

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: TerrAscend Corp. (the "Issuer").

Trading Symbol: TER

Number of Outstanding Listed Securities: 53,593,222

Date: December 5, 2019

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

The Issuer continues to grow its team to support its continued growth. During the month of November, the following key events occurred:

- On November 4th, the Issuer issued a news release announcing the following leadership changes:

- Jason Ackerman, the founder and former CEO of online grocer, FreshDirect, was appointed to the Company's Board of Directors and appointed to the role of Executive Chairman. Effective November 4th, Mr. Ackerman became responsible for overseeing the day-to-day operations of the Issuer, serving alongside Jason Wild and CEO Michael Nashat.
 - Heather Molloy was promoted to Chief Strategy Officer. She led the Company's Arise Bioscience, The Apothecarium, State Flower and Ilera Healthcare transactions. Going forward, Ms. Molloy will oversee the strategic integration of those businesses into the Company with the guidance of Mr. Ackerman.
 - President Matthew Johnson, whose efforts helped lay the foundation of TerrAscend's US platform over the past eleven months, has departed the Issuer.
- On November 4th, as part of the same news release, the Issuer provided and update on its Canadian and US businesses.
 - On November 7th, the Issuer issued a news release announcing it has closed the second tranche of the previously announced non-brokered private placement of units of TerrAscend (the "Offering") for additional gross proceeds of approximately \$4.76 million. Each unit in the Offering is comprised of one unsecured convertible debenture and 25.2 common share purchase warrants of TerrAscend. The Issuer previously closed a first tranche of the Offering for gross proceeds of US\$10 million, consisting of a lead order from Canopy Rivers Inc. ("Canopy Rivers") (TSX: RIV, OTC: CNPOF). None of the subscribers in the second tranche were related parties to the Company.
 - The Issuer intends to use the proceeds from the Offering to fund its various growth initiatives, capital expenditures, working capital and general corporate purposes.
 - On November 26th, the Issuer issued a news release announcing it has closed the third tranche of the Offering for additional gross proceeds of approximately \$2.65 million. Each unit in the Offering is comprised of one unsecured convertible debenture of TerrAscend Canada Inc. ("TerrAscend Canada") and 25.2 common share purchase warrants of TerrAscend. None of the subscribers in the third tranche were related parties to the Issuer. The net proceeds from the third tranche are expected to be used by TerrAscend Canada for general corporate purposes and will not be used, directly or indirectly, in connection with any cannabis or cannabis-related operations in the United States, unless and until such operations comply with all applicable laws of the United States.

2. Provide a general overview and discussion of the activities of management.
Management has continued to develop the foundation of the Issuer to support its capacity to supply medical cannabis to authorized patients and adult-use cannabis to provincial governments.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

N/A

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

N/A

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

N/A

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

N/A

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

On November 22nd, the Issuer sold 500,000 of its shares of Fire & Flower ("F&F") at a price of \$1.0003 per share for gross proceeds of \$500,150 less \$5,000 on brokerage commissions. On November 25th, the Issuer sold the remaining 2,125,000 of its shares of F&F at a price of \$1.0018 per share for gross proceeds of \$2,128,825 less \$21,250 on brokerage commissions. The per share price was

based on the publicly traded share price at the time of the transaction. F&F is not considered a related party of the Issuer.

8. Describe the acquisition of new customers or loss of customers.

During this reporting period, the Issuer's wholly owned subsidiary, TerrAscend Canada Inc., continued to acquire customers/patients to support its business model.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

N/A

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

For the month of November, the Issuer continued to hire key staff to fulfill several positions in various areas, in the US to support the organization.

11. Report on any labour disputes and resolutions of those disputes if applicable.

N/A

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

On January 31, 2019, Compassionate Care Foundation, Inc. made an application to the New Jersey Superior Court - Appellate Division to appeal the decision of New Jersey's Department of Health to select six applicants to complete the license application process to operate new alternative treatment centers for medical cannabis in New Jersey. TerrAscend NJ, LLC, (formerly NETA NJ, LLC.) a 75% owned subsidiary of the Issuer, was one of the six successful applicants and has been named as a party to the proceedings. The appeal is focused on the Department of Health's decision-making process and no impropriety on behalf of the Issuer or its subsidiary has been claimed. While it is too early to predict the outcome of this claim, the Issuer believes it is without merit. No further updates regarding the claim were received by the Issuer for this reporting period.

On October 20, 2018, Investments International Inc. ("Investments") signed an offer to lease with the Issuer's wholly owned subsidiaries, 2627685 Ontario Inc. and 2151924 Alberta Inc. On February 8, 2019, Investments filed a statement of

claim in the Court of Queen's Bench of Alberta against the Issuer and its wholly owned subsidiaries, for breach of the offer to lease. The amount claimed is \$2,764,065.85 plus interest from and after the termination date of the offer to lease. The Issuer is currently seeking to conclude the matter. The Issuer and its wholly owned subsidiaries have submitted a statement of defence and are in the process of defending themselves.

Legal claims and regulatory proceedings arise from time to time in the ordinary course of business for the Issuer. To the knowledge of the Issuer, there are no currently outstanding claims or regulatory proceedings involving the Issuer or any of its subsidiaries that are expected to be material to the Issuer.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

On November 4, 2019, the Issuer's wholly owned subsidiary, Ilera, entered into a loan agreement with a related party to borrow up to US\$4 million, bearing interest at 12% per annum, payable monthly, and due on or before June 30, 2020, with no prepayment penalty.

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
Common Shares (listed)	99,997	Exercise of options and warrants	\$89,747.30 to be used for G&A purposes
Proportionate Voting Shares (not listed)	-	-	N/A
Options for Common Shares	170,000	Grant for new employees/consultants	N/A
Warrants for Common Shares	186,907	2 nd and 3 rd tranches of the Offering	N/A
Warrants for Proportionate Voting Shares	-	-	N/A

(1) State aggregate proceeds and intended allocation of proceeds.

15. Provide details of any loans to or by Related Persons.

On November 4, 2019, the Issuer's wholly owned subsidiary, Ilera, entered into a loan agreement with a related party to borrow up to US\$4 million, bearing interest at 12% per annum, payable monthly, and due on or before June 30, 2020, with no prepayment penalty.

16. Provide details of any changes in directors, officers or committee members.

Jason Ackerman has been appointed to the Company's Board of Directors and appointed to the role of Executive Chairman. Heather Molloy has also been promoted to Chief Strategy Officer, while former President Matthew Johnson has departed the Issuer.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

N/A

Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated [December 5, 2019](#)

[Adam Kozak](#)
Name of Director or Senior
Officer

Signature
[Chief Financial Officer](#)
Official Capacity

<i>Issuer Details</i> Name of Issuer TerrAscend Corp	For Month End 2019/11/30	Date of Report YY/MM/D 2019/12/05
Issuer Address PO Box 43125		
City/Province/Postal Code Mississauga, Ontario L5B 4A7	Issuer Fax No. (844) 576 5223	Issuer Telephone No. (855) 837 7295
Contact Name Adam Kozak	Contact Position CFO	Contact Telephone No. (855) 837 7295
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