

FORM 9

NOTICE OF ISSUANCE OR PROPOSED ISSUANCE OF LISTED SECURITIES

(or securities convertible or exchangeable into listed securities¹)

Name of Listed Issuer:

Symbol(s):

TerrAscend Corp. (the "Issuer").	TER
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Date: **February 20, 2019** Is this an updating or amending Notice: ☐ Yes ☒ No

If yes provide date(s) of prior Notices: _____.

Issued and Outstanding Securities of Issuer Prior to Issuance: **42,522,479 common shares and 35,021.529 proportionate voting shares.**

Pricing

Date of news release announcing proposed issuance: **February 11, 2019** or

Date of confidential request for price protection: _____

Closing Market Price on Day Preceding the news release: **\$8.10 per common share** or

Day preceding request for price protection: _____

Closing

Number of securities to be issued: **7,325 proportionate voting shares (exchangeable for 7,325,000 common shares)**

Issued and outstanding securities following issuance: **42,522,479 common shares and 42,346.529 proportionate voting shares**

Instructions:

1. For private placements (including debt settlement), complete tables 1A and 1B in Part 1 of this form.
2. Complete Table 1A – Summary for all purchasers, excluding those identified in Item 8.
3. Complete Table 1B – Related Persons only for Related Persons
4. If shares are being issued in connection with an acquisition (either as consideration or to raise funds for a cash acquisition) please proceed to Part 2 of this form.
5. An issuance of non-convertible debt does not have to be reported unless it is a significant transaction as defined in Policy 7, in which case it is to be reported on Form 10 – Notice of Proposed Transaction
6. Post the completed Form 9 to the CSE website in accordance with *Policy 6 – Distributions*. In addition, the completed form must be delivered to listings@thecse.com with an appendix that includes the information in Table 1B for ALL placees.

Part 1. Private Placement

Table 1A – Summary

Each jurisdiction in which purchasers reside	Number of Purchasers	Price per Security	Total dollar value (CDN\$) raised in the jurisdiction
Total number of purchasers:			
Total dollar value of distribution in all jurisdictions:			

Table 1B – Related Persons

Full Name & Municipality of Residence of Placee	Number of Securities Purchased or to be Purchased	Purchase price per Security (CDN\$)	Conversion Price (if Applicable) (CDN\$)	Prospectus Exemption	Total Securities Previously Owned, Controlled or Directed	Payment Date ⁽¹⁾	Describe relationship to Issuer ⁽²⁾

¹An issuance of non-convertible debt does not have to be reported unless it is a significant transaction as defined in Policy 7, in which case it is to be reported on Form 10.

- Total amount of funds to be raised: _____.
- Provide full details of the use of the proceeds. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material. _____.

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3. Provide particulars of any proceeds which are to be paid to Related Persons of the Issuer: _____ .
4. If securities are issued in forgiveness of indebtedness, provide details of the debt agreement(s) or and the agreement to exchange the debt for securities.
5. Description of securities to be issued:
- (a) Class _____ .
 - (b) Number _____ .
 - (c) Price per security _____ .
 - (d) Voting rights _____ .
6. Provide the following information if warrants, (options) or other convertible securities are to be issued:
- (a) Number _____ .
 - (b) Number of securities eligible to be purchased on exercise of warrants (or options) _____ .
 - (c) Exercise price _____ .
 - (d) Expiry date _____ .
7. Provide the following information if debt securities are to be issued:
- (a) Aggregate principal amount _____ .
 - (b) Maturity date _____ .
 - (c) Interest rate _____ .
 - (d) Conversion terms _____ .
 - (e) Default provisions _____ .
8. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the placement (including warrants, options, etc.):

- (a) Details of any dealer, agent, broker or other person receiving compensation in connection with the placement (name, and if a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer): _____ .
- (b) Cash _____ .
- (c) Securities _____ .
- (d) Other _____ .
- (e) Expiry date of any options, warrants etc. _____ .
- (f) Exercise price of any options, warrants etc. _____ .
9. State whether the sales agent, broker, dealer or other person receiving compensation in connection with the placement is Related Person or has any other relationship with the Issuer and provide details of the relationship _____ .
_____ .
10. Describe any unusual particulars of the transaction (i.e. tax “flow through” shares, etc.).
_____ .
11. State whether the private placement will result in a change of control.
_____ .
12. Where there is a change in the control of the Issuer resulting from the issuance of the private placement shares, indicate the names of the new controlling shareholders. _____

_____ .
13. Each purchaser has been advised of the applicable securities legislation restricted or seasoning period. All certificates for securities issued which are subject to a hold period bear the appropriate legend restricting their transfer until the expiry of the applicable hold period required by National Instrument 45-102 Resale of Securities.

