



**NOTICE OF MEETING
AND
MANAGEMENT INFORMATION CIRCULAR
FOR THE SPECIAL MEETING OF SHAREHOLDERS OF
TERRASCEND CORP.**

**TO BE HELD ON
November 11, 2021**

These materials are important and require your immediate attention. If you have questions as to how to deal with these documents or the matters to which they refer, please contact your financial, legal or other professional advisor.

If you have any questions or require further information with regard to voting your shares, please contact Laurel Hill Advisory Group, our proxy solicitation agent, toll free within North America at 1-877-452-7184 (1-416-304-0211 Outside North America), or by email at assistance@laurelhill.com.

October 4, 2021



Dear Fellow Shareholders,

On behalf of the disinterested members of the board of directors (the “**TerrAscend Board**”) and management of TerrAscend Corp. (“**TerrAscend**”), I am pleased to invite you to join me at our special meeting of common shareholders of TerrAscend (the “**Meeting**”) to obtain minority shareholder approval of the acquisition by TerrAscend of all of the issued and outstanding securities of Gage Growth Corp. (“**Gage**”). The meeting will be held on November 11, 2021, at 1:00 p.m. (Eastern Time).

On August 31, 2021, TerrAscend entered into an arrangement agreement (“**Arrangement Agreement**”) with Gage pursuant to which TerrAscend agreed to acquire all of the issued and outstanding securities of Gage (the “**Gage Shares**”) on a fully-diluted as-converted basis by way of a court-approved plan of arrangement under the *Canada Business Corporations Act* (the “**Transaction**”).

Given the ongoing public health impact of the COVID-19 virus, and to mitigate risks to the health and safety of our communities, shareholders and employees, we will hold the Meeting in a virtual only format, which will be conducted via live audio webcast. Registered shareholders and proxyholders at the record date for the Meeting will have an equal opportunity to participate at the Meeting online regardless of their geographic location. At the Meeting, you will have the opportunity to ask questions and vote on the acquisition of Gage by TerrAscend. The management information circular contains detailed instructions about how to participate at the virtual Meeting.

The Consideration to Gage Shareholders

Under the terms of the Arrangement Agreement, shareholders of Gage will receive 0.3001 of a common share of TerrAscend for each Gage Share (or equivalent) held (the “**Exchange Ratio**”), representing total consideration of approximately US\$545 million based on the closing price of TerrAscend common shares on the Canadian Securities Exchange (the “**CSE**”) on August 31, 2021. The Exchange Ratio implies a price per Gage Share of US\$2.11 (or C\$2.66), representing an 18% premium based on the closing price of both companies’ shares on the CSE on August 31, 2021.

The payment of the consideration under the Transaction will result in Gage shareholders holding an aggregate interest of approximately 19.8% in TerrAscend post-closing on a fully-diluted as-converted basis (including the TerrAscend Shares reserved for issuance upon (i) the exchange of Gage exchangeable units currently held by Mike Hermiz that will remain outstanding post-closing, and (ii) the exchange of all outstanding options and warrants of Gage that will be exchanged for replacement options and warrants of TerrAscend at closing).

Reasons for the Transaction

We believe that the acquisition of Gage represents an excellent strategic fit for TerrAscend as a result of geographically complementary operations. This acquisition expands TerrAscend’s footprint to the state of Michigan, the third largest cannabis market in the US. We believe that combining our market-leading share in our existing states with Gage’s proven cultivation, retail, and marketing capabilities, will create a leading and one of the most dynamic companies in the industry. We look forward to leveraging Gage’s profound connection with Michigan’s consumers, in addition to its established partnerships with award-winning brands like Cookies, to provide our patients and customers with best-in-class product offerings and retail experiences.

After careful consideration of the Transaction and following the receipt and review of the unanimous recommendation of the special committee of the TerrAscend Board (the “**TerrAscend Special Committee**”), and the other reasons set out in the accompanying management information circular, the

disinterested members of the TerrAscend Board have unanimously approved the arrangement and recommend that you vote in favour of the Transaction.

Your vote on this matter is important.

In order to become effective, the shareholder resolution approving the Transaction must be passed by an affirmative vote of not less than a majority (50% +1) of the votes cast by the TerrAscend Shareholders present virtually or represented by proxy at the Meeting, excluding the votes in respect of the aggregate TerrAscend Shares which are owned, held, controlled or directed, directly or indirectly by Mr. Wild, his respective affiliates and joint actors and Mr. Mavrinac, respectively, in accordance with the requirements of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). Mr. Wild, the Executive Chairman and Chairman of the TerrAscend Board, his respective affiliates and joint actors are a “control person” of both the Corporation and Gage, and Mr. Mavrinac is a director of both the Corporation and Gage.

The Meeting

The Meeting will be held virtually at <https://web.lumiagm.com/235154159> (password “terrascend2021spc”) on November 11, 2021 at 1:00 p.m. (Eastern Time). At the Meeting, the minority shareholders will be asked to approve the Transaction. The Transaction also requires the approval of Gage’s shareholders and Court approval. If the requisite approval of the TerrAscend and Gage Shareholders and the Court is obtained, the Transaction will be completed as soon as possible after satisfaction of all remaining conditions precedents, including required regulatory and licensing approvals.

Shareholder Support

A number of our shareholders have already expressed support for this Transaction and have entered into binding agreements to vote an aggregate of approximately 10.5% of the voting power attaching to the TerrAscend Shares which they are entitled to vote under the minority approval requirements for a related-party transaction under MI 61-101. In addition, the disinterested directors and executive officers of TerrAscend have entered into binding agreements to vote their TerrAscend Shares in favour of the Transaction.

In respect of the Gage Shareholder approval, a number of the Gage Shareholders have already expressed support for the Transaction and have entered into binding agreements to vote approximately 58.5% of the voting power attaching to the Gage Subordinate Voting Shares (and approximately 29.1% of the voting power attaching to the Gage Subordinate Voting Shares which they are entitled to vote under the minority approval requirements for a “business combination” under MI 61-101) in favour of the Transaction. In addition, all of the directors and executive officers of Gage have entered into binding agreements to vote their Gage Subordinate Voting Shares in favour of the Transaction.

TerrAscend Board Recommendation

The TerrAscend Special Committee after receiving the oral fairness opinions from the TerrAscend Special Committee’s independent financial advisors and independent legal and financial advice, recommended the Transaction having determined that the Transaction is in the best interests of TerrAscend and that the Transaction is fair to TerrAscend minority shareholders.

After receiving the recommendations of the TerrAscend Special Committee, the disinterested members of the TerrAscend Board unanimously determined (i) that the Transaction is in the best interests of TerrAscend and that the Transaction is fair to TerrAscend’s minority shareholders; (ii) to approve and authorize the Transaction and the entering into of the Arrangement Agreement and all ancillary agreements; and (iii) that in accordance with and subject to the terms of the Arrangement Agreement, to recommend to TerrAscend’s minority shareholders that they vote in favour of the resolution to approve the Transaction at the Meeting.

How to Vote

We encourage TerrAscend Shareholders to carefully read the attached management information circular and vote in advance of the Meeting. Minority TerrAscend Shareholders can vote online, by email, by telephone, or complete, date and sign the form of proxy or voting instruction form, and return by mail or fax as follows:

	BENEFICIAL SHAREHOLDERS	REGISTERED SHAREHOLDERS
	<i>Shares held with a broker, bank or other intermediary</i>	<i>Shares held in own name and represented by a physical certificate</i>
INTERNET	www.proxyvote.com	https://login.odysseytrust.com/pxlogin
EMAIL OR FAX	Call or fax to the number(s) listed on your voting instruction form	Email: proxy@odysseytrust.com
MAIL	Return the voting instruction form in the enclosed postage paid envelope	Return the form of proxy in the enclosed postage paid envelope
REGISTRATION	If you wish to appoint a person other than management nominees, including yourself, you MUST register the proxyholder by emailing terrascend@odysseytrust.com .	If you wish to appoint a person other than management nominees or yourself, you MUST register the proxyholder by emailing terrascend@odysseytrust.com .

In order to be valid and acted upon at the Meeting, voting instructions must be transmitted online or forms of proxy must be returned to the noted address not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the date of the Meeting, or any adjournment(s) or postponement(s) thereof.

In order to be able to attend, participate and vote at the Meeting, a TerrAscend Shareholder who wishes to appoint a person other than the management nominees identified on the TerrAscend Shareholder's voting instructions, **MUST** complete an additional step once you have submitted your voting instructions. Following submission of your voting instructions, you **MUST** register such proxyholder by sending an email to terrascend@odysseytrust.com and provide Odyssey Trust Company the proxyholder's contact information, amount of shares appointed, name in which the shares are registered if they are a Registered TerrAscend Shareholder, or name of broker where the shares are held if a Beneficial TerrAscend Shareholder. Failure to register the proxyholder will result in the proxyholder not receiving a username to participate in the Meeting and will **ONLY** be able to attend as a guest and view the webcast but not be able to participate or vote at the Meeting.

Questions

If you have any questions or require assistance, please contact Laurel Hill Advisory Group, our proxy solicitation agent, by telephone at 1-877-452-1784 toll-free in North America (1-416-304-0211 Outside North America) or by email at assistance@laurelhill.com, or your professional advisor.

Thank you for your ongoing support for TerrAscend as we pursue this Transaction. We look forward to seeing you at the Meeting.

Sincerely,

(signed) "**Craig Collard**"

Craig Collard
Chair of the TerrAscend Special Committee and Lead Independent Director

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS OF TERRASCEND CORP.

TO BE HELD ON NOVEMBER 11, 2021

TO: The Shareholders of TerrAscend Corp.

NOTICE IS HEREBY GIVEN that the special meeting of the holders (the “**TerrAscend Shareholders**”) of common shares (the “**TerrAscend Shares**”) of TerrAscend Corp. (the “**Corporation**”) will be held virtually at <https://web.lumiagm.com/235154159> (password “terrascend2021spc”) (“**Lumi**”) on November 11, 2021, at 1:00 p.m. (Eastern Time) (the “**Meeting**”), for the following purposes:

1. to consider and, if thought advisable, to pass, with or without variation, an ordinary resolution (the “**Resolution**”), the full text of which is included as Appendix “B” attached to the accompanying management information circular of the Corporation dated October 4, 2021 (the “**Circular**”) authorizing the issuance of TerrAscend Shares as consideration in connection with a plan of arrangement under the *Canada Business Corporations Act* involving the Corporation and Gage Growth Corp. (“**Gage**”), pursuant to which the Corporation will acquire all of the issued and outstanding securities of Gage, as more fully described in the accompanying Circular (the “**Transaction**”) (as the Transaction may be, or may have been, modified or amended in accordance with its terms); and
2. to transact such other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

The specific details of the foregoing matters to be put before the Meeting are set forth in the management information circular accompanying this notice of Meeting.

In order to become effective, the Resolution must be passed by an affirmative vote of not less than a majority (50% +1) of the votes cast by the TerrAscend Shareholders present in person or represented by proxy at the Meeting and voting thereon, excluding the votes in respect of TerrAscend Shares which are owned, held, controlled or directed, directly or indirectly, by Jason Wild or Richard Mavrinac, respectively.

The record date for determining the TerrAscend Shareholders entitled to receive notice of and vote at the Meeting is the close of business on October 4, 2021, (the “**Record Date**”). Only TerrAscend Shareholders whose names have been entered in the applicable register of TerrAscend Shareholders as of 5:00 p.m. (Eastern Time) on the Record Date are entitled to receive notice of and vote at the Meeting. Those TerrAscend Shareholders of record will be included in the list of TerrAscend Shareholders prepared as at the Record Date and will be entitled to vote the TerrAscend Shares recorded therein at the Meeting.

Each TerrAscend Share entitled to be voted at the Meeting will entitle the holder thereof to one vote at the Meeting.

A TerrAscend Shareholder may attend the Meeting or may be represented by proxy through the Lumi platform. Registered TerrAscend Shareholders who are unable to attend the Meeting are requested to complete, sign and date the enclosed form of proxy and send it to Odyssey Trust Company (“**Odyssey**”), the Corporation’s transfer agent, at its offices located at 25 Adelaide St E, Toronto, Ontario, M5C 3A1, or to vote over the internet as specified in the form of proxy. To be effective, such proxy must be received by Odyssey by 1:00 p.m. (Eastern Time) on November 9, 2021, or not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting or any adjournment(s) or postponement(s) thereof.

Non-registered TerrAscend Shareholders who receive these materials through their broker or other intermediary should complete and return the voting instruction form provided by their broker or other intermediary in accordance with the instructions provided.

After careful consideration of a number of factors and consultation with ATB Capital Markets Inc. and Haywood Securities Inc., independent financial advisors to the special committee (the “TerrAscend Special Committee”) of the Corporation’s board of directors (the “TerrAscend Board”), its legal advisors and the receipt of a recommendation from the TerrAscend Special Committee, the disinterested members of the TerrAscend Board determined that the Transaction is in the best interests of the Corporation and recommends that TerrAscend Shareholders vote in favour of the Resolution proposed herein regarding the Transaction.

To be effective, the Resolution must be approved at the Meeting the requisite majority of the minority approval in accordance with Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”), excluding the votes of TerrAscend Shareholders whose votes are required to be excluded for the purposes of “minority approval” under MI 61-101 in the context of a “related party transaction”, as set forth in detail in the accompanying management information circular.

Virtual Meeting Logistics

As noted above, the Corporation is holding the Meeting as a completely virtual meeting, which will be conducted via live webcast. TerrAscend Shareholders will not be able to attend the Meeting in person. In order to attend, participate or vote at the Meeting, TerrAscend Shareholders must have a valid username.

Registered TerrAscend Shareholders and duly appointed proxyholders will be able to attend, participate and vote at the Meeting online at <https://web.lumiagm.com/235154159>. Such persons may then enter the Meeting by clicking “I have a login” and entering a username and password before the start of the Meeting.

Registered TerrAscend Shareholders: The control number located on the form of proxy (or in the email notification you received if you have previously consented to receiving shareholder materials via email) is the username. The password to the Meeting is “terrascend2021spc” (case sensitive). If as a registered TerrAscend Shareholder you are using your control number to login to the Meeting and you have previously voted, you do not need to vote again when the polls open during the Meeting. By voting at the Meeting, you will revoke your previous voting instructions received prior to the proxy voting cut-off.

Duly appointed proxyholders: A TerrAscend Shareholder who wishes to appoint a person other than the management nominee(s) identified in the form of proxy to attend, participate or vote at the Meeting (including a non-registered TerrAscend Shareholder who wishes to appoint themselves) must register the appointed proxyholder by sending an email to terrascend@odysseytrust.com by 1:00 p.m. (Eastern Time) on November 9, 2021, providing Odyssey with the required proxyholder contact as set out in the enclosed instructions, so that Odyssey may provide the proxyholder with a username via email. Without a username, proxyholders will not be able to attend, participate or vote at the Meeting. Odyssey will provide the proxyholder with a username by email after the voting deadline has passed. The password to the Meeting is “terrascend2021spc” (case sensitive).

Only registered TerrAscend Shareholders and duly appointed proxyholders will be entitled to attend, participate and vote at the Meeting.

DATED at Toronto, Ontario, this 7th day of October, 2021.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) “Craig Collard”

Craig Collard
Chair of the TerrAscend Special
Committee and Lead Independent
Director

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INFORMATION CONTAINED IN THIS CIRCULAR

This management information circular (this “**Circular**”) is being furnished to holders (“**TerrAscend Shareholders**”) of common shares (the “**TerrAscend Shares**”) in the capital of TerrAscend Corp. (“**TerrAscend**” or the “**Corporation**”) in connection with the solicitation of proxies by management of the Corporation for use at the special meeting of TerrAscend Shareholders to be held virtually at <https://web.lumiagm.com/235154159> (password “terrascend2021spc”) on November 11, 2021, at 1:00 pm (Eastern Time) (the “**Meeting**”), or any adjournment(s) or postponement(s) thereof, for the purposes set forth in the accompanying notice of meeting (the “**Notice of Meeting**”).

The Corporation has retained Laurel Hill Advisory Group (“**Laurel Hill**”) as its strategic shareholder advisor and proxy solicitation agent, and will pay fees of C\$50,000 for advisory and proxy solicitation services, in addition to certain out-of-pocket expenses. The costs of the solicitation will be borne solely by the Corporation.

Information contained in this Circular is given as at October 4, 2021, unless otherwise specifically stated. Unless otherwise indicated herein, references to “Canadian dollars” and “C\$” are to the currency of Canada and references to “US dollars” or “US\$” are to the currency of the United States.

All summaries of, and references to, the Arrangement Agreement, the Plan of Arrangement as amended, the MIPA, the TerrAscend Voting Support Agreements and the Gage Voting Support and Lock-Up Agreements in this Circular are qualified in their entirety by, in the case of the Arrangement Agreement, the MIPA, the TerrAscend Voting Support Agreements and the Gage Voting Support and Lock-Up Agreements, the complete text of each of the foregoing, available on the system for electronic document analysis and retrieval (“**SEDAR**”) at www.sedar.com, and in the case of the Plan of Arrangement, the complete text of the Plan of Arrangement, a copy of which is attached hereto as Appendix “C”. You are urged to read carefully the full text of the Plan of Arrangement, the Arrangement Agreement, MIPA, the TerrAscend Voting Support Agreements and the Gage Voting Support and Lock-Up Agreements.

This Circular does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation of an offer or proxy solicitation. Neither delivery of this Circular nor any distribution of the securities referred to in this Circular will, under any circumstances, create an implication that there has been no change in the information set forth herein since the date of this Circular.

TerrAscend Shareholders should not construe the contents of this Circular as legal, tax or financial advice and should consult with their own legal, tax, financial or other professional advisors in considering the relevant legal, tax, financial or other matters contained in this Circular.

Information Contained in this Circular Concerning Gage

The information concerning Gage, its affiliates and the securities of Gage contained in this Circular has been provided by Gage for inclusion in this Circular. In the Arrangement Agreement, Gage provided a covenant in favour of the Corporation that it would promptly notify the Corporation if it becomes aware that this Circular contains a Misrepresentation, or otherwise requires an amendment or supplement to this circular. Although the Corporation has no knowledge that would indicate that any statements contained herein relating to Gage, its affiliates and the securities of Gage taken from or based upon such information provided by Gage are untrue or incomplete, neither the Corporation nor any of its officers or directors assumes any responsibility for the accuracy or completeness of the information relating to Gage, its affiliates and the securities of Gage, or for any failure by Gage to disclose facts or events that may have occurred or may affect the significance or accuracy of any such information but which are unknown to the Corporation.

For further information regarding Gage, see “Appendix “G” – Information Concerning Gage - Information Concerning Gage” and refer to Gage’s filings with Canadian securities regulatory authorities which may be found under Gage’s company profile on SEDAR at www.sedar.com.

Defined Terms

This Circular contains defined terms. For a list of the defined terms used herein, see Appendix “A” to this Circular.

Forward-Looking Statements

This Circular and the enclosed letter to TerrAscend Shareholders contain “forward-looking statements” within the meaning of applicable securities laws. Forward-looking statements contained herein may be identified by the use of words such as, “may”, “would”, “should”, “could”, “will”, “likely”, “expect”, “anticipate”, “believe”, “intend”, “plan”, “forecast”, “project”, “estimate”, “outlook” and other similar expressions intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These statements reflect management’s current beliefs with respect to future events and are based on information currently available to management. Forward-looking statements contained herein include, but are not limited to, statements with respect to: the anticipated completion of the Transaction and the timing for its completion; the timing for the holding of the Meeting and the Gage shareholder meeting (the “**Gage Meeting**”); the satisfaction of closing conditions for the Transaction which include, without limitation: (i) required Gage and TerrAscend shareholder approvals, (ii) obtaining the necessary approvals from the Canadian Securities Exchange (the “**CSE**”) for the listing of the TerrAscend Shares in connection with the Transaction, (iii) the satisfaction of the conditions under the MIPA, and (iv) other approvals and closing conditions contained in the Arrangement Agreement, including regulatory approvals; the payment of the \$30 million Termination Fee in certain circumstances under the Arrangement Agreement; the anticipated effects of the Transaction on TerrAscend and its strategy going forward and the anticipated benefits associated with the acquisition of Gage; expectations regarding whether the Transaction will be completed, the principal steps of the Arrangement, and the anticipated timing or satisfaction of the closing conditions with respect thereto; statements relating to the anticipated deployment of certain cannabis brands and proprietary products in connection with the Arrangement; Court approval of the Plan of Arrangement; the anticipated number of TerrAscend Shares to be issued in connection with the Transaction; the reasons for, and the anticipated benefits of, the Arrangement; the expected expenses associated with the Arrangement; the expectation that the TerrAscend Shares issuable in connection with the Arrangement will be listed on the CSE on the Effective Date; the applicability of the exemption under section 3(a)(10) of the US Securities Act to the securities issuable under the Plan of Arrangement; the expectation that Gage will cease to be a reporting issuer following completion of the Arrangement and will be delisted from the CSE following the Effective Date; the ability of TerrAscend to oversee the integration of Gage’s business with its existing operations; beliefs and plans about TerrAscend’s operations and business; plans related to future dividends and distributions; TerrAscend’s Board considering the addition of additional independent directors to the Board; and the information contained under “Appendix “H” – Information Concerning the Corporation Post-Completion”, and more specifically, the description of the business of TerrAscend following completion of the Arrangement, and the description of TerrAscend’s capital structure, market for securities, directors and officers, and principal securityholders following completion of the Arrangement. Actual results and developments may differ materially from those contemplated by these statements.

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. The forward-looking statements contained herein are based on certain key expectations and assumptions, relating to:

- the ability of the Corporation to generate cash flow from operations and obtain necessary financing on acceptable terms;

- the successful completion of the Arrangement on the timeline and the terms anticipated;
- the Corporation's expectations regarding its consolidated sales, expenses and operations;
- the Corporation's plans for developing its business and its operations;
- expectations with respect to future production costs and capacity;
- the general economic, financial market, regulatory and political conditions in which the Corporation operates;
- the timely receipt of any required regulatory approvals for the conduct of the Corporation's businesses from the applicable authorities;
- the ability of the Corporation to obtain qualified staff, equipment and services in a timely and cost-efficient manner; and
- the ability of the Corporation to conduct its operations in a safe, efficient and effective manner.

Although the Corporation 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 the Corporation 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: current and future market conditions; risks related to federal, state, provincial, territorial, local and foreign government laws, rules and regulations, including federal and state laws in the United States ("US") relating to cannabis operations in the US; the risk factors described under "*Risk Factors Relating to the Transaction*", "*Information Relating to TerrAscend – Risk Factors*" in this Circular, and other filings with the Canadian securities regulators available under the Corporation's profile on SEDAR at www.sedar.com.

The statements in this Circular are made as of the date of this Circular. Unless stated otherwise, the Corporation disclaims any intent or obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, or other than as required by applicable securities laws.

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 US. Cannabis remains a Schedule I drug under the Controlled Substances Act (US), making it illegal under federal law in the US to, among other things, cultivate, distribute or possess cannabis in the US. Financial transactions involving proceeds generated by, or intended to promote, cannabis-related business activities in the US 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 US 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 the Corporation of liability under US federal law, nor will it provide a defense to any federal proceeding which may be brought against the Corporation. The enforcement of federal laws in the US is a significant risk to the business of the Corporation and any proceedings brought against the Corporation thereunder may adversely affect the Corporation's operations and financial performance. See "*Appendix 'I' – US Cannabis Regulatory Regime*".

FREQUENTLY ASKED QUESTIONS ABOUT THE TRANSACTION & SUMMARY OF THE CIRCULAR

The following is a summary of information relating to the Corporation, Gage and the proposed Transaction and should be read together with the more detailed information and statements contained elsewhere in this Circular. This summary is provided for convenience of reference only and is qualified in its entirety by the more detailed information appearing elsewhere in this Circular and the Appendices annexed hereto, which information is specifically incorporated by reference into and forms an integral part of this Circular. Copies of this Circular and the Meeting materials may also be found under the Corporation's profile on SEDAR at www.sedar.com. Capitalized terms used in these questions and answers but not otherwise defined herein have the meanings set forth in Appendix "A" to this Circular.

Frequently Asked Questions

What is the Purpose of the Meeting?

The Meeting is for the purpose of seeking approval of the Resolution and transacting such further or other business as may properly come before the Meeting.

What are the TerrAscend Shareholders being asked to vote on?

Minority TerrAscend Shareholders are being asked to vote, in accordance with Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"), on the Resolution to approve the acquisition of Gage by way of a plan of arrangement (the "**Transaction**" or "**Arrangement**") under Section 192 of the *Canada Business Corporations Act* pursuant to which the Corporation will acquire all of the issued and outstanding securities of Gage on a fully-diluted as-converted basis ("**Gage Shares**").

