

**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**

November 15, 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 November 15, 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.

**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**

November 17, 2017

**Exhibit A**



**NOT FOR DISSEMINATION IN THE UNITED STATES OR THROUGH U.S. NEWSWIRES**

**TERRASCEND ANNOUNCES TRANSFORMATIVE \$52,500,000 PRIVATE PLACEMENT FINANCING**

**TORONTO, ONTARIO – November 15, 2017 – TerrAscend Corp.** (CSE: TER) (“**TerrAscend**” or the “**Company**”) is pleased to announce that it has entered into subscription agreements with funds advised by JW Asset Management LLC (“**JW Funds**”), Canopy Growth Corporation (“**Canopy Growth**”) and Canopy Rivers Corporation (“**Canopy Rivers**”) pursuant to which the investors will acquire from TerrAscend, on a non-brokered private placement basis, 47,727,273 units of the Company at a price per unit of \$1.10 for aggregate gross proceeds of approximately \$52,500,000. Each unit sold in the private placement will consist of one common share of the Company and one common share purchase warrant of the Company, with each warrant entitling the holder to purchase an additional common share for a period of 36 months at an exercise price of \$1.10.

The Company is also pleased to announce that following the closing of the private placement, Jason Wild of JW Asset Management will be appointed to the Company’s Board of Directors as its Chairman.

“We are thrilled to align ourselves with strategic partners in JW Asset Management, Canopy Rivers and Canopy Growth. The size and scope of this transaction will provide TerrAscend the necessary capital to achieve our goal of becoming a leader in the cannabis space,” noted TerrAscend’s President & CEO, Basem Hanna. “The cannabis industry is quickly evolving and we felt that it was the right time for TerrAscend to partner with companies that have the experience, capital and access to global cannabis and pharmaceutical markets to allow the company to flourish. We are also very pleased to invite Jason Wild to our Board of Directors. Jason is extremely accomplished at working with startups and has a strong track record of accelerating their growth trajectories. We expect to benefit significantly from his advice and involvement with TerrAscend. Additionally, we feel the industry knowledge and operational experience of Canopy Growth and Canopy Rivers will add a great deal to the success of our company moving forward”.

Jason Wild, President of JW Asset Management commented, “Basem and the current team have done a tremendous job building the franchise to this point and we believe that the management team, along with the newly formed investor group, represents the very best and brightest in the Cannabis industry today. JW Asset Management will leverage its significant resources to assist TerrAscend as it continues to grow and evolve. Our goal for TerrAscend is nothing short of a leadership position in the fast growing worldwide legal Cannabis markets”.

“I have had a working relationship with Jason Wild for over three years and have come to respect his diligence, pharmaceutical expertise and ethics in all his business activities,” said Canopy Growth’s Chairman & CEO, Bruce Linton. “Canopy is excited to be partnering with a team that has an exceptional track record both as investors and executives in the pharmaceutical industry”.

The closing of the private placement is subject to the satisfaction of customary closing conditions including, but not limited to, the receipt of all necessary approvals and the Company

entering into an agreement with Canopy Growth on mutually acceptable terms to join Canopy Growth's *CraftGrow* program, as well as the closing of the privately negotiated transaction described below.

In connection with the private placement, the directors and officers of the Company have entered into lock-up agreements restricting their ability to transfer their common shares and other securities convertible, exercisable or exchangeable into common shares of the Company until the date that is 120 days following the closing date of the private placement, subject to certain exceptions.

Upon closing of the private placement it is expected that, when aggregated with common shares that the investors expect to acquire from a major institutional investor in the Company pursuant to a privately negotiated transaction, JW Funds will own 34,721,529 common shares (without giving effect to the exercise of the warrants) or 36.8% of the Company, Canopy Growth will own 11,285,456 common shares (without giving effect to the exercise of the warrants) or 12% of the Company and Canopy Rivers will own 11,285,456 common shares (without giving effect to the exercise of the warrants) or 12% of the Company.

The Company intends to use the proceeds from the proposed investment for expansion of its existing facility, the pursuit of a variety of strategic pharmaceutical assets, and for working capital and general corporate purposes.

*The securities to be issued pursuant to the private placement have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "1933 Act"), or under any state securities laws, and may not be offered or sold, directly or indirectly, or delivered within the United States or to, or for the account or benefit of U.S. persons (as defined in Regulation S under the 1933 Act) absent registration or an applicable exemption from the registration requirements. This news release does not constitute an offer to sell or a solicitation to buy such securities in the United States.*

### **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.

### **About JW Asset Management**

JW Asset Management, founded in 1997 is a New York based fund manager for five investment partnerships. Jason Wild, a registered pharmacist and Chairman of Arbor Pharmaceuticals, is the firm's founder and chief investment officer. JW Asset Management has a strong history of

finding opportunities within the global healthcare sector, actively investing in both the public and private equity markets.

### **Forward Looking Information**

*This news release contains certain "forward-looking statements" within the meaning of such statements under applicable securities law. Forward-looking statements are frequently characterized by words such as "plan", "continue", "expect", "project", "intend", "believe", "anticipate", "estimate", "may", "will", "potential", "proposed" and other similar words, or statements that certain events or conditions "may" or "will" occur. These statements are only predictions. Various assumptions were used in drawing the conclusions or making the projections contained in the forward-looking statements throughout this news release. Forward-looking statements include, but are not limited to, the anticipated timing for closing of the private placement, the anticipated use of proceeds of the private placement, achieving a leadership position in the cannabis markets and benefits from the strategic relationship with investors. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. The Company is under no obligation, and expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable law.*

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

For more information:

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