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TerraAscend Awarded Permit to Cultivate by New Jersey Department of Health

Cultivation to Commence Immediately

TORONTO, Jan. 16, 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 that TerraAscend NJ, LLC ("TerraAscend NJ") has been issued a [permit](#) to cultivate medical marijuana by the New Jersey Department of Health ("NJ DOH"). TerraAscend NJ is the second entity to receive its cultivation permit among the six applicants chosen by the NJ DOH in December 2018. Cultivation operations will commence immediately at its facility in Boonton Township, located in northern New Jersey.



In December 2018, TerraAscend was awarded the right to apply for one of six permits, out of 146 applications, for a vertically-integrated permit to cultivate, process and dispense medical cannabis in the State of New Jersey. After securing additional processing and dispensing approvals, the full permit will allow TerraAscend NJ to operate a production facility and up to three Alternative Treatment Centers ("ATCs"), or dispensaries, in the North region of New Jersey. TerraAscend's minority partners in TerraAscend NJ are BWH NJ, LLC and Blue Marble Ventures, LLC.

Currently a medical-use market, New Jersey is the 11th largest state in the U.S. with nearly 9 million residents. According to the NJ DOH, as of January 2020, over 66,000 patients have gained access to the state's medical marijuana program, of which the highest density of patients is concentrated in the populous North region where TerraAscend is one of four permittees. The number of registered medical marijuana patients in the state has tripled since the beginning of 2018. The state currently has a robust list of 17 approved debilitating medical conditions, including opioid use disorder, post-traumatic stress disorder (PTSD), anxiety and chronic pain, which were all added over the past year.

"We are pleased to receive our cultivation permit in New Jersey after a rigorous inspection of our facility and operating procedures by the NJ DOH," said Jason Ackerman, Executive Chairman of TerraAscend. "Achieving this important regulatory milestone indicates that the TerraAscend model of compliance, quality and safety resonates with state regulatory agencies. Bringing safe and effective products to patients is our priority, and we look forward to introducing the TerraAscend house of brands to the state's medical-use patients."

TerrAscend has secured a 16-acre site in Boonton Township, located in Morris County. Construction of a 227,000 sq. ft. production facility is underway with the first phase covering approximately 80,000 sq. ft. of cultivation, processing and support space. This facility is expected to be fully operational within the first half of 2020. Future expansion plans are anticipated to provide an additional 120,000 sq. ft. The scaled cultivation capacity of the Boonton Township facility will supply cannabis products and brands to TerrAscend's ATCs, as well as to wholesale customers. In addition, the facility could supply cannabis to the projected 15 new retail ATCs expected to be awarded permits by NJ DOH this year.

The Company plans to leverage the strong brand equity and operational expertise of The Apothecarium as its retail banner in New Jersey. The Apothecarium has four existing locations in San Francisco and Las Vegas, and is recognized as one of the nation's premier dispensaries. The first Apothecarium-branded ATC is slated to open in Phillipsburg, NJ in Q2 2020, followed by two additional ATCs upon regulatory approval. The Company's Phillipsburg ATC will be the state's first in Warren County and the first East Coast location of The Apothecarium. TerrAscend intends to introduce New Jersey patients to the Company's family of brands and formulations, including State Flower, Ilera and its leading premium Haven St. brand from 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 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 U.S., the Company participates in the medical and legal adult-use market across Canada and in several U.S. states where cannabis has been legalized for therapeutic or adult use. TerrAscend is the first and only cannabis company with sales in the U.S., Canada, and Europe. TerrAscend operates a number of synergistic businesses, including The Apothecarium, an award-winning cannabis dispensary with several retail locations in California and Nevada; 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. 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.

Forward Looking Information

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, and include statements with respect to expansion plans at the Boonton Township facility and for the medical dispensary footprint. 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.

Although the Company believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because the Company 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 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, risks related to closing subsequent tranches of the Offerings; the expected timing for completion of subsequent tranches of the Offerings, including the satisfaction of customary closing conditions; current and future market conditions, including the market price of the common shares of the Company; 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; and the risk factors set out in the Company's annual information form dated May 31, 2019, filed with the Canadian securities regulators and available under the Company's profile on SEDAR at www.sedar.com.

The statements in this press release are made as of the date of this release. The Company 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.

SOURCE TerrAscend