A copy of the Resolution is attached as Appendix "B" to this Circular.

See "*Special Business Relating to the Transaction – The Transaction*" and "*Special Business Relating to the Transaction – Resolution*".

What is the consideration being paid to Gage Shareholders under the Transaction?

Pursuant to the Transaction, each Gage shareholder (collectively, the "**Gage Shareholders**") will receive, for each Gage Share held, 0.3001 of a TerrAscend Share, subject to adjustment in accordance with the Arrangement Agreement.

See "*Transaction Agreements – The Arrangement Agreement*".

How many TerrAscend Shares will be issued under the Transaction?

The Corporation expects that approximately 77 million TerrAscend Shares will be issued or reserved for issuance in connection with the Transaction, consisting of (i) approximately 50 million TerrAscend Shares to be issued to Gage Shareholders under the Transaction (based on the number of Gage Shares, not including the Gage Options and Gage Warrants, outstanding as of the date of the Arrangement Agreement), and (ii) approximately 27 million TerrAscend Shares issuable upon the exercise of Replacement Options and Replacement Warrants to be issued to Gage option holders and Gage warrant holders, respectively, in exchange for their Gage Options and Gage Warrants, respectively, under the Transaction (based on the number of Gage Options and Gage Warrants outstanding as of the date of the Arrangement Agreement) and the exchange of Gage Exchangeable Units currently held by Mike Hermiz that will remain outstanding post-completion.

Following completion of the Transaction, it is expected that former TerrAscend Shareholders will own approximately 80.2% of the TerrAscend Shares, on a fully-diluted basis, and former Gage Shareholders will own approximately 19.8% of the TerrAscend Shares (in aggregate), on a fully-diluted basis. Jason Wild,

converted basis. Jason Wild, his respective affiliates and joint actors and Richard Mavrinac will, in aggregate, beneficially own or exercise control or direction, directly or indirectly, over approximately 35.5% of the TerrAscend Shares, on a fully-diluted basis.

What are the benefits of the Transaction?

The TerrAscend Special Committee and the disinterested members of the board of directors of the Corporation (the “**TerrAscend Board**”) believe that the Transaction represents an outstanding opportunity for TerrAscend Shareholders and will provide for various benefits post-completion, including:

- *Leadership in a top market:* Gage has established itself as a leader in the fast-growing Michigan cannabis market.
- *Access to premium brands:* The Transaction will provide the Corporation with access to Gage’s brand, proprietary library of genetics and Gage’s exclusive licensing partnerships in Michigan.
- *Operating model:* The Corporation will operate 7 cultivation facilities, including 3 cultivation facilities in Michigan, in addition to Gage’s 9 contract grow agreements.
- *Expanding retail footprint:* The Corporation will operate a retail network that is expected to reach 34 stores over the coming months.
- *A leader in experiential retail:* Gage’s award-winning retail stores generate industry leading retail metrics. The Corporation expects to leverage Gage’s portfolio of over 40+ proprietary flower strains in addition to brand and marketing capabilities, at retail locations in other states.
- *Expert operating teams:* The Transaction combines management teams with similar core philosophies, strong track records of execution and operational expertise in building leading businesses in the most competitive cannabis markets in the country.

See and “*Special Business Relating to the Transaction – Recommendation of the TerrAscend Board*”.

Does the TerrAscend Board support the Transaction?

Yes. Based upon a unanimous recommendation of the TerrAscend Special Committee, the TerrAscend Board has unanimously determined (with director Richard Mavrinac, who is also a director of Gage, and director Jason Wild who is as a significant shareholder of Gage declaring their respective interests in the Transaction and abstaining from voting, (Mr. Wild and Mr. Mavrinac, together, the “**Interested Directors**”)) that the Transaction is in the best interests of the Corporation, is fair to the TerrAscend Shareholders (other than the Interested Directors as related parties) and recommends that the TerrAscend Shareholders vote **FOR** the Resolution.

In making its recommendation, the TerrAscend Special Committee and the disinterested members of the TerrAscend Board considered a number of factors which are described in this Circular under the heading “*Special Business Relating to the Transaction – Recommendation of the TerrAscend Board*”, including the fairness opinions from ATB Capital Markets Inc. and Haywood Securities Inc. (the “**Fairness Opinions**”) that, based upon and subject to the scope of review, assumptions, qualifications, limitations and other matters set out therein, as of August 31, 2021, the consideration to be paid by the Corporation to Gage Shareholders pursuant to the Transaction is fair, from a financial point of view, to the Corporation.

See “*Special Business Relating to the Transaction – Background to the Transaction*”, “*Special Business Relating to the Transaction – Recommendation of the TerrAscend Special Committee*” and “*Special Business Relating to the Transaction – Recommendation of the TerrAscend Board*”, “*Special Business*

Relating to the Transaction – Reasons for the Recommendation of the TerrAscend Special Committee and the TerrAscend Board” and “Special Business Relating to the Transaction – Regulatory Matters – Interests of Certain Persons in the Transaction”.

What approvals are required of the TerrAscend Shareholders at the Meeting?

While the Transaction is technically exempt from the minority approval requirement of MI 61-101 pursuant to Section 5.7(a) thereof, the Corporation has determined, on the recommendation of the TerrAscend Special Committee and in accordance with the terms of the Arrangement Agreement, to obtain majority of the minority approval of the Transaction in accordance with MI 61-101 at the Meeting, excluding the votes of TerrAscend Shareholders whose votes are required to be excluded for the purposes of “minority approval” under MI 61-101 in the context of a “related party transaction”.

See *“Information Concerning the Corporation – Capitalization, Voting Securities and Principal Holders of Voting Securities”* and *“Special Business Relating to the Transaction – Regulatory Matters”*.

What shareholders have indicated their support for the Transaction?

The Supporting TerrAscend Shareholders have each entered into TerrAscend Voting Support Agreements pursuant to which they have agreed, subject to the terms and conditions of their respective TerrAscend Voting Support Agreements, to vote their TerrAscend Shares in favour of the Resolution. As of the date of the Arrangement Agreement, Supporting TerrAscend Shareholders collectively beneficially owned or exercised control or direction over approximately 6.4% of the voting power attaching to the TerrAscend Shares (and approximately 10.5% of the voting power attaching to the TerrAscend Shares which are entitled to vote under the minority approval requirements for a related-party transaction under MI 61-101). TerrAscend understands that there are other supportive shareholders who intend to vote in favour of the Resolution, but they have not executed a TerrAscend Voting Support Agreement as of the date of this Circular.

See *“Transaction Agreements – The TerrAscend Voting Support Agreements”*.

In addition, TerrAscend has entered into Gage Voting Support and Lock-Up Agreements with Gage Shareholders representing approximately 58.5% of the voting power attaching to the Gage Subordinate Voting Shares (and approximately 29.1% of the voting power attaching to the Gage Subordinate Voting Shares which are entitled to vote under the minority approval requirements for a “business combination” under MI 61-101).

See *“Transaction Agreements – The Gage Voting Support and Lock-Up Agreements”*.

What other approvals are required for the Transaction?

The Transaction must be approved, by the affirmative vote of:

- (a) at least two-thirds of the votes cast on the resolution to approve the Transaction by Gage Shareholders (the **“Gage Arrangement Resolution”**), voting together as a single class, present in person or represented by proxy and entitled to vote at the Gage Meeting, and
- (b) as the Transaction is a “business combination” for Gage pursuant to MI 61-101, the Gage Arrangement Resolution must be approved by the requisite majority of the minority in accordance with MI 61-101 at the Gage Meeting, excluding the votes of Gage Shareholders whose votes are required to be excluded for the purposes of “minority approval” under MI 61-101 in the context of a “business combination”.

In addition, the Transaction will be subject to a judicial determination of the Court that the Transaction is fair and reasonable, both procedurally and substantively, to Gage Shareholders. Gage will apply to the

Court for this order if the TerrAscend Shareholders approve the Resolution at the Meeting and the Gage Shareholders and approve the Gage Arrangement Resolution at the Gage Meeting.

See “*Special Business Relating to the Transaction – Court Approval of the Transaction*” and “*Special Business Relating to the Transaction – Regulatory Matters – Procedure for the Transaction to Become Effective*”.

Where is the Meeting to be held?

The Meeting will be a virtual meeting held at <https://web.lumiagm.com/235154159> (password “terrascend2021spc”) on November 11, 2021, at 1:00 p.m. (Eastern Time).

When will the Transaction become effective?

If the requisite approval of the TerrAscend Shareholders, Gage Shareholders and the Court is obtained, the Transaction will be completed as soon as possible after satisfaction of all remaining conditions precedents.

What will happen to the Corporation and the TerrAscend Shares if the Transaction is completed?

If the Transaction is completed, the Corporation will acquire all of the issued and outstanding securities of Gage and Gage will become an indirect wholly-owned subsidiary of the Corporation. The Transaction does not affect your TerrAscend Shares aside from the overall dilution to all TerrAscend Shareholders with respect to the issuance of new shares from treasury in as consideration in exchange for the Gage Shares under the Transaction.

What will happen if the Resolution is not approved or the Transaction is not completed for any reason?

It is a condition precedent to completion of the Transaction that TerrAscend obtain minority approval for the Resolution. If the Resolution is not approved at the Meeting or the Transaction is not completed for any other reason, the Arrangement Agreement may be terminated. In certain circumstances, the Corporation will be required to pay to Gage a Termination Fee of US\$30 million in connection with such termination. In certain other circumstances, Gage will be required to pay to the Corporation a Termination Fee of US\$30 million in connection with such termination. No Termination Fee is payable by either TerrAscend or Gage solely as a result of not receiving shareholder approval of the Transaction by the shareholders of TerrAscend or Gage, absent another intervening event.

See “*Transaction Agreements – The Arrangement Agreement – Termination of Arrangement Agreement*”.

Are there any risks relating to the Transaction?

Yes. For details on the risks relating to the Transaction please see “*Special Business Relating to the Transaction – Risk Factors Concerning the Transaction*”.

Who is eligible to vote at the meeting?

TerrAscend Shareholders of record, as of October 4, 2021, the Record Date, are entitled to receive notice of and vote at the Meeting. Each TerrAscend Shareholder is entitled to one vote in respect of each TerrAscend Share.

Mr. Wild, his respective affiliates and joint actors are a “control person” of both the Corporation and Gage, and Mr. Mavrinac is a director of both the Corporation and Gage, and as such, the aggregate TerrAscend Shares which are owned, held, controlled or directed, directly or indirectly by Mr. Wild, his respective affiliates and joint actors and Mr. Mavrinac, respectively, will be excluded from the minority shareholder

vote conducted at the Meeting in accordance the requirements of MI 61-101 applicable to “related party transactions”.

See “*Special Business Relating to the Transaction – Regulatory Matters – Interests of Certain Persons in the Transaction*” and “*Information Concerning the Corporation – Capitalization, Voting Securities and Principal Holders of Voting Securities*”.

Are the TerrAscend Shareholders entitled to dissent rights?

No. The TerrAscend Shareholders are not entitled to dissent rights.

What do I need to do now in order to vote on the Resolution?

You should carefully read and consider the information contained in this Circular. Registered TerrAscend Shareholders should then vote by completing, dating and signing the enclosed form of proxy or, alternatively, over the internet, in each case in accordance with the enclosed instructions. In order to be effective, a proxy must be received by the Corporation’s transfer agent, Odyssey Trust Company, at its offices located at 25 Adelaide St E, Toronto, Ontario, M5C 3A1, or internet as specified in the form of proxy, by 1:00 p.m. (Eastern Time) on November 9, 2021, or not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting or any adjournment(s) or postponement(s) thereof. The Chair of the Meeting may waive or extend the proxy cut-off without notice and in his sole discretion.

If you hold your TerrAscend Shares through an Intermediary, you will have received the Notice of Meeting, this Circular and the Voting Instruction Form through your Intermediary. The Voting Instruction Form which, when properly completed and, if applicable, signed by the Non-Registered TerrAscend Shareholder and returned to the Intermediary, as applicable, will constitute voting instructions which the Intermediary, as applicable, must follow. Every Intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Non-Registered TerrAscend Shareholders in order to ensure that their TerrAscend Shares are voted at the Meeting. If you have any questions with respect to the voting of TerrAscend Shares held through a broker or other Intermediary, please contact the broker or other Intermediary for assistance.

See “*General Proxy Matters – Proxy Voting*”

Should I vote my proxy now?

Yes. Once you have carefully read and considered the information contained in this Circular, to ensure your vote is counted, you need to complete and submit the enclosed form of proxy or, if applicable, provide your Intermediary with voting instructions. You are encouraged to vote well in advance of the proxy cut-off at 1:00 p.m. (Eastern Time) on November 9, 2021 (or if the Meeting is postponed or adjourned, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the reconvened meeting).

What happens if I sign the form of proxy sent to me?

Signing and depositing the enclosed form of proxy gives authority to the person(s) designated by management of the Corporation on such form to vote your TerrAscend Shares at the Meeting. If instructions in a proxy given to the Corporation’s management are specified, the TerrAscend Shares represented by such proxy will be voted FOR or AGAINST in accordance with your instructions on any poll that may be called for. If a choice is not specified, the TerrAscend Shares represented by a proxy given to the Corporation’s management will be voted **FOR** the approval of the Resolution as described in this Circular.

The persons named in the enclosed proxy will have discretionary authority with respect to any amendments or variations of the matters of business to be acted on at the Meeting or any other matters properly brought before the Meeting or any adjournment(s) or postponement(s) thereof, in each instance, to the extent permitted by law, whether or not the amendment, variation or other matter that comes before the Meeting

is routine and whether or not the amendment, variation or other matter that comes before the Meeting is contested. As of the date of this Circular, management knows of no such amendments, variations or other matters to come before the Meeting.

See “*General Proxy Matters – Proxy Voting*”.

How do I attend, participate at and vote at the Meeting on November 11, 2021?

The Corporation is holding the Meeting as a completely virtual meeting, which will be conducted via live webcast. TerrAscend Shareholders will not be able to attend the Meeting in person. In order to attend, participate or vote at the Meeting, TerrAscend Shareholders must have a valid username.

Registered TerrAscend Shareholders and duly appointed proxyholders will be able to attend, participate and vote at the Meeting online at <https://web.lumiagm.com/235154159> (password “terrascend2021spc”). Such persons may then enter the Meeting by clicking “I have a login” and entering a username and password before the start of the Meeting:

Registered TerrAscend Shareholders: The control number located on the form of proxy (or in the email notification you received if you have previously consented to receiving shareholder materials via email) is the username. The password to the Meeting is “terrascend2021spc” (case sensitive). **If as a registered TerrAscend Shareholder you are using your control number to log in to the Meeting and you have previously voted, you do not need to vote again when the polls open during the Meeting. By voting at the Meeting, you will revoke your previous voting instructions received prior to voting cut-off.**

Duly appointed proxyholders: Odyssey will provide the proxyholder with a username by email after the voting deadline has passed. The password to the Meeting is “terrascend2021spc” (case sensitive). Only registered TerrAscend Shareholders and duly appointed proxyholders will be entitled to attend, participate and vote at the Meeting. Beneficial TerrAscend Shareholders who have not duly appointed themselves as proxyholder will be able to attend the Meeting as a guest but not be able to participate or vote at the Meeting. TerrAscend Shareholders who wish to appoint a third party proxyholder to represent them at the Meeting (including beneficial TerrAscend Shareholders who wish to appoint themselves as proxyholder to attend, participate or vote at the Meeting) MUST submit their duly completed proxy or Voting Instruction Form AND register the proxyholder.

See “*Virtual Meeting Protocols: Registering a Proxyholder to Attend the Meeting*”.

Can I appoint someone other than the person(s) designated by management of the Corporation to vote my TerrAscend Shares?

Yes. A TerrAscend Shareholder has the right to appoint a person (who need not be a TerrAscend Shareholder) to attend and act for him, her or it and on his, her or its behalf at the Meeting other than the persons designated in the form of proxy and may exercise such right by inserting the name in full of the desired person in the blank space provided in the form of proxy and striking out the names now designated.

See “*General Proxy Matters – Proxy Voting*”.

What if amendments are made to these matters or if other matters are brought before the Meeting?

The form of proxy accompanying this Circular confers discretionary authority upon the proxy nominee with respect to any amendments or variations to matters identified in the Notice of Meeting and any other matters that may properly come before the Meeting or any postponement(s) or adjournment(s) thereof. As at the date of this Circular, the Corporation’s management is not aware of any such amendments or variations, or of other matters to be presented for action at the Meeting. However, if any amendments to matters identified in the accompanying Notice of Meeting or any other matters which are not now known to management should properly come before the Meeting or any postponement(s) or adjournment(s) thereof, the

TerrAscend Shares represented by properly executed proxies given in favour of the person named in such enclosed form of proxy will be voted on such matters pursuant to such discretionary authority.

See “*General Proxy Matters – Proxy Voting*”.

Can I revoke my proxy?

Yes. In addition to revocation in any other manner permitted by law, a Registered TerrAscend Shareholder executing the enclosed form of proxy has the power to revoke it by delivering an instrument in writing executed by the Registered TerrAscend Shareholder, by such Registered TerrAscend Shareholder’s attorney authorized in writing or, if the Registered TerrAscend Shareholder is a corporation, under its corporate seal or by a duly authorized officer or attorney thereof, to either to the Corporation or to Odyssey at the address specified in the form of proxy at any time up to and including the last business day preceding the day of the Meeting, or any adjournment(s) or postponement(s) thereof, or with the Chair of the Meeting on the day of the Meeting before the commencement of the Meeting or the reconvening of any adjournment or postponement of the Meeting.

If you are a Non-Registered TerrAscend Shareholder who has voted by proxy through your Intermediary and would like to change or revoke your vote, contact your Intermediary to discuss whether this is possible and what procedures you need to follow. The change or revocation of voting instructions by a Non-Registered TerrAscend Shareholder can take several days or longer to complete and, accordingly, any such action should be completed well in advance of the deadline given in the proxy or voting instruction form by the Intermediary or its service company to ensure it is effective.

See “*General Proxy Matters – Appointment and Revocation of Proxies*”.

Who will count the votes?

The Corporation’s transfer agent, Odyssey, will count and tabulate the votes received for the Meeting.

If my TerrAscend Shares are held by my Intermediary, will they vote my TerrAscend Shares?

An Intermediary will vote the TerrAscend Shares held by you only if you provide instructions to them on how to vote. Without instructions, those TerrAscend Shares will not be voted. TerrAscend Shareholders should instruct their Intermediaries to vote their TerrAscend Shares on their behalf by filling out the Voting Instruction Form provided with this Circular. The Voting Instruction Form when properly completed and, if applicable, signed by the Non-Registered TerrAscend Shareholder and returned to the Intermediary, as applicable, will constitute voting instructions which the Intermediary, as applicable, must follow. Every Intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Non-Registered TerrAscend Shareholders in order to ensure that their TerrAscend Shares are voted at the Meeting. If you have any questions with respect to the voting of TerrAscend Shares held through a broker or other Intermediary, please contact the broker or other Intermediary for assistance.

See “*General Proxy Matters – Non-Registered TerrAscend Shareholders*”.

The TerrAscend Special Committee and the TerrAscend Board unanimously recommends (with each of the Interested Directors that are on the TerrAscend Board declaring their interest in the Transaction and abstaining from voting in respect thereof) that TerrAscend Shareholders vote FOR the Resolution.

Who can help answer my questions?

If you have any questions about this Circular or the matters described in this Circular or with voting, please contact Laurel Hill, our proxy solicitation agent, per the below or your professional advisor.

Toll Free Number: 1-877-452-7184

Outside North America: 1-416-304-0211

By Email: assistance@laurelhill.com

Summary of the Circular

Parties to the Transaction

TerrAscend Corp.

The Corporation was incorporated under the *Business Corporations Act* (Ontario) as “TerrAscend Corp.” on March 7, 2017. The TerrAscend Shares are listed and posted for trading on the CSE under the symbol “TER” and on the OTCQX® Best Market under the symbol “TRSSF”.

The Corporation’s registered and head office is located at P.O. Box 43125, Mississauga, Ontario, L5C 1W2.

As at the date of this Circular, there were a total of 184,540,757 TerrAscend Shares, no Proportionate Voting Shares, 38,890,570 Exchangeable Shares and 14,354 Preferred Shares issued and outstanding.

Additional information regarding the Corporation can be found under the heading “*Information Concerning the Corporation*” and in “*Appendix “F” – Information Concerning the Corporation*”.

Gage Growth Corp.

Gage was incorporated under the *Canada Business Corporations Act* (the “**CBCA**”) as “Wolverine Partners Corp.” on November 22, 2017, and renamed “Gage Growth Corp.” on October 8, 2020. The Gage Subordinate Voting Shares are listed and posted for trading on the CSE under the symbol “GAGE”.

Gage’s registered and head office is located at 77 King Street West, Suite 400, Toronto, Ontario M5K 0A1.

As at the date of this Circular, there are 138,433,363 Gage Subordinate Voting Shares, no Gage Proportionate Voting Shares, 1,500,000 Gage Super Voting Shares are issued and outstanding, 1,500,000 Gage Exchangeable Units issued and outstanding. Such Gage Exchangeable Units are exchangeable for 75,000,000 Gage Subordinate Voting Shares, 1,500,000 Gage Proportionate Voting Shares, or a combination thereof.

Additional information regarding Gage can be found in “*Appendix “G” – Information Concerning Gage*” of this Circular.

Transaction

On August 31, 2021, the Corporation entered into an arrangement agreement (“**Arrangement Agreement**”) with Gage pursuant to which the Corporation will acquire all of the securities of Gage by way of a court-approved plan of arrangement under the CBCA.

Under the terms of the Arrangement Agreement, Gage Shareholders will receive 0.3001 of a TerrAscend Share for each Gage Share (or equivalent) held (the “**Exchange Ratio**”), representing total consideration of approximately US\$545 million based on the closing price of the TerrAscend Shares on the CSE on August 31, 2021. The Exchange Ratio implies a price per Gage Share of US\$2.11 (or C\$2.66), representing an 18% premium based on the closing price of both companies’ shares on the CSE on August 31, 2021. The Transaction consideration will result in an aggregate interest of approximately 19.8% in the Corporation by Gage Shareholders post-closing on a fully-diluted as-converted basis (including such TerrAscend Shares reserved for issuance upon (i) the exchange of Gage Exchangeable Units currently held by Mike

Hermiz that will remain outstanding post-closing, and (ii) the exchange of all outstanding Gage Options and Gage Warrants that will be exchanged for Replacement Options and Replacement Warrants of the Corporation at closing). See *“Special Business Relating to the Transaction – The Transaction”*.

While the Transaction is technically exempt from the minority approval requirement of MI 61-101 pursuant to Section 5.7(a) thereof, the Corporation has determined, on the recommendation of the TerrAscend Special Committee and in accordance with the terms of the Arrangement Agreement, to obtain the requisite majority of the minority approval of the Transaction in accordance with MI 61-101 at the Meeting, excluding the votes of TerrAscend Shareholders whose votes are required to be excluded for the purposes of “minority approval” under MI 61-101 in the context of a “related party transaction”. See *“Special Business Relating to the Transaction – Regulatory Matters”*.

Recommendation of the TerrAscend Special Committee

The TerrAscend Special Committee, comprised of Craig Collard, after receiving the oral Fairness Opinions from the TerrAscend Special Committee’s independent financial advisors described below, and independent legal and financial advice, recommended the Transaction having determined that the Transaction is in the best interests of the Corporation and that the Transaction is fair to the Corporation’s minority TerrAscend Shareholders.

Recommendation of the TerrAscend Board

After receiving the recommendations of the TerrAscend Special Committee, the disinterested members of the TerrAscend Board unanimously determined (i) that the Transaction is in the best interests of TerrAscend and that the Transaction is fair to TerrAscend’s minority TerrAscend Shareholders; (ii) to approve and authorize the Transaction and the entering into of the Arrangement Agreement and all ancillary agreements; and (iii) that in accordance with and subject to the terms of the Arrangement Agreement, to recommend to TerrAscend’s minority TerrAscend Shareholders that they vote in favour of the resolution to approve the Transaction at the Meeting.

Each of: (i) Mr. Wild, the Executive Chairman and Chairman of the TerrAscend Board and President and Chief Investment Officer of JW Asset Management, LLC (a “control person” of both the Corporation and Gage), and (ii) Richard Mavrinac, a director of both the Corporation and Gage, declared their respective interests to the TerrAscend Board and did not attend any part of the meeting of the TerrAscend Board during which the Transaction was discussed and approved, and neither Mr. Wild nor Mr. Mavrinac voted on the approval of the Transaction.

