

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**Item 1. Name and Address of Company**

TerrAscend Corp. (the “Company”)  
3610 Mavis Road  
Mississauga, Ontario  
L5C 1W2

**Item 2. Date of Material Change**

July 31, 2017

**Item 3. News Release**

The Company issued a news release (attached as Exhibit A hereto) with respect to the material change over the wire on July 31, 2017, a copy of which was subsequently filed on SEDAR.

**Item 4. Summary of Material Change**

See attached news release.

**Item 5. Full Description of Material Change**

See attached news release.

In addition, in accordance with section 5.2 of National Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“NI 61-101”), the Company discloses that: (i) in the private placement described in the attached news release, (a) holding companies controlled by Michael Nashat, the Chief Operating Officer of the Company, acquired an additional 285,714 common shares of the Company (and half that number of common share purchase warrants); and (b) Rebecca Hudson, the Chief Financial Officer of the Company, acquired 20,000 common shares of the Company (and half that number of common share purchase warrants); (ii) as a consequence of such acquisition the number and percentage of the common shares of the Company that, as of today’s date, each of Michael Nashat and Rebecca Hudson exercises direction and control over is 6,345,714 (18.7%) and 20,000 (0.1%), respectively; (iii) the board of directors of the Company adopted a resolution authorizing the private placement on July 18, 2017; (iv) there have been no prior valuations of the Company within the last 24 months that are required to be disclosed in accordance with section 6.8 of NI 61-101; (v) to the extent NI 61-101 is applicable to the private placement, the Company may rely on the exemptions from the valuation and minority approval requirements in NI 61-101 in sections 5.5(a) and 5.7(a), respectively; and (vi) the Company did not file a material change report more than 21 days in advance of the

closing of the first tranche of the private placement, which the Company deems reasonable and necessary in the circumstances as the closing date of the first tranche had not been established at that time and the Company wished to complete the first tranche in an expeditious manner.

**Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7. Omitted Information**

None

**Item 8. Senior Officer**

Basem Hanna  
President & Chief Executive Officer  
647-308-9447

**Item 9. Date of Report**

August 21, 2017

**Exhibit A**



NOT FOR DISSEMINATION IN THE UNITED STATES OR TO UNITED STATES NEWSWIRE SERVICES

## TerrAscend Closes First Tranche of its Private Placement

TORONTO, ONTARIO – July 31, 2017 – TerrAscend Corp. (CSE: TER) (“TerrAscend” or the “Company”), is pleased to announce that the Company has closed the first tranche of its non-brokered private placement first announced on July 18, 2017. The Company has raised gross proceeds of \$3,189,875 through the issuance of 3,037,976 Units for \$1.05 per Unit, with each Unit consisting of one common share and one half of one common share purchase warrant (each a “Unit”). Each whole warrant entitles the holder to purchase an additional common share for a period of two years at an exercise price of \$1.75. In connection with the closing of the first tranche of the private placement, the Company has paid a finder's fee in the amount of \$33,443.

TerrAscend intends to close a second tranche of its previously announced private placement in mid-August in order to accommodate continuing investor interest. The Company may pay finders’ fees in the amount of 7% based on the sale of the Units purchased by subscribers introduced to the Company by such finders.

The Company intends to use the proceeds from this private placement to build out additional space in its existing facility, commence construction of its drug preparation premises, further develop its subsidiary Terra Health Network, and for other working capital needs.

Securities issued pursuant to the private placement will be subject to a four-month hold period from the distribution date and subject to all necessary regulatory approvals, including the approval of the Canadian Securities Exchange.

### About TerrAscend

TerrAscend is a vertically-integrated Canadian cannabis company that strives to create and deliver quality products and services that meet the evolving needs of the cannabis market. The Company provides support to patients through its wholly-owned subsidiaries, Solace Health Inc. (“Solace Health”), a licensed producer of medical cannabis under the *Access to Cannabis for Medical Purposes Regulations*, Terra Health Network Inc. (“Terra Health”), a clinical support program and education platform led by health care professionals, and Solace Rx Inc. (“SolaceRx”), a drug preparation premises for non-cannabis formulations. Please visit [www.TerrAscend.com](http://www.TerrAscend.com) for more information about the Company.



### **Forward-looking statements**

*This news release contains "forward-looking information" within the meaning of applicable securities laws. Although TerrAscend believes in light of the experience of its officers and directors, current conditions and expected future developments and other factors that have been considered appropriate, that the expectations reflected in this forward-looking information are reasonable, undue reliance should not be placed on them because TerrAscend can give no assurance that they will prove to be correct. Readers are cautioned to not place undue reliance on forward-looking information. Actual results and developments may differ materially from those contemplated by these statements. The statements in this press release are made as of the date of this release. 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). TerrAscend disclaims any intent or obligation to update publicly 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.*

*The Canadian Securities Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of the content of this news release.*

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For more information:

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