



TERRASCEND CONTROLLED ENTITY AWARDED ONE OF SIX PERMITS TO APPLY FOR VERTICALLY INTEGRATED LICENSES IN NEW JERSEY

Permit to apply for cannabis cultivation, processing and retail operations in populous Northern New Jersey region

TORONTO, ONTARIO – December 18, 2018 – **TerrAscend Corp. (CSE: TER; OTCQX: TRSSF)** (“TerrAscend”) is pleased to announce that its majority owned subsidiary, NETA NJ, LLC (the “Applicant”) was awarded a permit to apply for a vertically integrated license in Phillipsburg, NJ. TerrAscend’s minority partners in the Applicant are BWH NJ, LLC and Blue Marble Ventures, LLC and its operations will include cultivation, processing and retail.

“We look forward to becoming an integral part of the community and serving the people of Phillipsburg. We are dedicated to improving patient access to quality medicine and are grateful that the New Jersey Department of Health recognized our patient-centric approach,” said Patrizia Zita, Principal of Blue Marble Ventures, LLC

Earlier this year, the New Jersey Department of Health (NJ DOH) posted a Request for Applications to operate up to six new vertically integrated Alternative Treatment Centers (ATC). The Department received 146 timely applications submitted by 103 applicants, with several applicants submitting applications to operate ATCs in multiple regions.

“We are thrilled to be among the applicants chosen by the NJ DOH. We appreciate the depth and rigor of the application process and look forward to partnering at the state and local level to improve patient access to quality cannabis products and services in Northern New Jersey. With this news, we will begin the build out of our already secured locations in order to meet patients’ needs as soon as possible,” said Matthew Johnson, TerrAscend’s President.

About TerrAscend Corp.

TerrAscend is a biopharmaceutical and wellness company committed to quality products, brands and services for the global cannabinoid market. TerrAscend provides support to patients and consumers through its wholly-owned subsidiaries, TerrAscend Canada Inc., a licensed producer of cannabis pursuant to the *Cannabis Regulations* under the *Cannabis Act* (Canada) provides medical cannabis to patients through its online medical marketplace Solace Health, and Solace Health Network Inc., a clinical support program and education platform led by healthcare professionals. TerrAscend participates in the legal adult-use market in Canada through direct and indirect supply agreements in several provinces and intends to expand into the US market in states where cannabis has been legalized for therapeutic or adult-use. TerrAscend also has an interest in Ascendant Labs, a cannabis biotechnology and licensing company committed to the continuous improvement of the cannabis plant, which is a strategic joint venture with leading researchers Cistrion Corp.

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 cultivate, distribute or possess cannabis in the United States. Furthermore, 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. Following any investment made by TerrAscend in operations in the United States, enforcement of federal laws in the United States will be 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 statements 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 the terms of the credit facility, the expected use of proceeds of the credit facility and TerrAscend's intention to pursue business opportunities in the United States. Forward-looking statements are not a guarantee of future performance and are 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 TerrAscend believes that the expectations and assumptions on which such forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because TerrAscend 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 statements are 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 statements. Such risks and uncertainties include, but are not limited to, the inability to settle definitive documentation relating to the credit facility, the inability to satisfy any conditions to draw down on the credit facility, TerrAscend's ability to deploy the funds for the purposes intended, TerrAscend's ability to source attractive investment opportunities in the United States and execute on such opportunities, including being able to finance any such opportunities; 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; TerrAscend's ability to successfully integrate any acquired businesses in the future; and fluctuations in foreign currency exchange rates.

The statements in this press release are made as of the date of this release. TerrAscend 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. TerrAscend undertakes no obligation to

comment on analyses, expectations or statements made by third-parties in respect of TerrAscend, its securities, or financial or operating results (as applicable).

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