See *“Special Business Relating to the Transaction – Recommendation of the TerrAscend Board”*.

Fairness Opinion

The TerrAscend Special Committee obtained oral Fairness Opinions from each of ATB Capital Markets Inc. and Haywood Securities Inc. to the effect that, as of the date of the Arrangement Agreement, and subject to the assumptions, limitations and qualifications on which such opinions are based, the Transaction is fair, from a financial point of view, to the Corporation.

For a summary of the Fairness Opinions, see *“Special Business Relating to the Transaction – ATB Fairness Opinion”* and *“Special Business Relating to the Transaction – Haywood Fairness Opinion”*. Full copies of the Fairness Opinions are attached as Appendices D and E to this Circular.

Interest of Insiders, Promoters or Control Persons

The Transaction constitutes a “related party transaction” under MI 61-101 as Jason Wild, the Executive Chairman and Chairman of the TerrAscend Board, is a “control person” of both the Corporation and Gage. Mr. Wild currently holds or exercises control or direction over (i) approximately 39.5% of the TerrAscend

Shares; and (ii) approximately 25.2% of the Gage Subordinate Voting Shares. As a result of the foregoing, Mr. Wild, his respective affiliates and joint actors are a “control person” of both the Corporation and Gage. Mr. Mavrinac is a director of both the Corporation and Gage. As such the aggregate TerrAscend Shares which are owned, held, controlled or directed, directly or indirectly by Mr. Wild and Mr. Mavrinac and their respective affiliates and joint actors, as applicable, will be excluded from the minority shareholder vote conducted at the Meeting in accordance with MI 61-101. See “*Special Business Relating to the Transaction – Regulatory Matters – Interests of Certain Persons in the Transaction*” and “*Information Concerning the Corporation – Capitalization, Voting Securities and Principal Holders of Voting Securities*”.

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GENERAL PROXY MATTERS

Solicitation of Proxies

Management of the Corporation is using this Circular to solicit proxies from TerrAscend Shareholders for use at the Meeting. It is expected that proxies will be solicited primarily by mail, but proxies may also be solicited personally, by telephone or through electronic means (including via the Internet or email) by directors, officers and employees of the Corporation. TerrAscend will bear all costs associated with the preparation and mailing of this Circular, the Notice and the accompanying form of proxy, as well as the cost of the solicitation of proxies. Solicitations of proxies will be primarily by mail, but may also be made by telephone, by email, by other means of electronic transmission or in person by directors, officers, employees or agents of TerrAscend. TerrAscend will pay for the delivery of its proxy-related materials indirectly to all non-registered holders. Banks, brokerage houses and other custodians and nominees or fiduciaries will be requested to forward proxy solicitation material to their principals and to obtain authorizations for the execution of proxies.

The Corporation has retained Laurel Hill as its strategic shareholder advisor and proxy solicitation agent, and will pay fees of C\$50,000 for advisory and proxy solicitation services, in addition to certain out-of-pocket expenses. The costs of the solicitation will be borne solely by the Corporation.

Record Date

The disinterested members of the TerrAscend Board fixed the close of business on October 4, 2021 as the record date (the “**Record Date**”) for determining which TerrAscend Shareholders shall be entitled to receive notice of, and to vote at, the Meeting. Only TerrAscend Shareholders of record as of the Record Date are entitled to receive notice of, and to vote at, the Meeting or any adjournment(s) or postponement(s) thereof. Persons who acquire TerrAscend Shares after the Record Date will not be entitled to vote such TerrAscend Shares at the Meeting.

Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy are directors, officers and/or employees of the Corporation. **A TerrAscend Shareholder has the right to appoint a person, persons or entity (who need not be a TerrAscend Shareholder) other than the persons designated in the form of proxy provided by the Corporation to attend and act on behalf of the TerrAscend Shareholder at the Meeting. A TerrAscend Shareholder wishing to exercise this right may do so by inserting the name(s) of the desired person, persons or entity in the blank space provided in the form of proxy or by completing another proper form of proxy. This must be completed prior to registering such proxyholder, which is an additional step to be completed once you have submitted your form of proxy or voting instruction form (see “*Virtual Meeting Protocols: Registering a Proxyholder to Attend the Meeting*” below).** In order to be effective, a proxy must be received by the Corporation’s transfer agent, Odyssey Trust Company (“**Odyssey**”), at its offices located at 25 Adelaide St E, Toronto, Ontario, M5C 3A1, or over the internet as specified in the form of proxy, by 1:00 p.m. (Eastern Time) on November 9, 2021, or not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting or any adjournment(s) or postponement(s) thereof. The Chair of the Meeting may waive or extend the proxy cut-off without notice and in his sole discretion. The proxy must be in writing and executed by the TerrAscend Shareholder, or such TerrAscend Shareholder’s attorney authorized in writing, or if such TerrAscend Shareholder is a corporation, under its corporate seal or by a duly authorized officer or attorney thereof.

A registered TerrAscend Shareholder who has given a proxy may revoke it by an instrument in writing executed by the registered TerrAscend Shareholder, by such registered TerrAscend Shareholder’s attorney authorized in writing or, if the registered TerrAscend Shareholder is a corporation, under its corporate seal or by a duly authorized officer or attorney thereof, and delivered either to the Corporation or to Odyssey at the address specified above at any time up to and including the last Business Day preceding the day of the Meeting, or any adjournment(s) or postponement(s) thereof, or with the Chair of the Meeting on the day of

the Meeting before the commencement of the Meeting or the reconvening of any adjournment or postponement of the Meeting. A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

If you are a Non-Registered TerrAscend Shareholder who has voted by proxy through your Intermediary and would like to change or revoke your vote, contact your Intermediary to discuss whether this is possible and what procedures you need to follow. The change or revocation of voting instructions by a Non-Registered TerrAscend Shareholder can take several days or longer to complete and, accordingly, any such action should be completed well in advance of the deadline given in the proxy or voting instruction form by the Intermediary or its service company to ensure it is effective.

Proxy Voting

The persons named in the form of proxy will vote (or withhold from voting) the TerrAscend Shares in respect of which they are appointed in accordance with the instructions of the TerrAscend Shareholder appointing them, and if the TerrAscend Shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, the persons appointed as proxyholders shall vote accordingly. **In the absence of such direction, such TerrAscend Shares will be voted FOR the Resolution as described herein. The form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.** The persons named in the enclosed proxy will have discretionary authority with respect to any amendments or variations of the matters of business to be acted on at the Meeting or any other matters properly brought before the Meeting or any adjournment(s) or postponement(s) thereof, in each instance, to the extent permitted by law, whether or not the amendment, variation or other matter that comes before the Meeting is routine and whether or not the amendment, variation or other matter that comes before the Meeting is contested. As of the date of this Circular, management knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters should properly come before the Meeting, the form of proxy will be voted on such matters in accordance with the best judgment of the persons named in the form of proxy.

Non-Registered TerrAscend Shareholders

Only registered TerrAscend Shareholders or the person(s) they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, TerrAscend Shares beneficially owned by a holder whose TerrAscend Shares are held by an Intermediary ("**Non-Registered TerrAscend Shareholder**") are registered either: (i) in the name of a broker or other intermediary ("**Intermediary**") with whom the Non-Registered TerrAscend Shareholder deals in respect of the TerrAscend Shares; or (ii) in the name of a clearing agency (such as CDS & Co.) of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Corporation has elected to send the Notice of Meeting, this Circular and the voting instruction form ("**Voting Instruction Form**", and together with the Notice of Meeting and this Circular, "**Meeting Materials**") directly to Non-Registered TerrAscend Shareholders through the services of their Intermediary. Typically, Intermediaries will use a service company (such as Broadridge Investor Communications) to forward meeting materials to Non-Registered TerrAscend Shareholders. The Corporation will pay for Intermediaries to deliver the Meeting Materials to Non-Registered TerrAscend Shareholders who have objected to their Intermediary disclosing ownership information about themselves to the Corporation.

These Meeting Materials are being sent to both registered TerrAscend Shareholders and Non-Registered TerrAscend Shareholders. If you are a Non-Registered TerrAscend Shareholder, and the Corporation or its agent has sent the Meeting Materials directly to you, your name, address and information about your holdings of TerrAscend Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding the TerrAscend Shares on your behalf. By choosing to send these materials to you directly, the Corporation (and not the Intermediary holding the TerrAscend Shares

on your behalf) has assumed responsibility for (i) delivering the Meeting Materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the Voting Instruction Form.

Non-Registered TerrAscend Shareholders will be given, in substitution for the form of proxy otherwise contained in the proxy-related materials, a Voting Instruction Form which, when properly completed and, if applicable, signed by the Non-Registered TerrAscend Shareholder and returned to the Intermediary, as applicable, will constitute voting instructions which the Intermediary, as applicable, must follow. The purpose of this procedure is to permit Non-Registered TerrAscend Shareholders to direct the voting of the TerrAscend Shares they beneficially own. Should a Non-Registered TerrAscend Shareholder who receives the Voting Instruction Form wish to vote at the Meeting in person (or have another person attend the vote on behalf of the Non-Registered TerrAscend Shareholder), the Non-Registered TerrAscend Shareholder should so indicate in the place provided for that purpose in the Voting Instruction Form and a form of legal proxy will be sent to the Non-Registered TerrAscend Shareholder. Every Intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Non-Registered TerrAscend Shareholders in order to ensure that their TerrAscend Shares are voted at the Meeting. If you have any questions with respect to the voting of TerrAscend Shares held through a broker or other Intermediary, please contact the broker or other Intermediary for assistance.

The Corporation may utilize Broadridge's QuickVote™ system to assist TerrAscend Shareholders with voting their TerrAscend Shares. Certain Non-Registered TerrAscend Shareholders who have not objected to the Corporation knowing who they are (non-objecting beneficial owners) may be contacted by Laurel Hill, which is soliciting proxies on behalf of management of the Corporation, to conveniently obtain a vote directly over the phone.

If you have any questions or require further information with regard to voting your TerrAscend Shares, please contact Laurel Hill, the proxy solicitation agent, by telephone at: 1-877-452-7184 (Toll Free) or 416-304-0211 (Outside North America); or by email at: assistance@laurelhill.com.

Virtual Meeting Protocols: Attending and Participating in the Meeting

The Corporation is holding the Meeting as a completely virtual meeting, which will be conducted via live webcast. TerrAscend Shareholders will not be able to attend the Meeting in person. In order to attend, participate or vote at the Meeting, TerrAscend Shareholders must have a valid username.

Registered TerrAscend Shareholders and duly appointed proxyholders will be able to attend, participate and vote at the Meeting online at <https://web.lumiagm.com/235154159> (password "terrascend2021spc"). Such persons may then enter the Meeting by clicking "I have a login" and entering a username and password before the start of the Meeting:

Registered TerrAscend Shareholders: The control number located on the form of proxy (or in the email notification you received if you have previously consented to receiving shareholder materials via email) is the username. The password to the Meeting is "terrascend2021spc" (case sensitive). **If as a registered TerrAscend Shareholder you are using your control number to log in to the Meeting and you have previously voted, you do not need to vote again when the polls open during the Meeting. By voting at the Meeting, you will revoke your previous voting instructions received prior to voting cut-off.**

Duly appointed proxyholders: Odyssey will provide the proxyholder with a username by email after the voting deadline has passed (see section below entitled "*Virtual Meeting Protocols: Registering a Proxyholder to Attend the Meeting*"). The password to the Meeting is "terrascend2021spc" (case sensitive). Only registered TerrAscend Shareholders and duly appointed proxyholders will be entitled to attend, participate and vote at the Meeting. Beneficial TerrAscend Shareholders who have not duly appointed themselves as proxyholder will be able to attend the Meeting as a guest but not be able to participate or vote at the Meeting. TerrAscend Shareholders who wish to appoint a third party proxyholder to represent them at the Meeting (including beneficial TerrAscend Shareholders who wish to appoint themselves as

proxyholder to attend, participate or vote at the Meeting) MUST submit their duly completed proxy or Voting Instruction Form AND register the proxyholder.

Virtual Meeting Protocols: Registering a Proxyholder to Attend the Meeting

The following applies to TerrAscend Shareholders who wish to appoint a person (a “**Third Party Proxyholder**”) other than the management nominees set forth in the form of proxy or Voting Instruction Form as proxyholder, including beneficial TerrAscend Shareholders who wish to appoint themselves as proxyholder to attend, participate or vote at the Meeting.

TerrAscend Shareholders who wish to appoint a Third Party Proxyholder to attend, participate or vote at the Meeting as their proxy and vote their TerrAscend Shares MUST submit their proxy or Voting Instruction Form (as applicable) appointing such Third Party Proxyholder AND register the Third Party Proxyholder, as described below. Registering your proxyholder is an additional step to be completed AFTER you have submitted your proxy or Voting Instruction Form. Failure to register the proxyholder will result in the proxyholder not receiving a username to attend, participate or vote at the Meeting.

Step 1: Submit your proxy or Voting Instruction Form: To appoint a Third Party Proxyholder, insert such person’s name in the blank space provided in the form of proxy or Voting Instruction Form (if permitted) and follow the instructions for submitting such form of proxy or Voting Instruction Form. This must be completed prior to registering such proxyholder, which is an additional step to be completed once you have submitted your form of proxy or Voting Instruction Form. If you are a beneficial TerrAscend Shareholder located in the US, you must also provide Odyssey with a duly completed legal proxy if you wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as your proxyholder.

Step 2: Register your proxyholder: To register a proxyholder, TerrAscend Shareholders must send an email to terrascend@odysseytrust.com by 1:00 (Eastern Time) on November 9, 2021, and provide Odyssey with their proxyholder’s contact information, amount of TerrAscend Shares appointed, name in which the TerrAscend Shares are registered if they are a registered TerrAscend Shareholder, or name of broker where the TerrAscend Shares are held if a beneficial TerrAscend Shareholder, so that Odyssey may provide the proxyholder with a username via email. Without a username, proxyholders will not be able to attend, participate or vote at the Meeting.

If you are a beneficial TerrAscend Shareholder and wish to attend, participate or vote at the Meeting, you have to insert your own name in the space provided on the Voting Instruction Form sent to you by your Intermediary, follow all of the applicable instructions provided by your Intermediary AND register yourself as your proxyholder, as described above. By doing so, you are instructing your Intermediary to appoint you as proxyholder. It is important that you comply with the signature and return instructions provided by your Intermediary.

Virtual Meeting Protocols: Legal Proxy – US Beneficial TerrAscend Shareholders

If you are a Beneficial TerrAscend Shareholder located in the United States and wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as your proxyholder, in addition to the steps described above and below under “Voting by Third Party Proxyholder”, you must obtain a valid legal proxy from your intermediary. Follow the instructions from your intermediary included with the legal proxy form and the voting information form sent to you, or contact your intermediary to request a legal proxy form or a legal proxy if you have not received one. After obtaining a valid legal proxy from your intermediary, you must then submit such legal proxy to Odyssey. Requests for registration from Beneficial TerrAscend Shareholders located in the United States that wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as their proxyholder must be sent by email to terrascend@odysseytrust.com and received by 1:00 p.m. (Eastern time) on November 9, 2021.

Virtual Meeting Protocols: Voting at the Meeting

Any TerrAscend Shareholder who has already submitted a duly completed form of proxy or Voting Instruction Form does not need to vote again when the polls open during the Meeting. By voting at the Meeting, you will revoke your previous voting instructions received prior to voting cut-off.

Registered TerrAscend Shareholders and proxyholders who have registered prior to the Meeting by following the steps above may vote at the Meeting by completing the poll online during the Meeting.

Questions at the Meeting

The Corporation believes that the ability to participate in the Meeting in a meaningful way, including asking questions, remains important despite the decision to hold this year's Meeting virtually. It is anticipated that Registered TerrAscend Shareholders and proxyholders (including Non-Registered TerrAscend Shareholders who have appointed themselves as proxyholder) will have substantially the same opportunity to ask questions related to the matters of business to be considered at the Meeting as in past years when the annual meeting of shareholders was held in person. Only Registered TerrAscend Shareholders and duly appointed proxyholders will be able to submit questions. Guests will not be able to submit questions. To ask a question, please follow the steps outlined on the virtual meeting platform.

Questions related to the matters to be considered at the Meeting will be addressed at the relevant time during the Meeting. As at an in-person meeting, to ensure fairness for all attendees, the Chair of the Meeting will decide on the amount of time allocated to each question and will have the right to limit or consolidate questions and to reject questions that do not relate to the business of the Meeting or which are determined to be inappropriate, do not directly relate to the matters to be considered at the Meeting, or are otherwise out of order.

Difficulties Accessing the Meeting

TerrAscend Shareholders with questions regarding the virtual meeting portal or requiring assistance accessing the Meeting website may visit the website <https://www.lumiglobal.com/faq> prior to the Meeting.

If you are accessing the Meeting you must remain connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure internet connectivity for the duration of the Meeting. Note that if you lose connectivity once the Meeting has commenced, there may be insufficient time to resolve your issue before ballot voting is completed. Therefore, even if you currently plan to access the Meeting and vote during the live webcast, you should consider voting your shares in advance or by proxy so that your vote will be counted in the event you experience any technical difficulties or are otherwise unable to access the Meeting.

Quorum

A quorum of TerrAscend Shareholders is required to transact business at the Meeting. Pursuant to the by-laws of the Corporation, the quorum requirement for the Meeting will be satisfied, and the Meeting will be properly constituted, where holders of TerrAscend Shares representing, in the aggregate, 5% of the TerrAscend Shares entitled to vote at the Meeting, are present in person or represented by proxy at the Meeting.

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SPECIAL BUSINESS RELATING TO THE TRANSACTION

The following summarizes, among other things, the principal elements of the Transaction and the material terms of the definitive agreements with respect to same, including the Arrangement Agreement, the Plan of Arrangement, the MIPA and the voting support agreements. This summary may not contain all of the information about the Transaction and the material terms of the definitive agreements with respect to same, including the Arrangement Agreement, the Plan of Arrangement, the MIPA and the voting support agreements that is important to the TerrAscend Shareholders. This summary is qualified in its entirety by reference to the Arrangement Agreement, which is incorporated by reference herein and has been filed by the Corporation on its SEDAR profile at www.sedar.com, by reference to the Plan of Arrangement which is attached as Appendix “C” to this Circular and the Lock-Up Agreements, each of which has been filed by the Corporation on its SEDAR profile at www.sedar.com.

The Transaction

On August 31, 2021, the Corporation entered into the Arrangement Agreement with Gage pursuant to which the Corporation will acquire all of the issued and outstanding securities of Gage by way of a court-approved plan of arrangement under the *Canada Business Corporations Act*.

Under the terms of the Arrangement Agreement, Gage Shareholders will receive TerrAscend Shares based upon the Exchange Ratio, representing total consideration of approximately US\$545 million based on the closing price of the TerrAscend Shares on the CSE on August 31, 2021. The Exchange Ratio implies a price per Gage Share of US\$2.11 (or C\$2.66), representing an 18% premium based on the closing price of both companies' shares on the CSE on August 31, 2021. The Transaction consideration will result in an aggregate interest of approximately 19.8% in the Corporation by Gage Shareholders post-closing on a fully-diluted as-converted basis (including such TerrAscend Shares reserved for issuance upon (i) the exchange of Gage exchangeable units currently held by Mike Hermiz that will remain outstanding post-closing and (ii) the exchange of all outstanding options and warrants of Gage that will be exchanged for replacement options and warrants of the Corporation at closing). See “*Transaction Agreements – The Arrangement Agreement*”.

In accordance with the terms of the Arrangement Agreement, and while the Transaction is technically exempt from the minority approval requirement of MI 61-101 pursuant to Section 5.7(a) thereof, the Corporation has determined, on the recommendation of the TerrAscend Special Committee and in accordance with the terms of the Arrangement Agreement, to obtain the requisite majority of the minority approval of the Transaction in accordance with MI 61-101 at the Meeting, excluding the votes of TerrAscend Shareholders whose votes are required to be excluded for the purposes of “minority approval” under MI 61-101 in the context of a “related party transaction”.

A copy of the Resolution is attached as Appendix “B” to this Circular. To be effective, the Resolution must be approved at the Meeting by at least a majority of the votes cast by TerrAscend Shareholders excluding the votes in respect of the aggregate TerrAscend Shares which are owned, held, controlled or directed, directly or indirectly by Mr. Wild, his respective affiliates and joint actors and Mr. Mavrinac, respectively, in accordance with the requirements of MI 61-101. See “*Special Business Relating to the Transaction – Regulatory Matters – Interests of Certain Persons in the Transaction*”.

Information regarding (i) the Corporation can be found in “*Information Concerning the Corporation*” and “*Appendix “F” – Information Concerning the Corporation*”, (ii) Gage can be found in “*Appendix “G” – Information Concerning Gage*”, and (iii) the Corporation post-closing can be found in “*Appendix H – Information Concerning the Corporation Post-Completion*”.

Background to the Transaction

The terms of the Transaction and the provisions of the Arrangement Agreement are the result of extensive negotiations conducted between representatives of TerrAscend and Gage and their respective advisors.

The following is a summary of the material meetings, negotiations, discussions and actions among the parties that preceded the execution and public announcement of the Arrangement Agreement.

Interest in Acquiring Gage

The opportunity for the Transaction arose as a result of TerrAscend's desire to focus on expanding its operations in additional US states through strategic M&A, and the familiarity of Jason Wild, the Executive Chairman and Chairman of the TerrAscend Board, with the Gage business through his role as President and Chief Investment Officer of JW Asset Management, LLC, which manages or advises the Significant Shareholder (funds that have a long-standing investment in Gage).

Mr. Wild first introduced TerrAscend senior management to the principals of Gage in late 2020. In the subsequent weeks, TerrAscend senior management came to the view that Gage's operations and brands in the fast-growing Michigan retail cannabis market may be of interest to TerrAscend.

To enable exploratory discussions between the parties related to potential strategic transactions between the two companies, on January 29, 2021, TerrAscend and Gage entered into a confidentiality agreement (the "**Confidentiality Agreement**") allowing for the sharing of confidential information.

In February and March 2021, during the lead-up to Gage's ultimate listing on the CSE, Mr. Wild and members of senior management of TerrAscend engaged in preliminary discussions with principals of Gage regarding Gage's interest in a potential transaction with TerrAscend. Representatives from Gage and TerrAscend completed site visits at certain of their respective operating facilities during the same timeframe. However, as Gage was focused on completing its listing on the CSE, discussions related to a potential transaction between the parties did not proceed. During this period, Mr. Wild confirmed to members of senior management of TerrAscend that the Significant Shareholder would be favourably disposed to a combination of TerrAscend and Gage should the TerrAscend Board determine to pursue such a transaction in the future.

In connection with TerrAscend's initial discussions with Gage, TerrAscend received general advice from counsel to TerrAscend, Norton Rose Fulbright Canada LLP, as to the TerrAscend Board's general fiduciary duties and responsibilities in the context of any potential related party transaction (including with respect to a potential acquisition of Gage), including an overview of the process to be followed under MI 61-101 in light of Mr. Wild's role as Executive Chairman and Chairman of the TerrAscend Board on the one hand and on the other hand, his role as the President and Chief Investment Officer of the Significant Shareholder who is a "control person" of both TerrAscend and Gage.

Negotiation of the Transaction and TerrAscend Special Committee Process

Subsequent to Gage's listing on the CSE in early April 2021, TerrAscend senior management revisited the benefits of a potential acquisition of Gage as part of its regular review of potential M&A opportunities.

Between late April 2021 and mid-May 2021, TerrAscend senior management, including Mr. Wild in his capacity of Executive Chairman and Chairman of the TerrAscend Board, and together with TerrAscend's then-Lead Independent Director Ed Schutter, considered the potential benefits and risks of a potential transaction with Gage.

During this time, Mr. Wild and senior management of TerrAscend continued to discuss interest in the assets and operations of Gage as a potential entry point for TerrAscend into the fast-growing Michigan retail cannabis market. Senior management of TerrAscend also agreed that an acquisition of Gage could be accretive to all shareholders of TerrAscend. Mr. Wild confirmed that the Significant Shareholder remained supportive of such a transaction, if it was pursued, and also confirmed that the Significant Shareholder would anticipate participating in any such transaction on the same basis as all other Gage Shareholders and TerrAscend Shareholders.

