State Flower, Valhalla Confections, and Arise Bioscience Inc. For more information, visit www.terrascend.com.

Cautionary Note Regarding Forward-Looking Statements

This news release contains "forward-looking information" within the meaning of applicable securities laws. Forward-looking information contained 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. Forward-looking information is not a guarantee of future performance and is 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.

Forward-looking statements in this news release include, but are not limited to: statements with respect to the anticipated completion of the Transaction and the timing for its completion; the satisfaction of closing conditions for the Transaction which include, without limitation (i) required Gage and TerrAscend shareholder approvals, (ii) certain termination rights available to the parties under the Arrangement Agreement, (iii) obtaining the necessary approvals from the CSE for the listing of TerrAscend's common shares in connection with the Transaction, (iv) the required state and municipal regulatory approvals; and (v) other approvals and closing conditions contained in the Arrangement Agreement; statements with respect to the anticipated effects of the Transaction on TerrAscend and its strategy going forward and statements with respect to the anticipated benefits associated with the acquisition of Gage. Actual results and developments may differ materially from those contemplated by these statements.

Such forward-looking statements are based on certain assumptions regarding TerrAscend and Gage, including the successful completion of the Transaction, anticipated benefits from the Transaction, and expected growth, results of operations, performance, industry trends and growth opportunities of the combined company post-closing of the Transaction. While TerrAscend and Gage consider these assumptions to be reasonable, based on information currently available, they may prove to be incorrect.

Among other things, there can be no assurance that the Transaction will be completed or that the anticipated benefits from the Transaction will be achieved. Readers are cautioned not to place undue reliance on forward-looking statements.

Forward-looking information is 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 information. Such risks and uncertainties include, but are not limited to, current and future market conditions; 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; risks related to obtaining the necessary

court, shareholder and regulatory approvals to complete the Transaction on the anticipated timeline, or at all; with respect to TerrAscend and the risk factors set out in TerrAscend's most recently filed MD&A, filed with the Canadian securities regulators and available under TerrAscend's profile on SEDAR at www.sedar.com, and with respect to Gage, the risk factors set out in Gage's most recently filed MD&A, filed with the Canadian securities regulators and available under Gage's profile on SEDAR at www.sedar.com.

The statements in this press release are made as of the date of this release. TerrAscend and Gage 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.

The CSE accepts no responsibility for the adequacy or accuracy of this release.

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 U.S. 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.

SOURCE TerrAscend