Part 2. Acquisition

1. Provide details of the assets to be acquired by the Issuer (including the location of the assets, if applicable). The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material: **Acquisition of (i) 49.9% of the outstanding equity interests (representing all of the common units) of certain entities operating three retail cannabis dispensaries in San Francisco, California under the trade name "The Apothecarium" (the "San Francisco Business") and certain debt obligations of the San Francisco Business, (ii) all of the issued and outstanding equity interests in Gravitass Nevada Ltd., a vertically integrated business engaged in the cultivation, processing, packaging and dispensing of cannabis and cannabis-related products in Nevada, including operating a retail cannabis dispensary in Las Vegas, Nevada under the trade name "The Apothecarium" (the "Nevada Business"), (iii) all of the issued and outstanding equity interests of certain entities proposing to operate retail cannabis dispensaries in Berkeley and San Francisco, California under the trade name "The Apothecarium", and operating in the business of manufacturing, processing, packaging and wholesaling edible cannabis products under the trade name "Valhalla" (the "NorCal Business" and, together with the San Francisco Business and the Nevada Business, the "Businesses"); and (iv) the right (or, in certain circumstances, obligations) to acquire the preferred units in the entities comprising the San Francisco Business (representing the remaining 50.1% of the outstanding equity interests therein) post-closing following receipt of certain regulatory approvals (the "Purchase Option").**
2. Provide details of the acquisition including the date, parties to and type of agreement (eg: sale, option, license etc.) and relationship to the Issuer. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the acquisition without reference to any other material: **On February 10, 2019, three securities purchase agreements (the "Purchase Agreements") were entered into in connection with the acquisition of the interests in the Businesses: (i) an agreement in respect of the San Francisco Business was entered into among TerrAscend Corp. (as parent), WDB Holding CA, Inc. (as buyer), RHMT, LLC, Deep Thought, LLC, Howard Street Partners, LLC (as the entities whose securities are being acquired) and the sellers of the acquired interests; (ii) an agreement was entered into in respect of the Nevada Business among TerrAscend Corp (as parent), WDB Holding NV, Inc. (as buyer), Gravitass Nevada Ltd. (as the entity whose securities are being acquired) and the sellers of the acquired interests; and (iii) an agreement in respect of the NorCal Business was entered into among TerrAscend Corp. (as parent), WDB Holding CA, Inc. (as buyer), BTHHM Berkeley, LLC, PNB Noriega, LLC, V Products, LLC (as the entities whose securities are being acquired) and**

the sellers of the acquired interests. All of the sellers are at arm's length from TerrAscend Corp. The acquisitions will be completed once all of the conditions precedent thereto, including certain regulatory approvals from various local and state authorities in each of the markets where the Businesses are located, are satisfied. The completion of the acquisitions under the three Purchase Agreements may be completed at different times.

3. Provide the following information in relation to the total consideration for the acquisition (including details of all cash, securities or other consideration) and any required work commitments:

- (a) Total aggregate consideration in Canadian dollars: \$157,132,400 (based on aggregate cash payments, assuming the Purchase Option is completed, and value of share consideration of US\$118,411,756 and the daily average exchange rate published by the Bank of Canada for February 8, 2019, the last business day prior to the signing of the Purchase Agreements, of US\$1.00=C\$1.3270) plus earn-out payments which may be paid in certain situations to the sellers of Gravitas Nevada Ltd. and subject to certain potential working capital adjustments. .
- (b) Cash: \$93,336,762 (based on aggregate cash payments of US\$70,336,670 on closing and the above exchange rate), subject to certain potential working capital adjustments. If the acquisition under the Purchase Option is completed, an additional \$4,463,138 (based on the total option price of US\$3,363,330 and the above exchange rate) in cash will also be paid. .
- (c) Securities (including options, warrants etc.) and dollar value: 7,325 proportionate voting shares. Each proportionate voting share is exchangeable into common shares on the basis of 1,000 common shares per proportionate voting share. Aggregate dollar value of \$59,332,500 (US\$44,711,756 using the above exchange rate) based on the closing price of the common shares for February 8, 2019, the last business day prior to the signing of the Purchase Agreements, of \$8.10 per common share. .
- (d) Other: N/A .
- (e) Expiry date of options, warrants, etc. if any: N/A .
- (f) Exercise price of options, warrants, etc. if any: N/A .

(g) Work commitments: N/A .

4. State how the purchase or sale price was determined (e.g. arm's-length negotiation, independent committee of the Board, third party valuation etc).

Arm's-length negotiation

5. Provide details of any appraisal or valuation of the subject of the acquisition known to management of the Issuer: N/A

6. The names of parties receiving securities of the Issuer pursuant to the acquisition and the number of securities to be issued are described as follows:

Name of Party (If not an individual, name all insiders of the Party)	Number and Type of Securities to be Issued	Dollar value per Security (CDN\$) ⁵	Conversion price (if applicable)	Prospectus Exemption	Total Securities, Previously Owned, Controlled or Directed by Party	Describe relationship to Issuer
Verdant Nevada LLC ¹	250.000 proportionate voting shares	\$8,100.00	1:1,000 to common shares	Asset acquisitions (s. 2.12 of NI 45-106)	None	Independent
Green Ache's Consulting Limited ²	375.000 proportionate voting shares	\$8,100.00	1:1,000 to common shares	Asset acquisitions (s. 2.12 of NI 45-106)	None	Independent
PNB Berkeley, LLC ³	272.915 proportionate voting shares	\$8,100.00	1:1,000 to common shares	Asset acquisitions (s. 2.12 of NI 45-106)	None	Independent
Bianca Blesching	91.608 proportionate voting shares	\$8,100.00	1:1,000 to common shares	Asset acquisitions (s. 2.12 of NI 45-106)	None	Independent
Scot Hawkins	8.588 proportionate voting shares	\$8,100.00	1:1,000 to common shares	Foreign Issuance by Reporting Issuer (s. 2.3 of OSC Rule 72-503)	None	Independent
Michail Family 2004 Living Trust ⁴	8.588 proportionate voting shares	\$8,100.00	1:1,000 to common shares	Foreign Issuance by Reporting Issuer (s. 2.3 of OSC Rule 72-503)	None	Independent
Brian Scott	208.965 proportionate voting shares	\$8,100.00	1:1,000 to common shares	Asset acquisitions (s. 2.12 of NI 45-106)	None	Independent
Drew Bulfer	129.289 proportionate voting shares	\$8,100.00	1:1,000 to common shares	Asset acquisitions (s. 2.12 of NI 45-106)	None	Independent

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Shawn Darling	6.413 proportionate voting shares	\$8,100.00	1:1,000 to common shares	Foreign Issuance by Reporting Issuer (s. 2.3 of OSC Rule 72-503)	None	Independent
Arion Luce	1,493.345 proportionate voting shares	\$8,100.00	1:1,000 to common shares	Asset acquisitions (s. 2.12 of NI 45-106)	None	Independent
Ryan Hudson	1,720.154 proportionate voting shares	\$8,100.00	1:1,000 to common shares	Asset acquisitions (s. 2.12 of NI 45-106)	None	Independent
Anthony Shira	566.652 proportionate voting shares	\$8,100.00	1:1,000 to common shares	Asset acquisitions (s. 2.12 of NI 45-106)	None	Independent
Michael Thomsen	1,663.463 proportionate voting shares	\$8,100.00	1:1,000 to common shares	Asset acquisitions (s. 2.12 of NI 45-106)	None	Independent
Jamie Shira	530.020 proportionate voting shares	\$8,100.00	1:1,000 to common shares	Asset acquisitions (s. 2.12 of NI 45-106)	None	Independent

(1) The insiders of Verdant Nevada LLC are: Michael Thomsen, Ryan Hudson, Daniel Wacks, Jonathan Fabian and PNBV LLC.