As a result of the ongoing discussions between the parties, an initial draft of a non-binding letter of intent was provided to Gage by TerrAscend on or about May 10, 2021, setting forth indicative terms for a potential acquisition of Gage by TerrAscend. The discussions between TerrAscend and Gage culminated in meetings held in-person on May 12-13, 2021 in Michigan, with representatives of Gage and TerrAscend in attendance, including Mr. Wild and Mr. Schutter. During these meetings, the merits of a proposed acquisition of Gage by TerrAscend were discussed, as were the proposed indicative terms of the non-binding letter of intent, including a preliminary proposed exchange ratio, in the context of a potential acquisition of all of the outstanding securities of Gage by TerrAscend in an all-stock transaction.

On May 17, 2021, TerrAscend and Gage entered into a non-binding letter of intent which provided for the potential acquisition of Gage by TerrAscend. The signing of any definitive transaction agreement was made conditional upon the satisfaction of a number of conditions, including the completion of mutual due diligence to each party's satisfaction. The parties also agreed on an initial period of exclusivity in favour of TerrAscend during which the parties would conduct due diligence and negotiate the terms of a potential transaction.

Given Mr. Wild's and the Significant Shareholder's interests in Gage, and Mr. Mavrinac's role as a director of both TerrAscend and Gage, on May 18, 2021 the TerrAscend Board, on the advice of its legal counsel, determined that it would be appropriate to form a committee comprised of the independent directors of TerrAscend, excluding interested directors, to, among other things, consider, supervise, review and direct all further negotiations of the proposed transaction on behalf of TerrAscend, and to consider and make recommendations to the TerrAscend Board with respect to any strategic matters related to the business and operations of TerrAscend. Accordingly, on May 18, 2021, the TerrAscend Board approved the formation of the TerrAscend Special Committee comprised of Mr. Schutter (Chair) and Craig Collard.

At the time the TerrAscend Special Committee was constituted, it was determined that each of Mr. Schutter and Mr. Collard were free from any interest and any business or other relationship with the Significant Shareholder, TerrAscend or Gage that could, or could reasonably be perceived to, materially interfere with their ability to act with a view to the best interests of TerrAscend and TerrAscend's minority shareholders.

The mandate of the TerrAscend Special Committee specifically included (i) reviewing and considering the effect, desirability and consequences of any potential transaction and providing advice and recommendations to the TerrAscend Board in respect thereof (including with respect to transactions that may involve "insiders" or "interested" or "related" parties to TerrAscend (as defined in applicable corporate and securities laws)); (ii) negotiating or supervising the negotiation of any potential transaction; (iii) supervising the preparation of and review of any documentation and public disclosure related to any potential transaction; (iv) ensuring, with the assistance of external legal counsel, that the terms and conditions of any potential transaction comply with applicable laws, including Canadian securities laws (including for greater certainty such rules and regulations governing related party transactions); and (v) considering and making recommendations to the TerrAscend Board with respect to any potential transaction and the processes related thereto. Additionally, as the potential transaction would be considered a "related party transaction" for TerrAscend for the purposes of MI 61-101, the responsibilities of the TerrAscend Special Committee included retaining an independent financial advisor and ensuring the compliance by TerrAscend with MI 61-101.

The TerrAscend Special Committee met formally a total of 20 times during the process leading up to the execution and public announcement of the Arrangement Agreement. In addition to its formal meetings, the TerrAscend Special Committee had numerous additional informal discussions with its independent legal and financial advisors, TerrAscend's legal counsel, TerrAscend management and Mr. Wild. No representatives of the Significant Shareholder, including Mr. Wild, were present during any of the meetings of the TerrAscend Special Committee, and neither Mr. Wild nor Mr. Mavrinac participated in or inappropriately sought to influence the TerrAscend Special Committee's decision-making deliberations.

Following the execution of the non-binding letter of intent and the meeting of the TerrAscend Board on May 18, 2021, TerrAscend and Gage, including their respective legal and financial advisors, began to conduct due diligence on each other, which would continue over the following months in the lead up to the execution and public announcement of the Arrangement Agreement.

The TerrAscend Special Committee met on June 3, 2021 to receive an update on the status of ongoing legal, financial and regulatory due diligence being conducted on Gage. At that meeting, the TerrAscend Special Committee also discussed a number of process matters, including the timing and steps related to the potential engagement of an independent financial advisor, and other factors relevant to evaluating the merits of a possible transaction with Gage.

On June 4, 2021, TerrAscend's legal counsel circulated to Gage's legal counsel an initial draft Arrangement Agreement and Plan of Arrangement. Over the course of the following approximately three months, representatives of TerrAscend, under the supervision and direction of the TerrAscend Special Committee, would negotiate the terms of the Arrangement Agreement and definitive transaction documents, including the MIPA.

At a series of meetings of the TerrAscend Special Committee held from early June 2021 through to the end of August 2021, management of TerrAscend provided updates to the TerrAscend Special Committee on, among other things, (i) the status of ongoing legal, financial and regulatory due diligence being conducted by TerrAscend on Gage; (ii) the proposed terms and structuring of the proposed Transaction; and (iii) the operational and financial performance of Gage's business. During that time, the TerrAscend Special Committee considered the material issues raised by various revisions proposed to the terms of the draft Arrangement Agreement and definitive transaction documents, assessed the recommendations for resolving these issues and provided direction to TerrAscend management and counsel to TerrAscend as to how to respond. Members of management of TerrAscend and Gage, and the TerrAscend Special Committee on certain occasions, and their respective external legal counsel participated in a number of 'all-hands' calls, and separate calls focused on legal issues, and exchanged revised drafts of the Arrangement Agreement and the definitive transaction documents throughout the period. The parties determined to extend the exclusivity period beyond its initial term in July, given that progress was being made on ongoing due diligence and the negotiation of potential transaction terms and the structure of the proposed Transaction.

In addition to the in-person meetings held on May 12-13, 2021, on August 3-4, 2021, the TerrAscend Special Committee conducted site visits at certain Gage dispensaries and other operating facilities and met with senior management and other Gage employees in the field. The TerrAscend Special Committee also interviewed senior management of Gage and met with other individuals who are key to Gage's business (including the counterparty to the MIPA) in connection with the due diligence that was conducted in respect of the proposed Transaction.

Throughout the process of negotiating the Arrangement Agreement and the terms thereof, the TerrAscend Special Committee sought advice from TerrAscend's legal counsel on and engaged in discussions related to the need for "minority approval" (as defined in MI 61-101) given that the Arrangement was to be a "related party transaction" as defined in MI 61-101. Although fluctuations in the share price of TerrAscend resulted in uncertainty as to whether an exemption from the "minority approval" requirements under MI 61-101 would ultimately be available to TerrAscend at the relevant time, the TerrAscend Special Committee determined that it was prudent in the circumstances and in the best interests of TerrAscend and all TerrAscend Shareholders that "minority approval" from disinterested TerrAscend Shareholders be sought, even if not strictly required pursuant to an available exemption from such requirements under MI 61-101.

Through July 2021 and into early August 2021, the TerrAscend Special Committee considered various proposals from independent financial advisors to provide one or more fairness opinions to the TerrAscend Special Committee and engaged in negotiations regarding the scope and terms of such financial advisors' respective engagement letters.

After being satisfied with ATB Capital Markets Inc.'s ("**ATB**") credentials and their familiarity with the cannabis industry and TerrAscend, including through ATB's past involvement with TerrAscend as its financial advisor and co-manager in respect of TerrAscend's January 2021 equity financing and TerrAscend's December 2020 senior secured syndicated term loan financing, the TerrAscend Special Committee determined that ATB was qualified and independent and unanimously resolved to engage ATB to act as an independent financial advisor and to provide a fairness opinion in respect of the proposed

Transaction (the “**ATB Fairness Opinion**”). The TerrAscend Special Committee entered into an engagement letter with ATB effective August 9, 2021. ATB immediately began conducting its due diligence on TerrAscend and Gage as well as its related financial analysis.

In early August 2021, the TerrAscend Special Committee contacted Edward J. Waitzer and representatives of Stikeman Elliott LLP (“**Stikeman Elliott**”) about the possibility of Mr. Waitzer and Stikeman Elliott LLP advising the TerrAscend Special Committee.

On August 12, 2021, the TerrAscend Special Committee met with Mr. Waitzer and a representative of Stikeman Elliott. At this meeting, the TerrAscend Special Committee unanimously resolved to engage Mr. Waitzer and Stikeman Elliott as its independent legal counsel, after confirming that neither Mr. Waitzer nor Stikeman Elliott had any material relationship with TerrAscend, Gage, the Significant Shareholder or TerrAscend’s management. During that meeting, the TerrAscend Special Committee received legal advice from Mr. Waitzer and Stikeman Elliott regarding the duties and responsibilities of the TerrAscend Special Committee and the legal requirements applicable to the proposed Transaction, including the application of MI 61-101. At that meeting, the TerrAscend Special Committee also determined that in light of ATB’s prior relationships with TerrAscend and members of management, as well as the Significant Shareholder’s interest in each of TerrAscend and Gage, it would be prudent for the TerrAscend Special Committee to engage two independent financial advisors and receive separate fairness opinions from each of them.

Following the TerrAscend Special Committee’s meeting on August 12, 2021, and after considering potential financial advisors, confirming their credentials and familiarity with the cannabis market, the TerrAscend Special Committee unanimously determined that Haywood Securities Inc. (“**Haywood**”) was qualified and independent and resolved to engage Haywood to act as an independent financial advisor and to provide a fairness opinion in respect of the proposed Transaction (the “**Haywood Fairness Opinion**”). The TerrAscend Special Committee entered into an engagement letter with Haywood effective August 13, 2021. Haywood immediately began conducting its due diligence on TerrAscend and Gage as well as its related financial analysis.

The TerrAscend Special Committee, management of TerrAscend, and the principals of Gage (together with TerrAscend and Gage’s external counsel) continued to meet on numerous occasions throughout August 2021 in an attempt to negotiate and settle the draft Arrangement Agreement and the other definitive transaction documents. A specific focus of the discussions was the ultimate structure through which the Licensed Operators would be acquired as part of the overall Transaction, which culminated in the drafting and negotiation of the MIPA, the terms on which Mike Hermiz would be permitted to convert his interests into securities of TerrAscend after the closing of the proposed transaction, and indicative terms on which continued services could be provided post-closing of the proposed Transaction by principals and individuals who are key to Gage’s business.

On August 17, 2021, the TerrAscend Special Committee and its independent legal counsel held separate meetings with each of ATB and Haywood where each of ATB and Haywood provided the TerrAscend Special Committee with a transaction overview (including an overview of each of TerrAscend and Gage and the potential benefits of combining the two companies), updates regarding the analysis that each of ATB and Haywood had conducted to date, including their respective approaches to their analysis of TerrAscend and Gage. The methodologies and assumptions underlying ATB and Haywood’s respective analysis was discussed as were potential timetables, including ATB and Haywood’s delivery of their respective preliminary analysis as to the fairness, from a financial point of view, to TerrAscend of the consideration to be paid by TerrAscend to Gage Shareholders.

On August 17, 2021, and following the presentation of the TerrAscend Special Committee’s financial advisors, the TerrAscend Special Committee considered the merits of the proposed Transaction and evaluated and discussed, with the assistance of its independent legal and financial advisors, the terms of the proposed Transaction (including the relevant definitive documents) and the relative benefits and risks of the proposed Transaction in the context of the broader strategic rationale for TerrAscend. In addition, the TerrAscend Special Committee considered the current economic, industry and market trends affecting each

of TerrAscend and Gage in their respective markets, and information concerning the business, operations, properties, assets, financial condition, operating results and prospects of each of TerrAscend and Gage.

On August 20, 2021, each of ATB and Haywood provided separate presentations to the TerrAscend Special Committee based on information received to date in respect of their preliminary analysis as to the fairness, from a financial point of view, to TerrAscend Shareholders of the consideration to be paid by TerrAscend to Gage Shareholders. The TerrAscend Special Committee had requested that ATB and Haywood present their preliminary analysis in order to assist the TerrAscend Special Committee in evaluating the merits of the proposed Transaction and in assessing the exchange ratio previously agreed upon in respect of the proposed Transaction.

By August 20, 2021, although significant progress had been made on the draft Arrangement Agreement and the definitive transaction documents, TerrAscend and Gage still had not agreed on several key terms, including a potential adjustment to the purchase price that had been proposed by the TerrAscend Special Committee. Following a meeting with its legal counsel and counsel to TerrAscend to discuss the current status of negotiations regarding the draft Arrangement Agreement and the other definitive transaction documents, the TerrAscend Special Committee determined that it would be appropriate for Mr. Schutter and Mr. Collard, to contact the principals of Gage in an effort to see whether TerrAscend and Gage could agree upon certain key terms, including the adjustment to the purchase price that had been proposed by the TerrAscend Special Committee.

Later that day, Mr. Schutter and Mr. Collard had a telephone conversation with representatives of Gage regarding, among other things, the optimal transaction structure as it related to certain regulatory and licensing matters to complete the acquisition, and agreed to terms that would form the basis for continued discussions and negotiations regarding the finalization of the draft Arrangement Agreement and the definitive transaction documents. During the course of such discussions, Mr. Schutter and Mr. Collard also discussed the terms on which Mr. Hermiz's Gage Exchangeable Units would be permitted to remain in place following the closing of the proposed Transaction, as well as the terms of the MIPA, and indicative terms on which continued services could be provided post-closing of the proposed Transaction by principals and individuals who are key to Gage's business. The TerrAscend Special Committee determined that in light of the terms agreed with the principals of Gage, it would remain supportive of the proposed Transaction, subject to the completion of due diligence to its satisfaction, the finalization of the draft Arrangement Agreement and other definitive transaction documents, and the receipt of satisfactory Fairness Opinions from its respective financial advisors. Mr. Schutter and Mr. Collard also provided an update to Mr. Wild, in his capacity as Executive Chairman and Chairman of the TerrAscend Board, as to the current status of the negotiations and next steps related to same. Certain operational matters related to the retention of certain key Gage employees were also discussed as important operational matters that would need to be considered as part of the overall Transaction structure, and ultimately as conditions precedent to entering into the Arrangement Agreement, and closing of the proposed Transaction.

Separately, on August 24, 2021, it came to the attention of the TerrAscend Special Committee that Mr. Wild was serving as a member of the compensation committee of the board of directors of Arbor Pharmaceuticals, LLC, of which Mr. Schutter then served as Chief Executive Officer. As a result of Mr. Wild's role as a member of the Arbor compensation committee, it was determined that Mr. Schutter, who had until that point served as the independent Chair of the TerrAscend Special Committee, could no longer be considered an independent director for the purposes of National Instrument – 52-110 *Audit Committee* ("NI 52-110").

On the recommendation of counsel to the TerrAscend Special Committee, it was unanimously determined that in the circumstances, and notwithstanding that Mr. Schutter had conducted himself at all times with integrity and provided an independent and critical perspective in the negotiations to date, and effectively discharged his duties in the view of the TerrAscend Special Committee, it would be appropriate for Mr. Schutter to recuse himself and step down from the TerrAscend Special Committee so as to mitigate any perception of a conflict of interest and/or that the interests of minority TerrAscend Shareholders were not fairly considered in the negotiation and review of the proposed Transaction. Following Mr. Schutter's recusal

from the TerrAscend Special Committee, Mr. Collard assumed the role of Chair and the TerrAscend Special Committee was then comprised of only Mr. Collard.

To ensure the other TerrAscend Board members who would be voting on the proposed Transaction were fully informed as to the terms, potential merits and risks of the proposed Transaction, the TerrAscend Special Committee determined that while it would not be appropriate to add Lisa Swartzman, a TerrAscend director, to the TerrAscend Special Committee (due to the fact that Ms. Swartzman was deemed not to be independent under NI 52-110 as a result of having received consulting fees in excess of the prescribed threshold), it would, however, be appropriate to afford Ms. Swartzman the opportunity to directly review and engage with counsel to the TerrAscend Special Committee, counsel to TerrAscend, the TerrAscend Special Committee's financial advisors and TerrAscend management on all aspects of the proposed Transaction independently and in addition to the TerrAscend Board and TerrAscend Special Committee process. The TerrAscend Special Committee determined that it would be beneficial to involve Ms. Swartzman so that if a recommendation was ultimately made by the TerrAscend Special Committee to the TerrAscend Board in respect of the proposed Transaction, Ms. Swartzman would be fully informed as to the merits and risks of the proposed Transaction and have the benefit of the general information presented to and deliberations of the TerrAscend Special Committee to date. Ms. Swartzman agreed to make herself available for such briefings.

In furtherance of the foregoing, from August 25, 2021 through to the execution and public announcement of the Arrangement Agreement, Ms. Swartzman was afforded an opportunity to review the terms of the proposed Transaction and engage with the independent legal and financial advisors to the TerrAscend Special Committee, counsel to TerrAscend and TerrAscend management with respect to all aspects of the proposed Transaction and the then-current drafts of the key transaction documents. As a result, Ms. Swartzman contributed to the process by raising questions and sharing her perspectives related to the merits and risks of the proposed Transaction with members of TerrAscend's management, the respective legal and financial advisors, and Mr. Collard; however, she did not participate in the ultimate decision-making deliberations of the TerrAscend Special Committee as she was not a member.

On August 28, 2021, the TerrAscend Special Committee met with its independent legal counsel to further discuss the proposed Transaction, recent meetings with ATB and Haywood regarding their financial analysis of the proposed Transaction and the benefits of the proposed Transaction to the Corporation.

In addition, the TerrAscend management team met separately with representatives of ATB and Haywood on numerous occasions to discuss the proposed Transaction and the financial analysis of ATB and Haywood with respect to the proposed Transaction. Throughout the process, ATB and Haywood reviewed extensive information regarding TerrAscend, Gage and their respective businesses, operations, assets, financial performance and condition, operating results and prospects, and analyzed the financial terms of the proposed Transaction. ATB and Haywood were provided with access to all information that was made available to TerrAscend as well as to TerrAscend's management.

On August 30, 2021, the TerrAscend Special Committee met with its counsel to receive an update on negotiations concerning the draft Arrangement Agreement and definitive transaction documents.

Consideration and Approval of the Transaction

On August 31, 2021, the TerrAscend Special Committee met to consider the terms of the Arrangement Agreement and received separate formal presentations from each of ATB and Haywood presenting their analysis and conclusion that, subject to certain assumptions and limitations, each of ATB and Haywood was of the opinion that the consideration payable to Gage Shareholders pursuant to the Arrangement is fair, from a financial point of view, to TerrAscend. The TerrAscend Special Committee unanimously determined to recommend to the TerrAscend Board that (i) the Arrangement is in the best interests of TerrAscend and that the Arrangement is fair to the minority TerrAscend Shareholders of TerrAscend; (ii) it approve and authorize the Arrangement and the entering into of the Arrangement Agreement and all related agreements; and (iii) in accordance with and subject to the terms of the Arrangement Agreement, it

recommend to the minority TerrAscend of TerrAscend that they vote in favour of the resolution to approve the Arrangement at the Meeting.

On the recommendation of the TerrAscend Special Committee, the TerrAscend Board authorized the execution of the Arrangement Agreement and all related agreements. Mr. Wild, who is the President and Chief Investment Officer of JW Asset Management, LLC, and Mr. Mavrinac, who also serves as a director of Gage, declared their respective interests and did not attend any portion of the meeting of the TerrAscend Board during which the proposed Transaction was discussed and approved and neither Mr. Wild nor Mr. Mavrinac voted on the approval of the Transaction.

Late in the evening on August 31, 2021, TerrAscend and Gage entered into the Arrangement Agreement, the Gage Voting Support and Lock-Up Agreements and the MIPA, and before the open of markets on September 1, 2021, TerrAscend and Gage issued a joint press release announcing the Arrangement.

Effective October 4, 2021, the parties entered into an amending agreement between the Gage and TerrAscend, pursuant to which the parties amended and restated the Plan of Arrangement attached as Schedule “A” to the Arrangement Agreement to: (i) correct certain non-substantive administrative errors relating to: (A) the number of Mayde Exchangeable Shares outstanding on the date of the Arrangement Agreement, (B) the exchange ratio set forth in Section 3.1.1(c) of the Plan of Arrangement, (C) references to Gage common shares instead of Gage Subordinate Voting Shares, and (D) references to the CBCA director; and (ii) provide that, following the Merger, Mergerco shall file an election to cease to be a public corporation under the Tax Act.

Recommendation of the TerrAscend Special Committee

The TerrAscend Special Committee, comprised of Craig Collard, after receiving the oral Fairness Opinions from the TerrAscend Special Committee’s independent financial advisors described below, and independent legal and financial advice, recommended the Transaction having determined that the Transaction is in the best interests of the Corporation and that the Transaction is fair to the Corporation’s minority TerrAscend Shareholders.

Recommendation of the TerrAscend Board

After receiving the recommendations of the TerrAscend Special Committee, the disinterested members of TerrAscend’s board of directors unanimously determined (i) that the Transaction is in the best interests of TerrAscend and that the Transaction is fair to TerrAscend’s minority TerrAscend Shareholders; (ii) to approve and authorize the Transaction and the entering into of the Arrangement Agreement and all ancillary agreements; and (iii) that in accordance with and subject to the terms of the Arrangement Agreement, to recommend to TerrAscend’s minority TerrAscend Shareholders that they vote in favour of the resolution to approve the Transaction at the Meeting.

Each of: (i) Mr. Wild, the Executive Chairman and Chairman of the TerrAscend Board and President and Chief Investment Officer of JW Asset Management, LLC (a “control person” of both the Corporation and Gage), and (ii) Mr. Mavrinac, a director of both the Corporation and Gage, declared their respective interests to the TerrAscend Board and did not attend any part of the meeting of the TerrAscend Board during which the Transaction was discussed and approved, and neither Mr. Wild nor Mr. Mavrinac voted on the approval of the Transaction.

For details of Mr. Wild and Mr. Mavrinac, see “*Special Business Relating to the Transaction – Regulatory Matters – Interests of Certain Persons in the Transaction*”.

The disinterested members of the TerrAscend Board recommend that TerrAscend Shareholders vote FOR the Resolution.

The persons named in the form of proxy which accompanies this Circular intend to vote FOR the Resolution unless the TerrAscend Shareholder has specified in the form of proxy that the TerrAscend Shares represented by such form of proxy are to be voted against the Resolution.

Reasons for the Recommendation of the TerrAscend Special Committee and the TerrAscend Board

In making their respective recommendations to TerrAscend Shareholders to vote for the Resolution, the TerrAscend Special Committee and the disinterested members of the TerrAscend Board carefully considered a number of factors, including, among others, the benefits of the Transaction identified by the TerrAscend Special Committee and listed below. The TerrAscend Special Committee and the disinterested members of the TerrAscend Board based their respective recommendations on the totality of the information presented to and considered by them in light of their knowledge of the business, financial condition and prospects of the Corporation, after having undertaken a thorough review of, and having carefully considered the terms of the Transaction, and after consulting with their respective financial and legal advisors, and having received the Fairness Opinions.

The following summary of the information and factors considered by the TerrAscend Special Committee and the disinterested members of the TerrAscend Board is not intended to be exhaustive, but includes a summary of the material information and factors considered in their consideration of the Transaction. The TerrAscend Special Committee and the disinterested members of the TerrAscend Board have determined that the Transaction is in the best interests of the Corporation.

Accordingly, the disinterested members of the TerrAscend Board have approved the Transaction and the TerrAscend Special Committee and the disinterested members of the TerrAscend Board recommend that TerrAscend Shareholders vote FOR the Resolution.

- ***Leadership in a Top Market.*** TerrAscend Shareholders will have the ability to participate in the growth potential offered by Gage as a leader in the fast-growing Michigan cannabis market. If completed, the Transaction will result in the Corporation, a leading North American cannabis company, acquiring the business of a premier Michigan cannabis company into its US portfolio. The companies' aligned strategic vision and operating philosophy, as well as complementary assets, distribution networks, products and capabilities are expected to create a pre-eminent cannabis company across all regulated jurisdictions. The Transaction is expected to help solidify Gage's position in the Michigan's marketplace by leveraging the Corporation's curated cannabis brands and intellectual property related to cultivation, extraction and new product development.
- ***ATB Fairness Opinion.*** ATB has provided the ATB Fairness Opinion that states, based upon and subject to the assumptions, limitations and qualifications set out in the ATB Fairness Opinion, that as at August 31, 2021, ATB was of the opinion that the aggregate consideration to be paid by the Corporation to acquire Gage is fair, from a financial point of view, to TerrAscend. A copy of the ATB Fairness Opinion is attached as Appendix "D" to this Circular. The disinterested members of the TerrAscend Board recommend that TerrAscend Shareholders read the ATB Fairness Opinion carefully and in its entirety. The ATB Fairness Opinion does not constitute a recommendation of ATB to the TerrAscend Shareholders as to whether they should vote in favour of the Transaction or how they should otherwise act with respect thereto. See "*Special Business Relating to the Transaction – ATB Fairness Opinion*".
- ***Haywood Fairness Opinion.*** Haywood has provided the Haywood Fairness Opinion that states, based upon and subject to the assumptions, limitations and qualifications set out in the Haywood Fairness Opinion, that as at August 31, 2021, Haywood was of the opinion that the aggregate consideration to be paid by the Corporation to acquire Gage is fair, from a financial point of view, to TerrAscend. A copy of the Haywood Fairness Opinion is attached as Appendix "E" to this Circular. The disinterested members of the TerrAscend Board recommend that TerrAscend Shareholders read the Haywood Fairness Opinion carefully and in its entirety. The Haywood Fairness Opinion does not constitute a recommendation of Haywood to the TerrAscend

Shareholders as to whether they should vote in favour of the Transaction or how they should otherwise act with respect thereto. See “*Special Business Relating to the Transaction – Haywood Fairness Opinion*”.

