



TerrAscend Completes Second Phase of New Jersey Cultivation and Manufacturing Facility

Cultivation Underway at 80,000 sq.ft Indoor Expansion, First Harvests Expected in Q1 2021

NEW YORK and TORONTO, January 11, 2021 // - TerrAscend Corp. ("TerrAscend" or the "Company") (CSE:TER, OTCQX: TRSSF), a leading North American cannabis operator, today announced that it has completed the second phase of construction at its cultivation and manufacturing facility located in Boonton, New Jersey (the "Boonton facility"). This phase of construction added approximately 80,000 square feet of indoor cultivation, to the existing on-site greenhouse and post-harvest manufacturing facilities, bringing the Boonton facility's total current footprint to approximately 140,000 square feet. TerrAscend has the ability to further increase the Boonton facility to 240,000 square feet.

TerrAscend recently received approval from the New Jersey Department of Health ("NJ DOH") to commence cultivation activities within the new indoor facility and expects to complete its first indoor harvests in Q1 2021.

"The New Jersey cannabis market represents a substantial growth opportunity for TerrAscend. With the completion of this expansion we have significantly scaled up our cultivation footprint to meet current demand," said Jason Ackerman, Executive Chairman of TerrAscend. "I'd like to thank our team for their efforts in completing this project and look forward to increasing the availability of our quality medical products to patients across the state."

In August 2020, the Company announced that its approximately 40,000 square foot greenhouse co-located at the Boonton facility was approved by the NJ DOH to begin cultivating cannabis. Concurrently, TerrAscend commenced initial planting of the greenhouse with several harvests completed during Q4 2020. In addition to its current wholesale and retail flower sales, TerrAscend intends to launch its comprehensive suite of high-quality, medical products including pre-rolls, extracted distillate and vaporizable oil, as well as Ilera branded tinctures, topicals and medically-blended vapes.

In December 2018, TerrAscend New Jersey was awarded a license to apply for one of six vertically integrated permits. The Company's application received the second highest score of 146 submissions received by the State. After securing additional processing and dispensing approvals, the full permit allows TerrAscend to operate a production facility and up to three Alternative Treatment Centers ("ATCs"), or dispensaries, in the North region of New Jersey. The first Apothecarium-branded ATC opened in Phillipsburg, NJ in Q4 2020, which will be followed by two additional ATCs in the first half of 2021. The Company's Phillipsburg ATC was the state's first in Warren County.

About TerrAscend

TerrAscend is a leading North American cannabis operator with vertically integrated operations in Pennsylvania, New Jersey, and California in addition to operating as a licensed producer in Canada. TerrAscend operates an award-winning chain of 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 a number of synergistic businesses and brands, including The Apothecarium, Ilera Healthcare, State Flower, Valhalla Confections, and Arise Bioscience Inc. For more information, visit www.terrascent.com.

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 future revenue and profits. 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, 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; and the risk factors set out in the Company’s most recently filed MD&A, 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.

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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