(2) The insiders of Green Ache's Consulting Limited are: JoAnn Abajian, Barry Fieldman and Thomas Rayl.

(3) The insiders of PNB Berkeley, LLC are: Michael Thomsen, Ryan Hudson, Arion Luce, Anthony Shira and Jamie Shira.

(4) The insider of Michail Family 2004 Living Trust is: David Michail

(5) The dollar value per proportionate voting share disclosed in this column is based on 1,000 common shares per proportionate voting share and the \$8.10 closing price of common shares on February 8, 2019, the last day before the Purchase Agreements were entered into.

7. Details of the steps taken by the Issuer to ensure that the vendor has good title to the assets being acquired: **Each of the securities purchase agreements contain representations from the applicable seller that it has good and valid title to the purchased securities.**

8. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the acquisition (including warrants, options, etc.): **N/A**

(a) Details of any dealer, agent, broker or other person receiving compensation in connection with the acquisition (name, and if a corporation, identify persons owning or exercising voting control over

20% or more of the voting shares if known to the Issuer): _____
_____.

(b) Cash _____.

(c) Securities _____.

(d) Other _____.

(e) Expiry date of any options, warrants etc. _____.

(f) Exercise price of any options, warrants etc. _____.

9. State whether the sales agent, broker or other person receiving compensation in connection with the acquisition is a Related Person or has any other relationship with the Issuer and provide details of the relationship. N/A

10. If applicable, indicate whether the acquisition is the acquisition of an interest in property contiguous to or otherwise related to any other asset acquired in the last 12 months. 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 on behalf of the Issuer.
2. As of the date hereof there is not material information concerning the Issuer which has not been publicly disclosed.
3. the Issuer has obtained the express written consent of each applicable individual to:
 - (a) the disclosure of their information to the Exchange pursuant to this Form or otherwise pursuant to this filing; and
 - (b) the collection, use and disclosure of their information by the Exchange in the manner and for the purposes described in Appendix A or as otherwise identified by the Exchange, from time to time
4. 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 CSE Policy 1).

5. All of the information in this Form 9 Notice of Issuance of Securities is true.

Dated **February 20, 2019**_____.

Adam Kozak

Name of Director or Senior
Officer



Signature

Chief Financial Officer

Official Capacity

Appendix A

PERSONAL INFORMATION COLLECTION POLICY REGARDING FORM 9

The Canadian Securities Exchange and its subsidiaries, affiliates, regulators and agents (collectively, "CSE or the "Exchange") collect and use the information (which may include personal or other information) which has been provided in Form 9 for the following purposes:

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- To determine whether an individual is suitable to be associated with a Listed Issuer;
- To determine whether an issuer is suitable for listing;
- To determine whether allowing an issuer to be listed or allowing an individual to be associated with a Listed Issuer could give rise to investor protection concerns or could bring the Exchange into disrepute;
- To conduct enforcement proceedings;
- To ensure compliance with Exchange Requirements and applicable securities legislation; and
- To fulfil the Exchange's obligation to regulate its marketplace.

The CSE also collects information, including personal information, from other sources, including but not limited to securities regulatory authorities, law enforcement and self-regulatory authorities, regulation service providers and their subsidiaries, affiliates, regulators and agents. The Exchange may disclose

personal information to these entities or otherwise as provided by law and they may use it for their own investigations.

The Exchange may use third parties to process information or provide other administrative services. Any third party will be obliged to adhere to the security and confidentiality provisions set out in this policy.

All personal information provided to or collected by or on behalf of The Exchange and that is retained by The Exchange is kept in a secure environment. Only those employees who need to know the information for the purposes listed above are permitted access to the information or any summary thereof. Employees are instructed to keep the information confidential at all times.

Information about you that is retained by the Exchange and that you have identified as inaccurate or obsolete will be corrected or removed.

If you wish to consult your file or have any questions about this policy or our practices, please write the Chief Privacy Officer, Canadian Securities Exchange, 220 Bay Street – 9th Floor, Toronto, ON, M5J 2W4.