- **Minority Shareholder Approval.** The determination by TerrAscend to seek approval of minority TerrAscend Shareholders in connection with the Transaction creates an additional procedural protection for minority of TerrAscend Shareholders. The Resolution must be approved by a simple majority of the votes cast by TerrAscend Shareholders at the Meeting excluding the votes in respect of the aggregate TerrAscend Shares which are owned, held, controlled or directed, directly or indirectly by Mr. Wild, his respective affiliates and joint actors and Mr. Mavrinac respectively in accordance with the requirements of MI 61-101.
- **Management.** The Transaction combines management teams with similar core philosophies, strong track records of execution and operational expertise in building leading businesses in the most competitive cannabis markets in the country. Gage is led by a group of executives that deliver expertise in the areas of financial management, operations, marketing and business development. With operations led by Rami Reda and Michael Hermiz, the management team at Gage has driven the vision and execution of Gage’s impressive Michigan footprint of licensed assets. It is a condition to the Transaction that key employees and principals of Gage will enter into agreements to continue providing services in respect of the business post-closing. In addition, pursuant to the Gage Voting Support and Lock-Up Agreements key shareholders of Gage have agreed to lock-up their TerrAscend Shares post-closing over a period of 180 days post-closing of the Transaction (to be released in tranches), and Mike Hermiz and Rami Reda have each agreed to lock-up their TerrAscend Shares post-closing over a period of 30 months post-closing of the Transaction (to be released in tranches).
- **Evaluation and Analysis.** The TerrAscend Special Committee and the disinterested members of the TerrAscend Board have extensively considered the inclusion of Gage’s assets and business with the Corporation’s its business, operations, assets and potential prospects, as well as current industry, economic and market conditions and related risks.
- **Positioning of Gage brands.** If completed, the Arrangement is expected to introduce aspects of Gage’s diversified portfolio of cannabis brands across other markets the United States, where permitted to do so.
- **Accretive to TerrAscend Shareholders.** Management of the Corporation expects that, if completed, the Transaction will be accretive to TerrAscend Shareholders.
- **Accelerate Store Roll-out Program.** If the Transaction is completed, the Corporation will leverage its current assets to accelerate the build-out of additional dispensaries in the State of Michigan, subject to the receipt of all required regulatory approvals. Post-closing the Corporation will further benefit from its deep relationships with prominent landlords to support future dispensary growth at marquee locations in Michigan.

In view of the numerous factors considered in connection with its evaluation of the Transaction, neither the TerrAscend Special Committee nor the disinterested members of the TerrAscend Board found it practicable to, and did not, quantify or otherwise attempt to assign relative weight to specific factors in reaching their conclusions and recommendations. In addition, individual members of the TerrAscend Board may have given different weight to different factors. The foregoing discussion of the information and factors considered and evaluated by the TerrAscend Special Committee and the disinterested members of the TerrAscend Board is not intended to be exhaustive of all factors considered and evaluated by the TerrAscend Special Committee or the disinterested members of the TerrAscend Board. The conclusions and recommendations of the TerrAscend Special Committee and the disinterested members of the TerrAscend Board were made after considering the totality of the information and factors considered.

Risk Factors Concerning the Transaction

In the course of its deliberations, the TerrAscend Special Committee and the disinterested members of the TerrAscend Board also identified and considered a variety of risks (as described in greater detail under “*Special Business Relating to the Transaction – Risk Factors Concerning the Transaction*”) and potentially negative factors relating to the Transaction, including the following:

- ***Dilution.*** The Transaction will result in significant dilution to TerrAscend Shareholders. As at the date hereof, it is expected that the Transaction will result in issuance of approximately 50 million TerrAscend Shares to Gage Shareholders and reservation of an additional approximately 27 million TerrAscend Shares pursuant to the convertible securities of Gage which will be exchanged for convertible securities of the Corporation or will be exercisable into TerrAscend Shares in accordance with their terms following the Effective Date (including the TerrAscend Shares reserved for issuance upon (i) the exchange of Gage exchangeable units currently held by Mike Hermiz that will remain outstanding post-closing, and (ii) the exchange of all outstanding options and warrants of Gage that will be exchanged for replacement options and warrants of TerrAscend at closing).
- ***Anticipated Benefits May Not Occur.*** The Corporation may fail to realize growth opportunities and synergies currently anticipated due to, among other things, challenges associated with integrating the operations and personnel of the Corporation and Gage following completion of the Transaction.
- ***Termination Fee and Expenses.*** The Arrangement Agreement may be terminated by the Corporation in certain circumstances, and in certain cases of such termination, the Corporation would be required to pay Gage a Termination Fee in the amount of US\$30 million.
- ***Restrictions on the Corporation’s Business.*** The Arrangement Agreement imposes certain restrictions on the conduct of the Corporation’s business during the period between execution of the Arrangement Agreement and consummation of the Transaction, which may have a negative impact on the performance of the Corporation.
- ***Closing Conditions.*** The completion of the Transaction is subject to several conditions including TerrAscend Shareholder approval, Gage Shareholder approval, Court approval, CSE approval, First MIPA Closing and the transfer of Regulatory Licenses and certain other regulatory and third-party consents and approvals.
- ***Control of the Corporation.*** The Transaction will result in Gage Shareholders holding a significant voting interest in the Corporation in the aggregate, giving the existing Gage Shareholders (as a group) potentially significant influence over matters requiring the approval of TerrAscend Shareholders, although no one existing Gage Shareholder will hold more than 10% of TerrAscend Shares post-closing of the Transaction.

In making their respective determinations and recommendations, the TerrAscend Special Committee and the disinterested members of the TerrAscend Board also observed that a number of procedural safeguards were and are present to permit the TerrAscend Special Committee and the disinterested members of the TerrAscend Board to represent effectively the interests of TerrAscend, minority shareholders of TerrAscend and TerrAscend’s other stakeholders, including, among others:

- ***Oversight of the TerrAscend Special Committee.*** The fact that the process described above was conducted by, and under the oversight of, the TerrAscend Special Committee, which was advised by experienced, qualified and independent legal and financial advisors.
- ***Extensive Review and Analysis.*** The TerrAscend Special Committee and its legal and financial advisors, as well as TerrAscend management and the Corporation’s legal advisors, engaged in

extensive analysis and robust negotiations in order to satisfy themselves that the settled terms are favourable for the Corporation, including the Corporation's minority shareholders.

- **Minority Shareholder Approval.** While the Transaction is technically exempt from the minority approval requirement of MI 61-101 pursuant to Section 5.7(a) thereof, the Transaction is conditional on the approval of TerrAscend's minority shareholders at the Meeting.

The information and factors described above and considered by the TerrAscend Special Committee in making its recommendations and the disinterested members of the TerrAscend Board in reaching its decision and making its recommendation to the TerrAscend Shareholders are not intended to be exhaustive but do include certain material factors considered by the disinterested members of the TerrAscend Board. The TerrAscend Special Committee and the disinterested members of the TerrAscend Board believed that, overall, the anticipated benefits of the Transaction to TerrAscend outweighed these risks and potentially negative factors. The reasons of the TerrAscend Special Committee for making its recommendations and the reasons of the disinterested members of the TerrAscend Board for approving the Transaction and recommending that TerrAscend Shareholders vote FOR the Resolution include certain assumptions relating to forward-looking information, and such information and assumptions are subject to various risks. See *"Information Contained in this Circular – Forward-Looking Statements"* and *"Special Business Relating to the Transaction – Risk Factors Concerning the Transaction"*.

ATB Fairness Opinion

The following is only a summary of the ATB Fairness Opinion. The ATB Fairness Opinion has been prepared as of August 31, 2021, for use by the TerrAscend Special Committee and for inclusion in this Circular. The ATB Fairness Opinion was permitted to be, and was, relied upon by the disinterested members of the TerrAscend Board. The following summary is qualified in its entirety by the full text of the ATB Fairness Opinion. A copy of the ATB Fairness Opinion is attached hereto as Appendix "D" and forms part of this Circular. TerrAscend Shareholders are urged to read the full text of the ATB Fairness Opinion and should consider the same in its entirety. The ATB Fairness Opinion does not constitute a recommendation to any TerrAscend Shareholder as to how such TerrAscend Shareholder should vote in respect of the Resolution.

Pursuant to the ATB engagement agreement, the TerrAscend Special Committee formally retained ATB to act as independent financial advisor and fairness opinion provider to the TerrAscend Special Committee in connection with the Transaction. Pursuant to the ATB engagement agreement, the Corporation engaged ATB to provide an opinion to the TerrAscend Special Committee as to whether the aggregate consideration to be paid by the Corporation to acquire Gage is fair, from a financial point of view, to the Corporation.

ATB was not requested to opine as to, and the ATB Fairness Opinion does not in any manner address, the Corporation's underlying business decision to proceed with or effect the Transaction, or the relative merits of the Transaction as compared to other potential transactions or business strategy in which the Corporation might engage. In addition, ATB was not requested to opine as to, and the ATB Fairness Opinion does not in any manner address, the fairness of the amount or the nature of any compensation to any officers, directors or employees of any parties to the Transaction, or any class of such persons.

ATB will be paid a fee for rendering the ATB Fairness Opinion, which is not contingent upon completion of the Transaction or any other transaction. The Corporation has also agreed to reimburse ATB for its reasonable expenses. Pursuant to the ATB engagement agreement, the Corporation agreed to indemnify ATB and its representatives in respect of certain liabilities that might arise out of its engagement as independent fairness opinion provider.

At the TerrAscend Special Committee and TerrAscend Board meetings held on the evening of August 31, 2021, ATB provided its oral Fairness Opinion to the TerrAscend Special Committee and to the disinterested members of the TerrAscend Board (which ATB subsequently delivered in writing) that, based upon and subject to certain assumptions, qualifications and limitations (which are set out in the ATB Fairness

Opinion), as of August 31, 2021, the Transaction is fair, from a financial point of view, to TerrAscend. The full text of the ATB Fairness Opinion, including a description of the related assumptions, qualifications and limitations, together with a summary of the fairness methodologies used by ATB in preparing the ATB Fairness Opinion, is attached as Appendix “D” to this Circular.

The ATB Fairness Opinion was one of a number of factors taken into consideration by the disinterested members of the TerrAscend Board in considering the Transaction. The ATB Fairness Opinion does not constitute a recommendation to the disinterested members of the TerrAscend Board or TerrAscend Shareholders as to whether TerrAscend Shareholders should vote in favour of the Resolution.

Haywood Fairness Opinion

The following is only a summary of the Haywood Fairness Opinion. The Haywood Fairness Opinion has been prepared as of August 31, 2021, for use by the TerrAscend Special Committee and for inclusion in this Circular. The Haywood Fairness Opinion was permitted to be, and was, relied upon by the disinterested members of the TerrAscend Board. The following summary is qualified in its entirety by the full text of the Haywood Fairness Opinion. A copy of the Haywood Fairness Opinion is attached hereto as Appendix “E” and forms part of this Circular. TerrAscend Shareholders are urged to read the full text of the Haywood Fairness Opinion and should consider the same in its entirety. The Haywood Fairness Opinion does not constitute a recommendation to any TerrAscend Shareholder as to how such TerrAscend Shareholder should vote in respect of the Resolution.

Pursuant to the Haywood engagement agreement, the TerrAscend Special Committee formally retained Haywood to act as independent financial advisor and fairness opinion provider to the TerrAscend Special Committee in connection with the Transaction. Pursuant to the Haywood engagement agreement, the Corporation engaged Haywood to provide an opinion to the TerrAscend Special Committee as to whether the aggregate consideration to be paid by the Corporation to acquire Gage is fair, from a financial point of view, to the Corporation.

Haywood was not requested to opine as to, and the Haywood Fairness Opinion does not in any manner address, the Corporation’s underlying business decision to proceed with or effect the Transaction, or the relative merits of the Transaction as compared to other potential transactions or business strategy in which the Corporation might engage. In addition, Haywood was not requested to opine as to, and the Haywood Fairness Opinion does not in any manner address, the fairness of the amount or the nature of any compensation to any officers, directors or employees of any parties to the Transaction, or any class of such persons. Subsequent developments may affect the Haywood Fairness Opinion. Haywood does not have any obligation to update, revise or reaffirm the Haywood Fairness Opinion. Haywood has expressed no opinion as to the price at which the current shares of the Corporation will trade at any future time. In Haywood’s analyses and in connection with the preparation of the Haywood Fairness Opinion, Haywood made numerous assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond the control of Haywood and any party involved in the Transaction.

The Haywood Fairness Opinion does not constitute an independent evaluation, formal valuation or appraisal of the securities or assets of the Corporation and/or Gage and should not be construed as advice as to the price at which the securities of the Corporation may trade at any time and does not address any legal, tax or regulatory aspects of the Transaction.

Haywood disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Haywood Fairness Opinion that may come or be brought to the attention of Haywood after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the Haywood Fairness Opinion after the date hereof, Haywood reserves the right to change, modify or withdraw the Haywood Fairness Opinion.

Haywood will be paid a fee for rendering the Haywood Fairness Opinion, which is not contingent upon completion of the Transaction or any other transaction. The Corporation has also agreed to reimburse

Haywood for its reasonable expenses. Pursuant to the Haywood engagement agreement, the Corporation agreed to indemnify Haywood and its representatives in respect of certain liabilities that might arise out of its engagement as independent fairness opinion provider.

At the TerrAscend Special Committee and TerrAscend Board meetings held on the evening of August 31, 2021, Haywood provided its oral Fairness Opinion to the TerrAscend Special Committee and to the disinterested members of the TerrAscend Board (which Haywood subsequently delivered in writing) that, based upon and subject to certain assumptions, qualifications and limitations (which are set out in the Haywood Fairness Opinion), as of August 31, 2021, the Transaction is fair, from a financial point of view, to the Corporation. The full text of the Haywood Fairness Opinion, including a description of the related assumptions, qualifications and limitations, together with a summary of the fairness methodologies used by Haywood in preparing the Haywood Fairness Opinion, is attached as Appendix “E” to this Circular.

The Haywood Fairness Opinion was one of a number of factors taken into consideration by the disinterested members of the TerrAscend Board in considering the Transaction. The Haywood Fairness Opinion does not constitute a recommendation to the disinterested members of the TerrAscend Board or TerrAscend Shareholders as to whether TerrAscend Shareholders should vote in favour of the Resolution.

Resolution

While the Transaction is technically exempt from the minority approval requirement of MI 61-101 pursuant to Section 5.7(a) thereof, the Corporation has determined, on the recommendation of the TerrAscend Special Committee and in accordance with the terms of the Arrangement Agreement, to obtain the requisite majority of the minority approval of the Transaction in accordance with MI 61-101 at the Meeting, excluding the votes of TerrAscend Shareholders whose votes are required to be excluded for the purposes of “minority approval” under MI 61-101 in the context of a “related party transaction”. The TerrAscend Special Committee recommended that the Corporation seek majority of the minority approval of the Transaction as an additional procedural safeguard to ensure that the rights of minority TerrAscend Shareholders were appropriately considered in respect of the Transaction.

In order for the Transaction to proceed, the Resolution must be approved at the Meeting by at least a majority of the votes cast by TerrAscend Shareholders excluding the votes in respect of the aggregate TerrAscend Shares which are owned, held, controlled or directed, directly or indirectly by Mr. Wild, his respective affiliates and joint actors and Mr. Mavrinac respectively in accordance with the requirements of MI 61-101. See “*Special Business Relating to the Transaction – Regulatory Matters – Interests of Certain Persons in the Transaction*”.

At the Meeting, minority TerrAscend Shareholders will be asked to consider and, if thought advisable, approve an ordinary resolution approving the Transaction pursuant to the terms set out in the Arrangement Agreement and the transactions contemplated thereby, including the issuance of TerrAscend Shares to the Gage Shareholders (other than the Dissenting Gage Shareholders) in accordance with the Transaction, the full text of which is set forth in Appendix “B” to this Circular. An ordinary resolution means a resolution passed by a majority of the votes cast by the TerrAscend Shareholders who voted in respect of that resolution, either in person or by proxy at the Meeting. Pursuant to applicable securities laws, in calculating the requisite approval of the Resolution, only the votes cast by the minority TerrAscend Shareholders will be included. The enclosed form of proxy or voting instruction form permits TerrAscend Shareholders to vote FOR or AGAINST the Resolution. If you do not specify how you want your TerrAscend Shares voted, the persons named as proxyholders in the enclosed form of proxy or voting instruction form intend to cast the votes represented by proxy at the Meeting FOR the Resolution.

If the Resolution is not approved or the Transaction is not completed for any reason, the Arrangement Agreement may be terminated.

Procedure for the Transaction to Become Effective

Subject to the provisions of the Arrangement Agreement, the Transaction will close as soon as possible after receipt of the applicable shareholder, court and other regulatory approvals and satisfaction or waiver of all other conditions in the Arrangement Agreement. In accordance with the provisions of the Arrangement Agreement, in no event shall closing of the Transaction occur any later than February 28, 2022, except with the mutual agreement of the Corporation and Gage.

Prior Valuations

The Corporation is not aware of any “prior valuations”, as such term is defined in MI 61-101, of the TerrAscend Shares within the 24-month period preceding the date of this Circular.

Regulatory Matters

Court Approval of the Transaction

A wholly-owned subsidiary of the Corporation formed under the CBCA for purposes of the Transaction is the party to the Plan of Arrangement with Gage to be effected pursuant to the CBCA. A statutory arrangement under the CBCA requires approval by the Court. The Court will consider, among other things, the fairness and reasonableness of the Plan of Arrangement to the Gage Shareholders. Gage has obtained the Interim Order providing for the calling and holding of the Gage Meeting to approve the Transaction, the dissent rights, and certain other procedural matters. Subject to the terms of the Arrangement Agreement and the approval by the Gage Shareholders of the Transaction in the manner required by the Interim Order, Gage will attend before the Court for the issuance of the Final Order.

The Transaction is not reportable under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 or the *Competition Act* (Canada); however, the Department of Justice (“DOJ”), the Commissioner of Competition under the *Competition Act* (Canada), state attorneys general and, in certain circumstances, private parties in the United States may challenge the Transaction on antitrust grounds or competition law grounds at any time before or after the completion of the Transaction.

Gage Shareholder Approval of the Transaction

Pursuant to the Interim Order, to be effective, the Gage Arrangement Resolution must be approved by the affirmative vote of at least: (i) two-thirds (66 2/3%) of the votes cast by Gage Shareholders, present or represented by proxy at the Gage Meeting and entitled to vote; and (ii) a simple majority of the Gage Shareholders present or represented by proxy at the Meeting and entitled to vote, excluding the Gage Subordinate Voting Shares held or controlled by Mike Hermiz, Jason Wild and Richard Mavrincac in accordance with MI 61-101. The Gage Arrangement Resolution must receive such Gage Shareholder Approval in order for Gage to seek the Final Order and implement the Arrangement on the Effective Date in accordance with the Final Order.

Interests of Certain Persons in the Transaction

While the Transaction is technically exempt from the minority approval requirement of MI 61-101 pursuant to Section 5.7(a) thereof, the Corporation has determined, on the recommendation of the TerrAscend Special Committee and in accordance with the terms of the Arrangement Agreement, to obtain the requisite majority of the minority approval of the Transaction in accordance with MI 61-101 at the Meeting, excluding the votes of TerrAscend Shareholders whose votes are required to be excluded for the purposes of “minority approval” under MI 61-101 in the context of a “related party transaction”. MI 61-101 governs transactions that raise the potential for conflicts of interest. MI 61-101 is intended to regulate “insider bids”, “issuer bids”, “business combinations” and “related party transactions” to ensure equality of treatment among shareholders, generally by requiring enhanced disclosure, minority shareholder approval, and, in certain instances, independent valuations and approval and oversight of certain transactions by a special

committee of independent directors. Under MI 61-101, a “related party” includes a control person of the entity, directors, executive officers and shareholders holding over 10% of the voting rights attached to the voting securities of the issuer. Since Mr. Wild is a control person of the Corporation and a control person of Gage, and since Mr. Mavrinac is a director of both the Corporation and Gage, the Transaction constitutes a “related party transaction” for the purposes of MI 61-101 and is subject to Part 5 of MI 61-101.

An issuance of securities to a related party constitutes a related party transaction under MI 61-101 that generally requires (absent an available exemption) that an issuer obtain a formal valuation and minority shareholder approval for the transaction and that the issuer provide enhanced disclosure with respect to the transaction. MI 61-101 provides that, in addition to any other required shareholder approval, a related party transaction is subject to “minority approval” (as defined in MI 61-101, being a simple majority of the votes (50% +1) cast by “minority” shareholders of each class of affected securities (as defined in MI 61-101)), unless an exemption is available or discretionary relief is granted by applicable securities regulatory authorities. While the Transaction is technically exempt from the minority approval requirement of MI 61-101 pursuant to Section 5.7(a) thereof, the Corporation has determined, on the recommendation of the TerrAscend Special Committee and in accordance with the Arrangement Agreement to obtain such approval, which is intended to satisfy the shareholder approval requirements of MI 61-101.

In relation to approval of the Transaction, “minority approval” requires the approval of a simple majority (50% +1) of the holders of TerrAscend Shares, other than TerrAscend Shares beneficially owned, or over which control or direction is exercised, by: (a) the issuer; (b) an “interested party” (as defined in MI 61-101); (c) a “related party” to such interested party within the meaning of MI 61-101 (subject to certain exceptions); and (d) any person that is a joint actor with any party referred to in (b) or (c).

To the knowledge of the directors and executive officers of the Corporation, as of the Record Date, no person or company beneficially owns, or controls or directs, directly or indirectly, TerrAscend Shares carrying 10% or more of the voting rights attached to the TerrAscend Shares except for Jason Wild, the Executive Chairman and Chairman of the TerrAscend Board, who indirectly controls 72,959,311 TerrAscend Shares representing 39.5% of the TerrAscend Shares as of the Record Date, which TerrAscend Shares will be excluded from the vote pursuant to the requirements of MI 61-101.

The aggregate TerrAscend Shares which are owned, held, controlled or directed, directly or indirectly by Mr. Wild, his respective affiliates and joint actors and Mr. Mavrinac respectively will be excluded for purposes of calculating the requisite approval of the Resolution in accordance with the minority approval requirements under MI 61-101. To the knowledge of the Corporation, Mr. Wild, his respective affiliates and joint actors holds 72,959,311 TerrAscend Shares and Mr. Mavrinac holds 28,163 TerrAscend Shares, representing approximately 39.5% and 0.02% of the issued and outstanding TerrAscend Shares, respectively. Such TerrAscend Shares will be excluded for purposes of calculating the requisite approvals of the Resolution. The aggregate TerrAscend Shares which are owned, held, controlled or directed, directly or indirectly by Mr. Wild, his respective affiliates and joint actors and Mr. Mavrinac respectively may not be voted nor counted for purposes of determining whether there is a quorum at the Meeting. See *“Information Concerning the Corporation – Capitalization, Voting Securities and Principal Holders of Voting Securities”*.

Pursuant to the Transaction, Mr. Wild, his respective affiliates and joint actors will receive 10,467,231 TerrAscend Shares for the Gage Subordinate Voting Shares which are owned, held, controlled or directed, directly or indirectly by Mr. Wild, his respective affiliates and joint actors, representing 5.7% of the Corporation’s current issued and outstanding TerrAscend Shares, and he will exercise control or direction, directly or indirectly, over 83,426,542 TerrAscend Shares, representing approximately 35.5% of the issued and outstanding TerrAscend Shares following completion of the Transaction.

Mr. Hermiz (along with Mr. Rami Reda) have agreed to lock-up their TerrAscend Shares over a period of 30 months post-closing (to be released in tranches).

Each of: (i) Mr. Wild, the Executive Chairman and Chairman of the TerrAscend Board and President and Chief Investment Officer of JW Asset Management, LLC (a “control person” of both TerrAscend and Gage), and (ii) Mr. Mavrinac, a director of both TerrAscend and Gage, declared their respective interests to the

TerrAscend board of directors and did not attend any part of the meeting of the TerrAscend board of directors during which the Transaction was discussed and approved, and neither Mr. Wild nor Mr. Mavrinac voted on the approval of the Transaction.

MI 61-101 also provides that, unless exempted, an issuer proposing to carry out a related party transaction is required to obtain a formal valuation in respect of the transaction. As stated above, the Corporation is exempt from the requirement to obtain a formal valuation by operation of Section 5.5(b) of MI 61-101, which exempts issuers from the formal valuation requirement on the basis that no securities of the Corporation are listed on the Toronto Stock Exchange or any other specified market.

Certain exchangeable units (each of which is exchangeable into Gage Subordinate Voting Shares) held by Mike Hermiz, a director and officer of Gage, will remain in place following the closing of the Transaction (the “**Gage Exchangeable Unit Structure**”). Mr. Hermiz is expected to continue as an employee of the Corporation following the closing of the Transaction. In this regard, Mr. Hermiz, Gage, the Corporation and certain subsidiaries of Gage will, concurrently with the closing of the Transaction, enter into a support agreement that will, among other things, govern the terms and conditions under which Mr. Hermiz will be entitled to exchange his exchangeable units into TerrAscend Shares of the Corporation post-closing of the Transaction on the basis of the Exchange Ratio. All super voting shares of Gage held by Mr. Hermiz will be transferred to the Corporation in connection with the closing of the Transaction for no consideration.

The Transaction constitutes a “business combination” for Gage under MI 61-101. Gage has determined that Mr. Hermiz is receiving a “collateral benefit” under the Transaction for the purposes of MI 61-101 as result of the Gage Exchangeable Unit Structure being preserved following completion of the Transaction. On closing of the Transaction, Mr. Hermiz will have securities representing the right to acquire approximately 5.7% of the TerrAscend Shares. Based on the number of TerrAscend Shares expected to be outstanding on closing of the Transaction, Mr. Hermiz will have securities representing the right to acquire approximately 5.7% of the TerrAscend Shares. Mr. Hermiz (along with Mr. Rami Reda) have agreed to lock-up their TerrAscend Shares over a period of 30 months post-closing (to be released in tranches).

Michigan Regulatory Matters

Pursuant to the Arrangement Agreement, the Parties have agreed to cooperate with one another in connection with obtaining the Authorizations. Gage shall prepare the applications for the transfer of the Regulatory Licenses and/or the acquisitions of the Licensed Operators in accordance with the MIPA. Michigan Regulatory Laws require a prescribed amendment application to, and approval from, the Marijuana Regulatory Agency of the State of Michigan (“**MRA**”) prior to changing owners, officers, directors, managers or other persons named in the original licensure application of the Licensed Operators. Supplemental applicants, which include all entities with greater than 10 percent direct or indirect ownership interest in the Licensed Operator, must also submit a supplemental application when an amendment application is submitted to the MRA. The Michigan Regulatory Laws do not specify a time limitation on the MRA to approve or deny an amendment application, or a sequence in which an amendment application or supplemental application in connection with a change of ownership must be submitted.

Acceptance of a subsidiary of the Corporation as a “supplemental applicant” in respect of any Licensed Operator requires an application for prequalification to the MRA. Prequalification is the first of a two-step process for licensure during which background checks are completed on a main applicant (i.e., the Licensed Operator) and all supplemental applicants. The second step is the medical marijuana license application itself in which certain operational plans and proof of insurance and municipal approval must be submitted, and the physical facility is inspected for use. The Licensed Operators have already undergone the first and second steps and received operating licenses from the MRA. Michigan Regulatory Laws require MRA approval prior to the addition or removal of a supplemental applicant with regard to any Licensed Operator.

On September 17, 2021, the Corporation announced one of its subsidiaries had received prequalification from the MRA pursuant to the Medical Marijuana Facilities Licensing Act. Pursuant to the Arrangement Agreement, each of Gage and TerrAscend, or where appropriate, both jointly, will (i) submit or cause to be submitted an amendment application to the MRA to make or cause TerrAscend, through one or more

subsidiaries, to be the sole owner of the relevant Licensed Operators; (ii) to submit or cause to be submitted to the MRA an application to make or cause TerrAscend and one or more subsidiaries to be approved as supplemental entities for each relevant Licensed Operator; and (iii) to use commercially reasonable efforts to obtain MRA approval for such changes to the licenses held by the relevant Licensed Operators. The Michigan Regulatory Laws do not specify a time limitation on the MRA to approve or deny a supplemental application. Accordingly, the MRA may approve a subsidiary as a supplemental applicant prior to approving a corresponding amendment application.

Risk Factors Relating to the Transaction

Dilution of TerrAscend Shareholders of the Corporation

If the Transaction is completed, the current holdings of the TerrAscend Shareholders will be significantly diluted. It is expected that the Transaction will involve the issuance of approximately 50 million TerrAscend Shares to Gage Shareholders and the reservation of approximately an additional 27 million TerrAscend Shares pursuant to the convertible securities of Gage which will be exchanged for convertible securities of the Corporation following the Effective Date (including the TerrAscend Shares reserved for issuance upon (i) the exchange of Gage exchangeable units currently held by Mike Hermiz that will remain outstanding post-closing, and (ii) the exchange of all outstanding options and warrants of Gage that will be exchanged for replacement options and warrants of TerrAscend at closing).

There can be no certainty that all conditions to the Transaction will be satisfied

The completion of the Transaction is subject to a number of conditions precedent, certain of which are outside the control of the Corporation, including, among other things, approval by Gage Shareholders, receipt of the Final Order, Dissent Rights of Gage Shareholders not being exercised with respect to more than 5% of the issued and outstanding Gage Subordinate Voting Shares and transfer of Regulatory Licenses. There can be no certainty, nor can the Corporation provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied.

While the Transaction is pending, the Corporation is restricted from taking certain actions

During the period between the execution of the Arrangement Agreement and the completion of the Transaction, the Corporation has agreed to certain covenants, including restriction on the issuance of TerrAscend Shares or securities convertible into TerrAscend Shares in certain circumstances, its ability to reduce the stated capital of the TerrAscend Shares, and restrictions on the amendment of any material contract.

These restrictions may require the prior consent of Gage to undertake such actions, and if not granted, may prevent the Corporation from pursuing attractive business opportunities that may arise prior to completion of the Transaction.

No control over the operations of Gage

During the period between August 31, 2021 (the date of the Arrangement Agreement) and the completion of the Transaction, the Corporation will not be involved in the ownership or operation of Gage, and has limited contractual rights relating to Gage's operations. Although the Arrangement Agreement prescribes certain covenants from Gage with respect to operational matters in favour of the Corporation until closing of the Transaction, Gage will generally have the power to determine the manner in which its business is developed, expanded and operated, including pursuant to potential acquisitions and related financing transactions. The interests of the Corporation and Gage may not always be aligned. As a result, the benefits to the Corporation from the Transaction will be dependent upon the ongoing activities of Gage, which creates the risk that at any time Gage may: (i) have business interests or targets that are inconsistent with those of the Corporation; (ii) take action contrary to the Corporation's policies or objectives; (iii) be unable or unwilling to fulfill its obligations under the Arrangement Agreement; or (iv) experience financial,

operational or other difficulties, including insolvency. There is also the risk that Gage may not comply with applicable Laws. There can be no assurance that Gage will ultimately meet forecasts or targets. The Corporation must rely on the accuracy and timeliness of the public disclosure and other information it receives from Gage. If the information contains material inaccuracies or omissions, the Corporation's ability to accurately forecast or achieve its stated objectives may be materially impaired. Any adverse impact on the business, financial condition or operations of Gage may have a material adverse effect on the Corporation.

The Corporation may not realize the benefits of its growth strategy which could have an adverse effect on the Corporation's business and results of operations

The Corporation believes that the completion of the Transaction will allow it to accelerate its strategic efforts to capitalize on significant growth opportunities by gaining exposure to the Michigan market. As part of its growth strategy, the Corporation will continue in its existing efforts and initiate new efforts to expand its retail footprint, and brand and marketing capabilities. Such expansion is dependent on availability of capital funding, achieving satisfactory returns on the acquisition of Gage, continuing to enter into successful business arrangements and certain assumptions about being able to achieve Gage's projected growth strategy. The failure to successfully implement either its own strategic initiatives, or those with respect to Gage, could have a material adverse effect on the Corporation's business and results of operations.

If the Corporation is unable to complete the Transaction, or the Transaction is delayed, there could be an adverse effect on the Corporation's business and the market price of its TerrAscend Shares

If the Transaction is not completed, the market price of the TerrAscend Shares could be adversely affected and may decline to the extent that the current market price reflects an assumption the Transaction will be completed. Certain costs of the Transaction, including legal, accounting and financial advisory fees, must be paid by the Corporation regardless of whether the Transaction is completed. Additionally, in certain circumstances in which the Arrangement Agreement is terminated, the Corporation is required to pay Gage the Termination Fee of US\$30 million. In the event that the Transaction is not completed and the Arrangement Agreement is terminated, the Corporation may have difficulty finding another opportunity that is of equal or greater benefit to the Corporation.

If the Arrangement Agreement is terminated by the Corporation, there could be an adverse effect on the Corporation

The Corporation and Gage each have the right to terminate the Arrangement Agreement in certain circumstances. Accordingly, there is no certainty, nor can the Corporation provide any assurance, that the Arrangement Agreement will not be terminated by either the Corporation or Gage before the completion of the Transaction. For example, Gage has the right, in certain circumstances, to terminate the Arrangement Agreement if changes occur that have a Material Adverse Effect on the Corporation. Although a Material Adverse Effect excludes certain events that are beyond the control of the Corporation (such as but not limited to changes in the general conditions in the cannabis industry, political conditions, in law or regulations, natural disasters including COVID-19, market price or trading volumes of either the Corporation or Gage), there is no assurance that a change having a Material Adverse Effect on the Corporation will not occur before the Effective Date, in which case Gage could elect to terminate the Arrangement Agreement and the Transaction would not proceed.

The conditions under the MIPA may not be satisfied

An integral part of the Transaction is the acquisition of the Licensed Operators pursuant to the provisions of the MIPA. A key condition precedent to the closing of the Arrangement pursuant to the terms of the Arrangement Agreement is the satisfaction of the closing conditions for the First MIPA Closing having been achieved to TerrAscend's satisfaction. Not all of the conditions precedent to the various transactions contemplated under the MIPA are within the control of TerrAscend (or WDB, its wholly-owned subsidiary). There can be no certainty, nor can the Corporation provide any assurance, that the conditions precedent contained within the MIPA will be satisfied or, if satisfied, when they will be satisfied.

In the event the purchase of the Licensed Operators becomes frustrated, the MIPA provides for the alternative transfer of specific assets, including any applicable licenses and permits, to TerrAscend's wholly-owned subsidiary. In such an alternative, there can be no certainty, nor can the Corporation provide any assurance, that the terms on which such transfers will be negotiated will be satisfactory to TerrAscend. If the transactions contemplated under the MIPA do not proceed, TerrAscend may elect to terminate the Arrangement Agreement, and the Transaction may not proceed.

Reliance on Licenses and Transfers under the MIPA

Gage's business is dependent on its commercial arrangements with the Licensed Operators, and such parties continuing their current operations, maintaining their respective licenses in good standing and applying for and receiving any additional necessary licenses and compliance with their terms. There can be no guarantee that any of the required licenses held by the Licensed Operators will be extended or renewed, or, if extended or renewed by the relevant authorities, that they will be extended or renewed on the same or similar terms. Before consummating the Transaction, the failure by Gage or any of the Licensed Operators to comply with the requirements of any regulation or license or any failure to maintain any license or obtain any additional necessary licenses, or the existence of any material disagreement between Gage and the Licensed Operators, could have a material adverse impact on the business, financial condition and operating results of Gage. Separately, can be no guarantee that ownership of any of the required licenses held by the Licensed Operators will be able to be transferred pursuant to the terms set forth in the MIPA before the outside date under the Arrangement Agreement, or at all. In such an event, TerrAscend would be reliant on entering into services agreements with the Licensed Operators for an indefinite time period. Additionally, the Licensed Operators may be unable to manufacture and process products in line with the required quality standards, which could materially impact the business, financial condition, results of operations or prospects of Gage, and, if consummated, ultimately the success of the Transaction. As a result of all of these factors, it is possible that any benefits expected from the Transaction to the Corporation may not ultimately be realized.

Restrictions on the Corporation's ability to solicit Acquisition Proposals from other potential purchasers or targets

The Arrangement Agreement permits the Corporation to consider TerrAscend Acquisition Proposals but requires the Corporation to notify Gage of a TerrAscend Acquisition Proposal if such TerrAscend Acquisition Proposal constitutes or could reasonably be expected to constitute or lead to a TerrAscend Superior Proposal. See "*Transaction Agreements– The Arrangement Agreement – Covenants*". The Termination Fee in favour of Gage may discourage other parties from making a TerrAscend Superior Proposal.

Certain costs related to the Transaction, such as legal, accounting and certain financial advisory fees, must be paid by the Corporation even if the Transaction is not completed. The Corporation and Gage are each liable for their own costs incurred in connection with the Transaction if it is completed. If the Transaction is not completed, the Corporation may be required in certain circumstances to pay Gage the Termination Fee. See "*Transaction Agreements– The Arrangement Agreement – Termination of Arrangement Agreement*".

The Termination Fee provided under the Arrangement Agreement may discourage other parties from attempting to acquire TerrAscend

Under the Arrangement Agreement, TerrAscend may be required to pay a fee of \$30 million in the event the Arrangement Agreement is terminated in certain circumstances. Until the consummation of the Transaction or the termination of the Arrangement Agreement, this Termination Fee may discourage other parties from attempting to acquire TerrAscend or otherwise making a Purchaser Acquisition Proposal to TerrAscend.

TerrAscend may become liable to pay the Termination Fee which could have an adverse effect on its financial condition

Under the Arrangement Agreement, TerrAscend may be required to pay Gage the Termination Fee in certain circumstances. Payment of this amount could have an adverse effect on TerrAscend's financial condition following any such termination of the Arrangement Agreement.

The value of the TerrAscend Shares that existing TerrAscend Shareholders retain following the Arrangement or of the TerrAscend Shares that Gage Shareholders receive under the Arrangement, may be less than the value of the TerrAscend Shares or Gage Shares, as applicable, as of the date of the Arrangement Agreement or the dates of the shareholder meetings

The consideration payable to Gage Shareholders pursuant to the Arrangement is based on a fixed exchange ratio and there will be no adjustment for changes in the market price of TerrAscend Shares or Gage Subordinate Voting Shares prior to the consummation of the Arrangement. None of the parties are permitted to terminate the Arrangement Agreement and abandon the Arrangement solely because of changes in the market price of the TerrAscend Shares or Gage Subordinate Voting Shares.

There may be a significant amount of time between the date when TerrAscend Shareholders and Gage Shareholders vote at their respective shareholder meetings and the date on which the Arrangement is completed. As a result, the relative or absolute prices of the TerrAscend Shares or the Gage Subordinate Voting Shares may fluctuate significantly between the dates of the Arrangement Agreement, this Circular, the shareholder meetings and completion of the Arrangement.

These fluctuations may be caused by, among other factors, changes in the businesses, operations, results and prospects of the companies, market expectations of the likelihood that the Arrangement will be completed and the timing of its completion, the prospects for the combined company's post-closing operations, the effect of any conditions or restrictions imposed on or proposed with respect to the combined company by governmental or regulatory authorities and general market and economic conditions. In addition, there can be no assurance that the trading price of the TerrAscend Shares will not decline following completion of the Arrangement.

The Corporation and Gage may not integrate successfully

If approved, the Transaction will involve the integration of companies that previously operated independently. As a result, the Transaction will present challenges to management, including the integration of the operations, systems and personnel of the two companies, and special risks, including possible unanticipated liabilities, unanticipated costs, diversion of management's attention and the potential loss of key employees. The difficulties management encounters in the transition and integration process could have an adverse effect on the revenues, level of expenses and operating results of the Corporation post-closing. As a result of these factors, it is possible that any benefits expected from the Transaction to the Corporation may not ultimately be realized.

Gage Shareholders will have significant influence over the Corporation on completion of the Transaction.

The Transaction will result in Gage Shareholders, in aggregate, holding a significant voting interest in the Corporation.

Market overhang

The issuance of a significant number of TerrAscend Shares and a resulting "market overhang" could adversely affect the market price of TerrAscend Shares after completion of the Transaction. On completion of the Transaction, a significant number of additional TerrAscend Shares will be available for trading in the public market. The increase in the number of TerrAscend Shares may lead to sales of such shares or the perception that such sales may occur, either of which may adversely affect the

market for, and the market price of, TerrAscend Shares. The potential that TerrAscend Shareholders may sell their TerrAscend Shares in the public market (commonly referred to as “market overhang”), as well as any actual sales of such TerrAscend Shares in the public market, could adversely affect the market price of the TerrAscend Shares.

The Transaction may be delayed and business affected due to outbreaks of communicable diseases, including COVID-19

The continued and prolonged effects of the ongoing global outbreak of COVID-19 may delay or prevent the completion of the Transaction. Among other things, Governmental Entities in certain jurisdictions have ordered global travel restrictions and workplace restrictions, which may disrupt the ability of the Corporation and Gage to close the Transaction in the timing contemplated, including potential delays in the Meeting, Court approval and the receipt of requisite regulatory approvals. In addition, the impacts of COVID-19, among other things, may affect the ability of the Corporation and Gage to operate for an indeterminate period of time, may affect the health or safety of employees or contractors, may impede access to services, contractors and supplies, may lead to heightened regulatory scrutiny by Governmental Entities, may lead to restrictions on transferability of currency, may cause business continuity issues and may result in failures of various local administration, logistics and critical infrastructure. Such effects and disruptions to business continuity as a result of the effects of COVID-19 may impact the ability to consummate the Transaction or the timing thereof and may have an adverse effect on the Corporation’s or Gage’s financial position and results of operations. The full extent of the impact of COVID-19 on the contemplated timing and completion of the Transaction and on the respective operations of the Corporation and Gage will depend on future developments, which are uncertain and cannot be predicted at this time.

Risks related to US cannabis-related activities

In light of the political and regulatory uncertainty surrounding the treatment of US cannabis-related activities, including the rescission of the Cole Memorandum and the 2014 Cole Memorandum on February 8, 2018, the Canadian Securities Administrators published Staff Notice 51-352 setting out the Canadian Securities Administrators’ disclosure expectations for specific risks facing issuers with cannabis-related activities in the US. Staff Notice 51-352 includes additional disclosure expectations that apply to all issuers with US cannabis-related activities, including those with direct and indirect involvement in the cultivation and distribution of cannabis. Please see “Appendix “I” – US Cannabis Regulatory Regime” for an overview of the regulatory environment in the United States and California, Maryland, Michigan, New Jersey and Pennsylvania.

The Corporation will incur costs even if the Transaction is not completed and may have to pay various expenses incurred in connection with the Transaction

All out-of-pocket third-party transaction expenses incurred by the Corporation in connection with the Transaction, including costs of legal, accounting and financial advisors, must be paid by the Corporation whether or not the Transaction is completed.

The Corporation has also incurred and expects to incur additional material non-recurring expenses in connection with the Transaction, including costs related proxy solicitation. Additional unanticipated costs or expenses may be incurred by TerrAscend in the course of coordinating the businesses of the combined company following the completion of the Transaction.

See “GENERAL MATTERS – Expenses”.

Risk factors related to the business of the Corporation

Whether or not the Transaction is completed, the Corporation will continue to face many of the risks that it currently faces with respect to its business and affairs. See the risk factors applicable to the Corporation under the heading “Risk Factors” in *Information Concerning the Corporation* attached as Appendix “F”, and

the risk factors applicable to the Corporation following the completion of the Transaction under the heading “Risk Factors” in *Information Concerning the Corporation Post-Completion* attached as Appendix “H”.

Deadline to Complete the Arrangement

Either TerrAscend or Gage may terminate the Arrangement Agreement if the Arrangement has not been completed by the Outside Date and the parties do not mutually agree to extend the Outside Date in the Arrangement Agreement.

Securities Class Actions and Derivative Lawsuits

TerrAscend and Gage may be the target of securities class actions and derivative lawsuits which could result in substantial costs and may delay or prevent the Transaction from being completed. Securities class action lawsuits and derivative lawsuits are often brought against companies that have entered into an agreement to acquire a public company or to be acquired. Third parties may also attempt to bring claims against TerrAscend and Gage seeking to restrain the Transaction or seeking monetary compensation or other remedies. Even if the lawsuits are without merit, defending against these claims can result in substantial costs and divert management time and resources. Additionally, if a plaintiff is successful in obtaining an injunction prohibiting consummation of the Transaction, then that injunction may delay or prevent the Transaction from being completed.

In addition, political and public attitudes towards the Arrangement could result in negative press coverage and other adverse public statements affecting TerrAscend and Gage. Adverse press coverage and other adverse statements could lead to investigations by regulators, legislators and law enforcement officials or in legal claims or otherwise negatively impact the ability of TerrAscend to take advantage of various business and market opportunities. The direct and indirect effects of negative publicity, and the demands of responding to and addressing it, may have a material adverse effect on TerrAscend’s business, financial condition and results of operations.

Financial Projections

The TerrAscend Special Committee and the disinterested members of the TerrAscend Board considered, among other things, certain projections, prepared by TerrAscend management, with respect to each of Gage (the “**Gage Projections**”) and TerrAscend (the “**TerrAscend Projections**”, together with the Gage Projections, the “**Projections**”). All such Projections are based on assumptions and information available at the time such projections were prepared. TerrAscend does not know whether the assumptions made will be realized. Such information can be adversely affected by known or unknown risks and uncertainties, many of which are beyond TerrAscend’s and Gage’s control. Further, financial forecasts of this type are based on estimates and assumptions that are inherently subject to risks and other factors such as company performance, industry performance, legal and regulatory developments, general business, economic, regulatory, market and financial conditions, as well as changes to the business, financial condition or results of operations of TerrAscend and Gage, including the factors described in this “*Risk Factors Relating the Transaction*” section and under “*Forward-Looking Information*”, which factors and changes may impact such forecasts or the underlying assumptions. As a result of these contingencies, there can be no assurance that the Projections will be realized or that actual results will not be significantly higher or lower than projected.

The Projections were prepared by TerrAscend management for internal use and to, among other things, assist TerrAscend in evaluating the Transaction. The Projections were not prepared with a view toward public disclosure or toward compliance with IFRS, published guidelines of applicable securities regulatory authorities or the guidelines established by the Chartered Professional Accountants for preparation and presentation of prospective financial information. Neither MNP LLP, TerrAscend’s independent registered public accounting firm, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the Projections, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the Projections.

Attention of Management

The pending Transaction could cause the attention of TerrAscend's management to be diverted from the day-to-day operations of TerrAscend. These disruptions could be exacerbated by a delay in the implementation of the Arrangement and could result in lost opportunities or negative impacts on performance, which could have a material and adverse effect on the business, financial condition and results of operations or prospects of TerrAscend if the Arrangement is not completed, and on the business of TerrAscend following the Effective Date.

Due Diligence

While TerrAscend conducted due diligence with respect to entering into the Arrangement Agreement with Gage, there are risks inherent in any transaction. Specifically, there could be unknown or undisclosed risks or liabilities of Gage for which TerrAscend is not permitted to terminate the Arrangement Agreement. Any such unknown or undisclosed risks or liabilities could materially and adversely affect TerrAscend's financial performance and results of operations. It is currently anticipated that the Transaction will be accretive; however, the outcome of such a transaction may be materially different, particularly given the potential time between the date of the Arrangement Agreement, August 31, 2021 and the Effective Time. TerrAscend could encounter additional transaction and enforcement-related costs and may fail to realize all of the potential benefits from the Arrangement Agreement. Any of the foregoing risks and uncertainties could have a material adverse effect on TerrAscend's business, financial condition and results of operations.

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TRANSACTION AGREEMENTS

The Arrangement Agreement

The following description of certain provisions of the Arrangement Agreement is not comprehensive and is qualified in its entirety by reference to the full text of the Arrangement Agreement. Please refer to the Arrangement Agreement, which is incorporated by reference herein, for a full description of the terms and conditions thereof. Capitalized terms used herein, but not defined, have the meanings ascribed thereto in the Arrangement Agreement. The Arrangement Agreement has been filed on SEDAR at www.sedar.com, under the TerrAscend and Gage profiles. Defined terms that are not otherwise defined within this section only, shall have the meanings given to them in the Arrangement Agreement.

On August 31, 2021, TerrAscend entered into the Arrangement Agreement with Gage. Pursuant to the Arrangement Agreement, TerrAscend has agreed to acquire all of the issued and outstanding Gage Subordinate Voting Shares (and any securities issuable in exchange for the Mayde Exchangeable Shares) in exchange for TerrAscend Shares by way of the Arrangement. Under the terms of the Arrangement Agreement, Gage Shareholders will receive 0.3001 TerrAscend Shares for each Gage Subordinate Voting Share held.

Effective October 4, 2021, the Arrangement Agreement was amended by an amending agreement between Gage and TerrAscend, pursuant to which the parties amended and restated the Plan of Arrangement attached as Schedule "A" to the Arrangement Agreement to: (i) correct certain non-substantive administrative errors relating to: (A) the number of Mayde Exchangeable Shares outstanding on the date of the Arrangement Agreement, (B) the exchange ratio set forth in Section 3.1.1(c) of the Plan of Arrangement, (C) references to Gage common shares instead of Gage Subordinate Voting Shares, and (D) references to the CBCA director; and (ii) provide that, following the Merger, Mergerco shall file an election to cease to be a public corporation under the Tax Act.

Representations and Warranties

The Arrangement Agreement contains certain customary representations and warranties provided between Gage and TerrAscend. The assertions embodied in those representations and warranties are solely for the purposes of the Arrangement Agreement. Certain representations and warranties may not be accurate and complete as of any specified date because they are qualified by certain disclosure provided by Gage to TerrAscend or are subject to a standard of materiality or are qualified by reference to a material adverse effect. Therefore, Gage Shareholders should not rely on the representations and warranties as statements of factual information.

The representations and warranties provided by Gage in favour of TerrAscend in the Arrangement Agreement relate to, among other things: the Eight Capital Fairness Opinion; Clarus Securities Fairness Opinion and directors' approval of the Arrangement; organization and qualification; authority relative to the Arrangement Agreement; no violation of constating documents, material contracts or laws; governmental approvals; capitalization; ownership of subsidiaries; reporting issuer status and securities laws matters; Gage Filings; financial statements; internal controls over financial reporting; books and records and disclosure; independence of auditors; minute books; no undisclosed liabilities; no material change; litigation; taxes; data privacy and protection; title to assets; real property; material contracts; authorizations; environmental matters; compliance with laws; United States sanctions administered or enforced by the Office of Foreign Assets Control of the US Treasury Department; employment and labour matters; intellectual property; licenses; related party transactions; brokers; competition; insurance; research and development; no collateral benefit; banks and powers of attorney; suppliers; and products and inventories.

The representations and warranties provided by TerrAscend in favour of Gage in the Arrangement Agreement relate to, among other things: organization and qualification; authority relative to the Arrangement Agreement; no violation of constating documents, material contracts or laws; government approvals; capitalization; the TerrAscend Shares to be issued in connection with the Arrangement and, following the Arrangement, upon exercise of the Gage Warrants, the Gage Options and Gage

Exchangeable Units; reporting issuer status and securities laws matters; TerrAscend Filings; financial statements; internal controls over financial reporting; independence of auditors; no material change; litigation; authorizations; compliance with laws; taxes; TerrAscend's status under the *Investment Canada Act*; and brokers.

The representations and warranties of Gage and TerrAscend contained in the Arrangement Agreement will not survive the completion of the Arrangement and will expire and be terminated on the earlier of the Effective Date and the date on which the Arrangement Agreement is terminated in accordance with its terms.

Covenants

Conduct of Gage's Business

The Arrangement Agreement includes a general covenant by Gage in favour of TerrAscend that, except with the prior written consent of TerrAscend, as required or permitted by the Arrangement Agreement, or as required by Law, it will, and will cause each of the Subsidiaries of Gage to, conduct business only in the Ordinary Course until the Effective Date or the time that the Arrangement Agreement is terminated in accordance with its terms. Gage has particularly covenanted and agreed that, until the Effective Date, except with the prior written consent of TerrAscend, as required or permitted by the Arrangement Agreement, as contemplated by the Gage Disclosure Letter or the MIPA, or as required by applicable Law, it will not, and will not permit any of the Subsidiaries of Gage to, directly or indirectly:

- (a) amend its Constatng Documents or, in the case of any Subsidiary which is not a corporation, its similar organizational documents;
- (b) split, combine, consolidate or reclassify any of the Gage Shares, or declare, set aside or pay any dividend or other distribution thereon in cash, stock or property or any combination thereof, or amend or modify any term of any outstanding debt security;
- (c) redeem, purchase, or otherwise acquire or offer to redeem, purchase or otherwise acquire any Gage Shares, any outstanding Gage Securities or the common shares of its Subsidiaries;
- (d) issue, deliver, sell, pledge or otherwise encumber, or authorize the issuance, delivery, sale, pledge or other encumbrance of any Gage Shares or other equity or voting interests in Gage or its Subsidiaries (including issued Gage Shares held by Gage in treasury), or any options (including under the Gage Stock Option Plan), or any Gage RSUs (including under the Gage RSU Plan), warrants or similar rights or convertible securities exercisable or exchangeable for or convertible into such common shares or other equity or voting interests, or any stock appreciation rights, phantom stock awards or other rights that are linked to the price or the value of Gage Shares, except for the issuance of Gage Shares issuable upon the settlement or exercise, as applicable, of the currently outstanding Gage Options, Gage RSUs, Gage Warrants and Gage Exchangeable Units;
- (e) amend the terms of any of the securities of Gage or any of its Subsidiaries;
- (f) reduce its stated capital or reorganize, arrange, restructure, amalgamate or merge with any Person;
- (g) adopt a plan of liquidation or resolutions providing for the liquidation or dissolution of Gage any of its Subsidiaries;
- (h) except for inventory in the Ordinary Course, acquire (by merger, consolidation, acquisition of stock or assets or otherwise), directly or indirectly, in one transaction or in a series of

related transactions, assets, securities, properties, interests or businesses or make any investment either by the purchase of securities, contribution of capital, property transfer, or purchase of any other property or assets of any other Person, or acquire any license rights having a value of an amount greater than \$250,000;

- (i) acquire (by merger, consolidation, lease, acquisition of stock or assets or otherwise), directly or indirectly, in one transaction or in a series of related transactions any right to a Regulatory License, except as permitted by the Arrangement Agreement;
- (j) sell, pledge, lease, transfer, dispose of, lose the right to use, mortgage, license, encumber (other than a Permitted Lien) or otherwise transfer any assets of Gage or of any of its Subsidiaries or any interest in any assets of Gage and its Subsidiaries having a value greater than \$100,000 individually or \$250,000 in the aggregate, other than assets (such as inventory) sold in the Ordinary Course;
- (k) enter into any joint venture or similar agreement, arrangement or relationship;
- (l) other than (i) as incurred in connection with the Arrangement Agreement and the transactions contemplated therein, including the expenses contemplated in Section 8.2, or (ii) as set forth in the capital budget disclosed in the Gage Disclosure Letter make any capital expenditure or commitment to do so which in the aggregate exceeds \$250,000;
- (m) amend or modify, or terminate or waive any right under, any Material Contract or enter into any Contract or agreement that would be a Material Contract if in effect on the date hereof, except in connection with the MIPA at the request of TerrAscend or as otherwise expressly permitted under the Arrangement Agreement;
- (n) in respect of any Gage Business Assets, waive, release, surrender, abandon, let lapse, grant or transfer any material right or amend, modify or change, or agree to amend, modify or change, any existing material Authorization, right to use, lease or contract, other than as contemplated in connection with the MIPA at the request of TerrAscend;
- (o) except as contemplated by the Arrangement Agreement, amend, modify or terminate, cancel or let lapse any material insurance (or re-insurance) policy of Gage or any Subsidiary in effect on the date of the Arrangement Agreement, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and re-insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the terminated, cancelled or lapsed policies are in full force and effect;
- (p) prepay any indebtedness before its scheduled maturity, or increase, create, incur, assume or otherwise become liable for any indebtedness for borrowed money or guarantees thereof in each case in an amount exceeding \$100,000 individually or \$250,000 in the aggregate, except: (i) in connection with the repayment of Gage Debentures in accordance with their terms; and (ii) as set forth in the Gage Disclosure Letter;
- (q) make any loan or advance to, or any capital contribution or investment in, or assume, guarantee or otherwise become liable with respect to the liabilities or obligations of, any Person;
- (r) enter into any interest rate, currency, equity or commodity swaps, hedges, derivatives, forward sales contracts or similar financial instruments;
- (s) grant any Lien (other than Permitted Liens) on any assets of Gage or any of its Subsidiaries;

- (t) amend or re-file any material Tax Returns, make, amend or rescind any material Tax election, settle or compromise any Tax claim, action, suit, litigation, proceeding, investigation, audit, controversy, assessment, reassessment or liability, enter into any agreement with a Governmental Entity with respect to Taxes, surrender any right to claim a Tax abatement, reduction, deduction, exemption, credit or refund, consent to the extension or waiver of the limitation period applicable to any Tax matter or amend or change any of its methods of reporting income, deductions or accounting for income Tax purposes except as may be required by Law;
- (u) request from any taxing authority an advance Tax ruling or determination or enter into any arrangements to provide for an extension of time with respect to the assessment or reassessment of Taxes or the filing of any material Tax Returns, payment of Taxes by, or the levying of any governmental charge against, Gage, without the consent of TerrAscend, which consent shall not unreasonably be withheld;
- (v) make any change in Gage's methods of accounting, except as required by concurrent changes in IFRS;
- (w) grant any increase in the rate of wages, salaries, bonuses or other remuneration of any Gage Employee (other than in the Ordinary Course to Gage Employees who are not officers) or independent contractor or make any bonus or profit sharing distribution or similar payment of any kind;
- (x) (i) adopt or materially amend any Employee Plan; (ii) pay any benefit to any director or officer of Gage or any of its Subsidiaries or to any Gage Employee that is not required under the terms of any Employee Plan in effect on the date of the Arrangement Agreement; (iii) pay, grant or increase any severance, change of control or termination pay (or improvements to notice or pay in lieu of notice) to (or amend any existing arrangement with) any current or former Employee or any current or former director of Gage or any of its Subsidiaries; (iv) increase the benefits payable under any existing severance or termination pay policies with any current or former Gage Employee or any current or former director of Gage or any of its Subsidiaries; (v) grant, accelerate, increase or otherwise amend any payment, award or other benefit payable to, or for the benefit of, any director or officer of Gage or any of its Subsidiaries or to any Gage Employee; (vi) make any determination under any Employee Plan that is not in the Ordinary Course, (vii) enter into any employment, deferred compensation or other similar agreement (or amend any such existing agreement) with any current or former Gage Employee or any current or former director of Gage or any of its Subsidiaries; (viii) grant any equity, equity-based or similar awards; (ix) reduce Gage's or its Subsidiaries' work force except in the Ordinary Course; (x) take any action described above with respect to any consultants or independent contractors of Gage or any of its Subsidiaries; or (xi) take or propose any action to effect any of the foregoing;
- (y) enter into any agreement or arrangement that limits or otherwise restricts in any material respect Gage or any successor thereto, or that would, after the Effective Time, limit or restrict in any material respect Gage or any of its affiliates from competing in any manner;
- (z) Gage will not release any Gage Shareholders from any share transfer restrictions, escrow, lock-up or similar trading or transfer restrictions or encumbrances in respect of the Gage Shares or any Gage Options, Gage RSUs, Gage Warrants or Gage Exchangeable Units;
- (aa) cancel, waive, release, assign, settle or compromise any material claims or rights or take any action or fail to take any action that would result in termination of any material claims or rights, including relating to the Gage Intellectual Property Rights;

- (bb) commence, waive, release, assign, settle, compromise or settle any litigation, proceeding or governmental investigation relating to the assets or the Gage Business (i) in excess of an aggregate amount of \$250,000 other than amounts or liabilities disclosed in the Gage Filings which are resolved for an amount equal to or less than the amount disclosed, or (ii) which could reasonably be expected to impede, prevent or delay the consummation of the transaction contemplated by the Arrangement Agreement;
- (cc) knowingly take any action or fail to take any action which action or failure to act would result in the material loss, expiration or surrender of, or the loss of any material benefit under, or reasonably be expected to cause any Governmental Entity to institute proceedings for the suspension, revocation or limitation of rights under, any material Authorization necessary to conduct its businesses as now conducted, or fail to prosecute with commercially reasonable due diligence any pending application to any Governmental Entities for material Regulatory Licenses or material Authorizations (including with respect to any material Regulatory Licenses or material Authorizations applicable to assets acquired after the date of the Arrangement Agreement in accordance with the terms thereof);
- (dd) if such becomes necessary, abandon or fail to diligently pursue any application for any material Authorizations or take any action, or fail to take any action, that could lead to a material modification, suspension or revocation of any material Authorizations, including, but not limited to those material Authorizations held by the Licensed Operators;
- (ee) grant or commit to grant an exclusive licence or otherwise transfer any Intellectual Property or exclusive rights in or in respect thereto that is material to Gage and its Subsidiaries taken as a whole, other than to wholly owned Subsidiaries;
- (ff) materially change its business or regulatory strategy, unless required to do so by any Governmental Entities;
- (gg) enter into any Contract with a Person (other than a wholly-owned Subsidiary of Gage or any entity that owns Regulatory Licenses) that does not deal at arm's length with Gage within the meaning of the Tax Act;
- (hh) enter into or amend any Contract with any broker, finder or investment banker; or
- (ii) authorize, agree, resolve or otherwise commit, whether or not in writing, to do any of the foregoing.

Gage has agreed to notify TerrAscend in writing of any material adverse effect on Gage, or any material penalty, filing, action, suit, claim, investigation, audit inquiry, assessment or proceeding commenced or, to its knowledge, threatened against, relating to or involving or otherwise affecting Gage or its Subsidiaries.

Gage has also agreed to cause its Subsidiaries to perform all actions that may be required of them in connection with the transactions contemplated by the MIPA, and to cause them to use their commercially reasonable efforts to take, or cause to be taken, all actions and to do or cause to be done all things required or advisable under applicable Laws to: (i) consummate and make effective, the transactions contemplated by the MIPA; and (ii) enter into, amend, restate, assign or terminate any Material Contracts identified by TerrAscend in advance of the Effective Date.

Conduct of TerrAscend's Business

The Arrangement Agreement includes a general covenant by TerrAscend in favour of Gage that, except with the prior written consent of Gage, as required or permitted by the Arrangement Agreement, or as required by Law, it will, and will cause each of the Subsidiaries of TerrAscend to, conduct business only in

the Ordinary Course until the Effective Date or the time that the Arrangement Agreement is terminated in accordance with its terms.

TerrAscend has particularly covenanted and agreed that, until the Effective Date, except with the prior written consent of Gage, as required or permitted by the Arrangement Agreement, as contemplated by TerrAscend Disclosure Letter, or as required by applicable Law, it will not, and will not permit any of the Subsidiaries of TerrAscend to, directly or indirectly:

- (a) amend its Constating Documents or, in the case of any Subsidiary which is not a corporation, its similar organizational documents, in any manner that would have a material and adverse impact on the value of the Consideration Shares;
- (b) split, combine, consolidate or reclassify or amend the terms of TerrAscend Shares, declare, set aside or pay any dividend or other distribution thereon (whether in cash, stock or property or any combination thereof), or amend or modify any term of any outstanding debt security;
- (c) redeem, purchase, or otherwise acquire or offer to redeem, purchase or otherwise acquire any of its common shares or any of its outstanding securities, other than TerrAscend Shares made in the public markets or off market at then prevailing market price;
- (d) issue or authorize the issuance of any TerrAscend Shares or other equity or voting interests in TerrAscend, or any options, warrants or similar rights or convertible securities exercisable or exchangeable for or convertible into such common shares or other equity or voting interests, or any stock appreciation rights, phantom stock awards or other rights that are linked to the price or the value of TerrAscend Shares, except (i) in the Ordinary Course; (ii) for the issuance of TerrAscend Shares issuable upon the settlement or exercise, as applicable, of the currently outstanding options, warrants or similar rights or convertible securities; or (iii) in respect of matters set forth in TerrAscend Disclosure Letter;
- (e) reduce the stated capital of any class or series of TerrAscend Shares or reorganize, arrange, restructure, amalgamate or merge with any Person, except where same would not adversely affect the ability of TerrAscend to consummate the transactions contemplated by the Arrangement Agreement;
- (f) adopt a plan of liquidation or resolutions providing for the liquidation or dissolution of TerrAscend;
- (g) make any change in TerrAscend's methods of accounting, except as required by concurrent changes in IFRS or with respect to any conversion to US GAAP;
- (h) amend or modify, or terminate or waive any right under, any material Contract of TerrAscend or any of its Subsidiaries if in effect on the date of the Arrangement Agreement, except where same would not individually or in the aggregate have a Material Adverse Effect on TerrAscend;
- (i) in respect of any material asset of TerrAscend, waive, release, surrender, abandon, let lapse, grant or transfer any material right or amend, modify or change, or agree to amend, modify or change, any existing material Authorization, right to use, lease or contract other than in the Ordinary Course, as required by applicable Law, or where same would not individually or in the aggregate have a Material Adverse Effect on TerrAscend; or
- (j) authorize, agree, resolve or otherwise commit, whether or not in writing, to do any of the foregoing.

Authorizations

As soon as reasonably practicable after the date of the Arrangement Agreement, each Party, or where appropriate, the Parties jointly, will make or cause to be made all notifications, filings, applications and submissions with Governmental Entities required or advisable under Law; and will use commercially reasonable efforts to obtain and maintain the Key Authorizations and such other Authorizations reasonably determined by any of the Parties to be necessary to discharge their respective obligations under the Arrangement Agreement or otherwise advisable under Laws in connection with the transactions contemplated hereunder.

The Parties have agreed to cooperate with one another in connection with obtaining the Authorizations. Further, the Parties have agreed that, upon receipt of written request from TerrAscend and within ten Business Days of receipt from TerrAscend of all necessary information and materials, with the reasonable assistance of TerrAscend, Gage shall prepare the applications for the transfer of the Regulatory Licenses and/or the acquisitions of the Licensed Operators in accordance with the MIPA, provided that no such applications shall be submitted until Gage and TerrAscend have mutually agreed as to the form and substance of such applications.

Subject to reasonable attorney-client or other privilege or confidentiality concerns, the Parties have agreed to cooperate with and keep one another informed as to the status of and the processes and proceedings in connection with obtaining any Authorizations, including notifying the other Party of any communication from any Governmental Entity in respect of the Arrangement Agreement and providing copies of such communications. Further, the Parties have agreed that each Party will not make any submissions or filings, participate in any meetings or any material conversations with any Governmental Entity in respect of any filings, investigations or other inquiries related to the transactions contemplated in the Arrangement Agreement unless it consults with the other Party in advance and, to the extent not precluded by such Governmental Entity, gives the other Party the opportunity to review drafts of any submissions or filings, or attend and participate in any communications or meetings, and that the Parties will provide external counsel to the other Party non-redacted versions of drafts or final submissions, filings or other written communications with any Governmental Entity on the basis that the redacted information will not be shared with its clients.

Each Party will promptly notify the other Party if it becomes aware that any (i) application, filing, document or other submission for an Authorization contains a Misrepresentation, or (ii) any Authorization contains, reflects or was obtained following the submission of any application, filing, document or other submission containing a Misrepresentation, such that an amendment or supplement may be necessary or advisable. In such case, Gage will, in consultation with and subject to the prior approval of TerrAscend, co-operate in the preparation, filing and dissemination, as applicable, of any such amendment or supplement.

The Parties will request that the Authorizations be processed by the applicable Governmental Entity on an expedited basis and, to the extent that a public hearing is held, the Parties will request the earliest possible hearing date for the consideration of the Authorizations.

The Parties have further agreed to (and to cause their respective affiliates and related parties and representatives to) use their respective commercially reasonable efforts to take all actions reasonably requested to ensure compliance with the Michigan Regulatory Laws and/or the MRA, including, without limitation, negotiating in good faith to amend, restate, amend and restate, supplement, or otherwise modify the Arrangement Agreement, and to cooperate with the MRA to promptly respond to any informational or supplemental requests or correspondence, from the MRA and to keep each other informed as to any such requests related to the transactions contemplated by the Arrangement Agreement and the MIPA.

In addition, Gage has agreed, from the date of the Arrangement Agreement and until the Effective Date, to keep TerrAscend fully informed, to consult and cooperate with TerrAscend with respect to any proposed acquisition of any right to a Regulatory License, not to take any step or steps with respect to such Regulatory Licenses that would result in a material or adverse impact on the transactions contemplated in the MIPA.

Cookies Canada

The Parties have agreed to collaborate and cooperate in good faith with one another and use commercially reasonable efforts to, prior to the Effective Date, take all such actions as are reasonably required to ensure that TerrAscend's wholly-owned subsidiary remains compliant as a licensed producer pursuant to the *Cannabis Act* (Canada) given that a subsidiary of Gage has been issued certain retail licenses and authorizations pursuant to the *Cannabis Licence Act* (Ontario).

CSE Delisting

Subject to applicable Laws, TerrAscend and Gage will use their commercially reasonable efforts to cause Gage Subordinate Voting Shares to be de-listed from the CSE with effect promptly following the acquisition by TerrAscend of the Gage Subordinate Voting Shares pursuant to the Arrangement.

Insurance and Indemnification

The Arrangement Agreement provides that, prior to the Effective Date, Gage shall purchase customary "tail" policies of directors' and officers' liability insurance providing protection no less favourable in the aggregate to the protection provided by the policies maintained by Gage and its Subsidiaries which are in effect immediately prior to the Effective Date and on such terms as TerrAscend may request, acting reasonably, and providing protection in respect of claims arising from facts or events which occurred on or prior to the Effective Date and TerrAscend shall, or shall cause Gage and its Subsidiaries to maintain such tail policies in effect without any reduction in scope or coverage for two (2) years from the Effective Date; provided the aggregate cost of such policies over such two (2) year period shall not exceed 250% of Gage's current annual aggregate premium for policies currently maintained by Gage or its Subsidiaries.

TerrAscend will, from and after the Effective Date, honour all rights to indemnification or exculpation now existing in favour of present and former employees, officers and directors of Gage and the Subsidiaries of Gage to the extent that they are included in the Constatting Documents of Gage or any of its Subsidiaries or disclosed by Gage to TerrAscend, and acknowledges that such rights will survive the completion of the Plan of Arrangement and will continue in full force and effect in accordance with their terms for a period of not less than six (6) years from the Effective Date.

Conditions Precedent for Completion of the Arrangement

Mutual Conditions in favour of TerrAscend and Gage

The closing of the Arrangement is subject to the following outstanding terms and conditions for the mutual benefit of TerrAscend and Gage, to be fulfilled or performed at or prior to the Effective Time:

- (a) The Gage Arrangement Resolution has been approved and adopted by the Gage Shareholders at the Gage Meeting in accordance with the Interim Order.
- (b) The Required TerrAscend Shareholder Approval shall have been obtained at the Meeting.
- (c) The Interim Order and the Final Order have both been obtained on terms consistent with the Arrangement Agreement, and have not been set aside or modified in a manner unacceptable to either Gage or TerrAscend, each acting reasonably, on appeal or otherwise.
- (d) Each of the Key Authorizations has been made, given or obtained on terms acceptable to TerrAscend and Gage, each acting reasonably, and each such Key Authorization is in force and has not been modified or rescinded. With regard to the approval of the CSE, the Consideration Shares to be issued upon completion of the Arrangement shall, subject only to the satisfaction of customary conditions required by the CSE, have been approved for

listing on the CSE, as of the Effective Date and the CSE, shall have, if required, accepted notice for filing of all transactions of the Parties contemplated herein or necessary to complete the Arrangement, subject only to compliance with the customary conditions of the CSE.

- (e) The issuance and distribution of the Consideration Shares, Replacement Options and Replacement Warrants will be exempt from the registration requirements of (i) the US Securities Act pursuant to the Section 3(a)(10) Exemption and (ii) all applicable US state securities Laws.
- (f) With the exception of the Federal Cannabis Laws, no Law is in effect that makes the consummation of the Arrangement illegal or otherwise prohibits or enjoins Gage or TerrAscend from consummating the Arrangement.
- (g) The distribution of the Consideration Shares pursuant to the Arrangement shall be exempt from the prospectus and registration requirements of applicable Securities Laws either by virtue of exemptive relief from the securities regulatory authorities of each of the provinces of Canada or by virtue of exemptions under applicable Securities Laws and shall not be subject to resale restrictions under applicable Securities Laws (other than as applicable to control persons or pursuant to Section 2.6 of National Instrument 45-102 – *Resale of Securities*).

Conditions in favour of TerrAscend

The closing of the Arrangement is subject to the following outstanding terms and conditions for the exclusive benefit of TerrAscend, to be fulfilled or performed at or prior to the Effective Time:

- (a) (i) All Material Representations (other than those set out in clause (ii) below) shall be true and correct in all material respects (disregarding any materiality qualification contained in any such representations or warranty) as of the Effective Time as if made as at and as of such time (except that any such representation and warranty that by its terms speaks as of the date of the Arrangement Agreement or another date shall be true and correct as of such date); (ii) any Material Representations that contain a Material Adverse Effect qualification shall be true and correct in all respects as of the Effective Time as if made as at and as of such time (except that any such representation and warranty that by its terms speaks as of the date of the Arrangement Agreement or another date shall be true and correct as of such date); (iii) the representations and warranties of Gage set forth in Section 6(a) and (b) [*Capitalization*] of Schedule C of the Arrangement Agreement shall be true and correct in all respects as of the Effective Time, except for any failures to be so true and correct that, individually or in the aggregate, are de minimis in nature and amount and for failures that are not de minimis and which are not adjusted pursuant to Section 2.12 of the Arrangement Agreement; (iv) all other representations and warranties of Gage set forth in the Arrangement Agreement shall be true and correct in all respects (disregarding any materiality or Material Adverse Effect qualification contained in any such representation or warranty) as of the Effective Time as if made at and as of such time (except that any such representation and warranty that by its terms speaks specifically as of the date of the Arrangement Agreement or another date shall be true and correct in all respects as of such date), except, in the case of this clause, where the failure to be so true and correct in all respects, individually and in the aggregate, has not had or would not reasonably be expected to have a Material Adverse Effect on Gage; and (v) Gage has delivered a certificate confirming same to TerrAscend, executed by two (2) senior officers or directors of Gage (in each case without personal liability) addressed to TerrAscend and dated the Effective Date.
- (b) Gage has fulfilled or complied in all material respects with each of its covenants contained in the Arrangement Agreement to be fulfilled or complied with by it on or prior to the

Effective Date, and has delivered a certificate confirming same to TerrAscend, executed by two (2) senior officers or directors of Gage (in each case without personal liability) addressed to TerrAscend and dated the Effective Date.

- (c) There is no action or proceeding pending or threatened by any Person (other than TerrAscend or its affiliates) in any jurisdiction that is reasonably likely to:
 - (i) cease trade, enjoin, prohibit, or impose any limitations, damages or conditions on, TerrAscend's ability to acquire, hold, or exercise full rights of ownership over, any Gage Shares, including the right to vote Gage Subordinate Voting Shares;
 - (ii) prohibit or restrict the Arrangement, or the ownership or operation by TerrAscend of a material portion of the business or assets of TerrAscend or any of TerrAscend's Subsidiaries, Gage or any of Gage's Subsidiaries, or compel TerrAscend to dispose of or hold separate any material portion of the business or assets of TerrAscend or any of TerrAscend's Subsidiaries, Gage or any of Gage's Subsidiaries as a result of the Arrangement; or
 - (iii) prevent or materially delay the consummation of the Arrangement, or if the Arrangement is consummated, have or be reasonably expected to have a Material Adverse Effect.
- (d) There shall not have been or occurred a Material Adverse Effect with respect to Gage and Gage has delivered a certificate confirming same to TerrAscend, executed by two (2) senior officers or directors of Gage (in each case without personal liability) addressed to TerrAscend and dated the Effective Date.
- (e) Dissent Rights have not been exercised (excluding any Dissent Rights that have been exercised and subsequently withdrawn) with respect to more than 5% of the issued and outstanding Gage Subordinate Voting Shares (on an as-converted basis).
- (f) The Key Employees shall have (i) entered into new employment or consulting agreements with respect to their roles with TerrAscend and/or a Subsidiary, in the forms agreed to by the Parties at the time of entering into the Arrangement Agreement; and (ii) terminated any existing employment agreements or consulting agreements entered, directly or indirectly, by the Key Employees.
- (g) Any services agreements to be entered into with the Licensed Operators shall have been amended or entered into to the satisfaction of TerrAscend with effect as of the Effective Time, acting reasonably, in accordance or in connection with the MIPA.
- (h) The closing conditions for a First Closing (as defined in the MIPA) as set out in the MIPA has been achieved to the satisfaction of TerrAscend.
- (i) The Support Agreement and the Amended Operating Agreement will have been entered into with respect to the Gage Exchangeable Units substantially on the terms agreed to by the Parties at the time of entering into the Arrangement Agreement.
- (j) Gage shall have received or obtained all third party consents, approvals and waivers identified in the Gage Disclosure Letter, in each case on terms and condition reasonably satisfactory to TerrAscend.
- (k) Gage shall have effected the repayment of the Gage Debentures in full.

- (l) TerrAscend shall have received from SPC, a certificate and notice, dated as of the Effective Date, that complies with Sections 897 and 1445 of the US Tax Code and the U.S. Treasury Regulations promulgated thereunder, certifying that an interest in SPC is not a “United States real property interest” within the meaning of and in accordance with Sections 897 and 1445 of the U.S Tax Code and the US Treasury Regulations promulgated thereunder, including that SPC is not and has not been a “United States real property holding corporation” (as defined in Section 897(c)(2) of the US Tax Code) during the applicable period specified in Section 897(c)(1)(A)(ii) of the US Tax Code.

Conditions in favour of Gage

The closing of the Arrangement is subject to the following terms and conditions for the exclusive benefit of Gage, to be fulfilled or performed at or prior to the Effective Time:

- (a) The representations and warranties of TerrAscend set forth in: (i) Sections 1 *[Organization and Qualification]*, 2 *[Authority Relative to this Agreement]* and 3 *[No Violation]*, 5 *[Capitalization]* and 18 *[No Broker]* of Schedule D of the Arrangement Agreement shall be true and correct in all material respects as of the Effective Time as if made as at and as of such time; and (ii) all other representations and warranties of TerrAscend set forth in the Arrangement Agreement shall be true and correct in all respects (disregarding any materiality or Material Adverse Effect qualification contained in any such representation or warranty) as of the Effective Time as if made at and as of such time (except that any such representation and warranty that by its terms speaks specifically as of the date of the Arrangement Agreement or another date shall be true and correct in all respects as of such date), except in the case of this clause (ii) where the failure to be so true and correct in all respects, individually and in the aggregate, has not had or would not reasonably be expected to have a Material Adverse Effect on TerrAscend where the failure to be so true and correct in all respects, individually and in the aggregate, has not had or would not reasonably be expected to have a Material Adverse Effect on TerrAscend, and TerrAscend has delivered a certificate confirming same to the Company, executed by two (2) senior officers thereof (in each case without personal liability) addressed to the Company and dated the Effective Date.
- (b) TerrAscend has fulfilled or complied in all material respects with each of its covenants contained in the Arrangement Agreement to be fulfilled or complied with by it on or prior to the Effective Date, and has delivered a certificate confirming same to the Company, executed by two (2) senior officers of TerrAscend (in each case without personal liability) addressed to the Company and dated the Effective Date..
- (c) There is no action or proceeding pending or threatened by any Person (other than Gage) in any jurisdiction that is reasonably likely to:
 - (i) cease trade, enjoin, prohibit, or impose any limitations, damages or conditions on, TerrAscend’s ability to issue the Consideration Shares or TerrAscend Shares to be issued upon exercise from time to time of the Replacement Options or Replacement Warrants, as the case may be; or
 - (ii) prevent or materially delay the consummation of the Arrangement, or if the Arrangement is consummated, have or be reasonably expected to have a Material Adverse Effect.
- (d) There shall not have been or occurred a Material Adverse Effect with respect to TerrAscend and TerrAscend has delivered a certificate confirming same to the Company, executed by two (2) senior officers or directors of TerrAscend (in each case without personal liability) addressed to the Company and dated the Effective Date.

Notice and Cure

The Arrangement Agreement provides that each Party will provide the other Party with notice of certain actual or potential breaches of the Arrangement Agreement at any time until the Effective Date. If any such notice is delivered by a Party and the other Party is proceeding diligently to cure such matter and such matter is capable of being cured prior to the Outside Date, no Party may terminate the Arrangement Agreement as a result of a potential breach or a material adverse effect with respect to Gage (in the case of TerrAscend) or a material adverse effect with respect to TerrAscend (in the case of Gage) until the earlier of (a) the Outside Date and, (b) if such matter has not been cured by the date that is twenty (20) Business Days from receipt of such notice, such date.

Additional Covenants Regarding Non-Solicitation

Non-Solicitation

Except as expressly provided in the Arrangement Agreement, Gage and the Subsidiaries of Gage will not, directly or indirectly, through any of their Representatives, or otherwise, and will not permit any such Representative to:

- (a) make, solicit, assist, initiate, encourage or otherwise facilitate (including by way of furnishing or providing copies of, access to, or disclosure of, any confidential information, properties, facilities, books or records of Gage or any Subsidiary or entering into any form of agreement, arrangement or understanding) any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to, a Gage Acquisition Proposal;
- (b) enter into or otherwise engage or participate in any discussions or negotiations with any Person (other than TerrAscend) regarding any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to, a Gage Acquisition Proposal, or otherwise co-operate with, assist or participate in or facilitate or encourage in any way any effort or attempt by any other Person to undertake or seek to undertake an alternative transaction;
- (c) enter into any oral or written agreement, understanding, arrangement or letter of intent, with any other Person regarding a Gage Acquisition Proposal; or
- (d) make, or publicly propose to make, a Gage Change in Recommendation.

The Arrangement Agreement required Gage to, and to cause the Subsidiaries of Gage and their respective Representatives to, immediately cease and terminate, and cause to be terminated, any solicitation, encouragement, discussion, negotiations, or other activities commenced prior to the date of the Arrangement Agreement with any Person (other than TerrAscend) with respect to any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, a Gage Acquisition Proposal, and in connection therewith Gage will discontinue access to and disclosure of all information, including any data room and any confidential information, properties, facilities, books and records of Gage or any Subsidiary of Gage and request and exercise all rights it has to require the return or destruction of all copies of any confidential information regarding Gage or any of its Subsidiaries.

Notification of Gage Acquisition Proposal

If Gage or any of its Subsidiaries or any of their respective Representatives, receives, or otherwise becomes aware of any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to a Gage Acquisition Proposal, or any request for copies of, access to, or disclosure of, confidential information relating to Gage or the Subsidiaries of Gage, including but not limited to information, access, or disclosure relating to the properties, facilities, books or records of Gage or any of its Subsidiaries, Gage (a) shall immediately notify TerrAscend, at first orally, and then, in any event within twenty-four (24) hours in

writing, of such Gage Acquisition Proposal, inquiry, proposal, offer or request, including a description of its material terms and conditions and the identity of all Persons making the Gage Acquisition Proposal, inquiry, proposal, offer or request, and shall provide TerrAscend with copies of all documents, correspondence or other material received in respect of, from or on behalf of any such Person and such other details of such Gage Acquisition Proposal, inquiry, proposal, offer or request as TerrAscend may reasonably request; and (b) may contact the Person making such Gage Acquisition Proposal, inquiry, proposal, offer or request and its Representatives solely for the purpose of clarifying the terms and conditions of such Gage Acquisition Proposal, inquiry, proposal, offer or request so as to determine whether such Gage Acquisition Proposal, inquiry, proposal, offer or request is, or would reasonably be expected to lead to, a Gage Superior Proposal.

Gage shall keep TerrAscend informed on a current basis of the status of developments and negotiations with respect to such Gage Acquisition Proposal, inquiry, proposal, offer or request, including any changes, modifications or other amendments to any such Gage Acquisition Proposal, inquiry, proposal, offer or request and provide to TerrAscend copies of all material or substantive correspondence if in writing or electronic form, and if not in writing or electronic form, a description of the material terms of such correspondence sent or communicated to Gage by or on behalf of any Person making such Gage Acquisition Proposal, inquiry, proposal, offer or request.

Responding to a Gage Acquisition Proposal

If at any time, prior to obtaining Shareholder Approval at the Meeting, Gage receives a Gage Acquisition Proposal, inquiry, proposal, offer or request, it may engage in or participate in discussions or negotiations with such Person regarding such Gage Acquisition Proposal, inquiry, proposal, offer or request, and may provide copies of, access to or disclosure of confidential information, properties, facilities, books or records of Gage or the Subsidiaries of Gage, if and only if:

- (a) the Gage Board first determines in good faith, after consultation with its financial advisors and its outside legal counsel, that such Gage Acquisition Proposal constitutes or could reasonably be expected to constitute or lead to a Gage Superior Proposal, and, after consultation with its outside legal counsel, that the failure to engage in such discussions or negotiations would be inconsistent with its fiduciary duties;
- (b) such Person was not restricted from making such Gage Acquisition Proposal pursuant to an existing confidentiality, standstill, non-disclosure, use, business purpose or similar restriction with Gage or its Subsidiaries;
- (c) the Gage Acquisition Proposal, inquiry, proposal, offer or request did not arise, directly or indirectly, as a result of a violation by Gage of Article 5 of the Arrangement Agreement;
- (d) Gage enters into a confidentiality and standstill agreement with such Person having terms that are not less onerous than those set out in the Confidentiality Agreement, provided that such confidentiality and standstill agreement may allow such Person to make a Gage Acquisition Proposal confidentially to the Gage Board that constitutes, or could reasonably be expected to constitute or lead to, a Gage Superior Proposal; and
- (e) Gage promptly provides TerrAscend with:
 - (i) prior written notice stating Gage's intention to participate in such discussions or negotiations and to provide such copies, access or disclosure;
 - (ii) prior to providing any such copies, access or disclosure, a true, complete and final executed copy of the confidentiality and standstill agreement in accordance with Section 5.3(1)(d) of the Arrangement Agreement; and

- (iii) any non-public information concerning Gage and its Subsidiaries provided to such other Person which was not previously provided to TerrAscend.

TerrAscend Right to Match

Under the Arrangement Agreement, if Gage receives a Gage Acquisition Proposal that constitutes a Gage Superior Proposal prior to obtaining the Shareholder Approval, the Gage Board may make a Gage Change in Recommendation and approve, recommend or enter into a definitive agreement with respect to such Gage Superior Proposal, if and only if:

- (a) the Person making the Gage Superior Proposal was not restricted from making such Gage Superior Proposal pursuant to an existing confidentiality, standstill use, business purpose or similar restriction;
- (b) the Gage Acquisition Proposal, inquiry, proposal, offer or request did not arise, directly or indirectly, as a result of a violation by Gage of Article 5 of the Arrangement Agreement;
- (c) Gage has delivered to TerrAscend a written notice of the determination of the Gage Board that such Gage Acquisition Proposal constitutes a Gage Superior Proposal and of the intention of the Gage Board to make a Gage Change in Recommendation and/or enter into such definitive agreement promptly following the making of such determination, together with a written notice from the Gage Board regarding the value and financial terms that the Gage Board, in consultation with its financial advisors, has determined should be ascribed to any non-cash consideration offered under such Gage Acquisition Proposal (the “**Gage Superior Proposal Notice**”);
- (d) Gage or its Representatives has provided TerrAscend a copy of the proposed definitive agreement for the Gage Superior Proposal and all supporting materials provided to Gage in connection therewith;
- (e) at least five (5) Business Days (the “**Matching Period**”) have elapsed from the date that is the later of the date on which TerrAscend received the Gage Superior Proposal Notice from Gage and the date on which TerrAscend received a copy of the proposed definitive agreement for the Gage Superior Proposal from Gage;
- (f) during any Matching Period, TerrAscend has had the opportunity (but not the obligation) to offer to amend the Arrangement Agreement and the Arrangement in order for such Gage Acquisition Proposal to cease to be a Gage Superior Proposal;
- (g) the Gage Board has determined, in good faith, after consultation with Gage’s financial advisors and outside legal counsel, that such Gage Acquisition Proposal remains a Gage Superior Proposal as compared to the Arrangement as proposed to be amended by TerrAscend and that it is necessary for the Gage Board to cause Gage to enter into a definitive agreement with respect to such Gage Superior Proposal in order to satisfy their fiduciary duties to Gage;
- (h) such Superior Proposal does not require Gage or any other Person to seek to interfere with the attempted successful completion of the Arrangement or any alternative transaction pursued by TerrAscend pursuant to the terms of the Voting Support and Lock-Up Agreements (including requiring Gage to delay, adjourn, postpone or cancel the Meeting) or provide for the payment of any break, termination or other fees or expenses or confer any rights or options to acquire assets or securities of Gage or any of its Subsidiaries to any Person in the event that Gage or any of its Subsidiaries completes the Arrangement or any other similar transaction with TerrAscend agreed to prior to the termination of the Arrangement Agreement or pursuant to the Voting Support and Lock-Up Agreements; and

- (i) concurrent with entering into such definitive agreement, Gage terminates the Arrangement Agreement pursuant to Section 7.2(1)(c)(iii) thereof.

During the Matching Period, or such longer period as Gage may approve in writing for such purpose: (a) the Gage Board will review any offer made by TerrAscend to amend the terms of the Arrangement Agreement in good faith in order to determine whether such proposal would, upon acceptance, result in the Gage Acquisition Proposal previously constituting a Gage Superior Proposal ceasing to be a Gage Superior Proposal; and (b) Gage will, and will cause its Representatives to, negotiate in good faith with TerrAscend to make such amendments to the terms of the Arrangement Agreement as would enable TerrAscend to proceed with the transactions contemplated thereby on such amended terms. Gage agrees that, subject to Gage's disclosure obligations under applicable Securities Laws, the fact of the making of, and each of the terms of, any such proposed amendments shall be kept strictly confidential. If the Gage Board determines that such Gage Acquisition Proposal would cease to be a Gage Superior Proposal, Gage will promptly so advise TerrAscend and Gage and TerrAscend will amend the Arrangement Agreement to reflect such offer made by TerrAscend, and will take and cause to be taken all such actions as are necessary to give effect to the foregoing.

Each successive amendment or modification to any Gage Acquisition Proposal that results in an increase in, or modification of, the consideration (or value of such consideration) to be received by the Gage Shareholders or other material terms or conditions thereof shall constitute a new Gage Acquisition Proposal, and TerrAscend will be afforded a new five (5) Business Day Matching Period from the later of the date on which TerrAscend received the new Gage Superior Proposal Notice from Gage and the date on which TerrAscend received a copy of the proposed definitive agreement for the new Gage Superior Proposal from Gage.

The Gage Board shall promptly reaffirm the Gage Board Recommendation by press release after the Gage Board determines that a Gage Acquisition Proposal is not a Gage Superior Proposal or the Gage Board determines that a proposed amendment to the terms of the Arrangement Agreement would result in a Gage Acquisition Proposal no longer being a Gage Superior Proposal. Gage shall provide TerrAscend and its outside legal counsel with a reasonable opportunity to review the form and content of any such press release and shall make all reasonable amendments to such press release as requested by TerrAscend and its outside legal counsel.

If Gage provides a Gage Superior Proposal Notice to TerrAscend after a date that is less than ten (10) Business Days before the Meeting, Gage will either proceed with or postpone or adjourn the Meeting, as directed by TerrAscend acting reasonably, to a date that is not more than ten (10) Business Days after the scheduled date of the Meeting, but in any event to a date that is not less than five (5) Business Days prior to the Outside Date.

Nothing contained in the Arrangement Agreement will limit in any way the obligation of Gage to convene and hold the Meeting while the Arrangement Agreement remains in force.

Nothing contained in the Arrangement Agreement will prevent the Gage Board from complying with Section 2.17 of National Instrument 62-104 – *Takeover Bids and Issuer Bids* and similar provisions under Securities Laws relating to the provision of a directors' circular in respect of a Gage Acquisition Proposal that is not a Gage Superior Proposal or other disclosure or filings required under applicable Securities Laws.

Notification of TerrAscend Acquisition Proposals

If TerrAscend or any of the Subsidiaries of TerrAscend or any of their respective Representatives, receives or otherwise becomes aware of any TerrAscend Acquisition Proposal that the TerrAscend Board has determined constitutes or could reasonably be expected to constitute or lead to a TerrAscend Superior Proposal, TerrAscend will promptly notify Gage, at first orally, and then, and in any event within 24 hours in writing, of such TerrAscend Acquisition Proposal, including a description of its material terms and conditions, the identity of all Persons making such TerrAscend Acquisition Proposal, and details of such TerrAscend Acquisition Proposal, as TerrAscend may reasonably request.

TerrAscend agreed to keep Gage informed on a current basis of the status of developments and negotiations with respect to any such TerrAscend Acquisition Proposal, including any changes, modifications or other amendments to any such TerrAscend Acquisition Proposal that the TerrAscend Board determines to pursue and that the TerrAscend Board determines constitutes or could reasonably be expected to constitute or lead to a TerrAscend Superior Proposal.

Termination of Arrangement Agreement

The Arrangement Agreement may be terminated prior to the Effective Time by:

- (a) the mutual written agreement of the Parties; or
- (b) either Gage or TerrAscend:
 - (i) if the Shareholder Approval is not obtained at the Meeting in accordance with the Interim Order, provided that a Party may not terminate the Arrangement Agreement if the failure to obtain the Shareholder Approval has been caused by, or is a result of, a breach by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants or agreements under the Arrangement Agreement;
 - (ii) if the Required TerrAscend Shareholder Approval is not obtained at the Meeting; provided that a Party may not terminate the Arrangement Agreement if the failure to obtain such approval has been caused by, or is a result of, a breach by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants or agreements under the Arrangement Agreement;
 - (iii) if, after the date of the Arrangement Agreement, any Law is enacted, made, enforced or amended, as applicable, that makes the consummation of the Arrangement illegal or otherwise permanently prohibits or enjoins Gage or TerrAscend from consummating the Arrangement, and such Law has, if applicable, become final and non-appealable, provided the Party seeking to terminate the Arrangement Agreement has used its commercially reasonable efforts to, as applicable, appeal or overturn such Law or otherwise have it lifted or rendered non-applicable in respect of the Arrangement; or
 - (iv) if the Effective Time has not occurred by the Outside Date, provided that a Party may not terminate the Arrangement Agreement if the failure of the Effective Time to so occur has been caused by, or is a result of, a breach by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants or agreements under the Arrangement Agreement; or
- (c) Gage if:
 - (i) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of TerrAscend under the Arrangement Agreement occurs that would cause any condition in favour of Gage that relates to the accuracy of TerrAscend's representations and warranties or TerrAscend's compliance with its covenants not to be satisfied, and such breach or failure is incapable of being cured or is not cured on or prior to the Outside Date; provided that Gage is not then in breach of the Arrangement Agreement so as to directly or indirectly cause any condition in favour of TerrAscend with respect to the accuracy of Gage's representations and warranties or Gage's compliance with its covenants not to be satisfied;

- (ii) TerrAscend Board or any committee of TerrAscend Board (A) fails to unanimously recommend or withdraws, amends, modifies or qualifies, or publicly proposes or states an intention to withdraw, amend, modify or qualify, TerrAscend Board Recommendation; (B) accepts, approves, endorses or recommends, or publicly proposes to accept, approve, endorse or recommend or takes no position or a neutral position, in each case with respect to a publicly announced, or otherwise publicly disclosed, TerrAscend Acquisition Proposal that constitutes or would reasonably be expected to constitute or lead to a TerrAscend Superior Proposal; or (C) fails to publicly reaffirm TerrAscend Board Recommendation (without qualification) within five (5) Business Days after having been requested in writing by Gage to do so (collectively, a **"TerrAscend Change in Recommendation"**);
 - (iii) subject to Gage having complied with the terms of the Arrangement Agreement, the Gage Board authorizes Gage to enter into a definitive agreement with respect to a Gage Superior Proposal; provided that concurrently with such termination, Gage pays the Termination Fee; or
 - (iv) since the date of the Arrangement Agreement, there has occurred a Material Adverse Effect with respect to TerrAscend, which is incapable of being cured on or prior to the Outside Date; or
- (d) TerrAscend if:
- (i) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of Gage under the Arrangement Agreement occurs that would cause any condition in favour of TerrAscend that relate to the accuracy of Gage's representations and warranties or Gage's compliance with its covenants not to be satisfied, and such breach or failure is incapable of being cured on or prior to the Outside Date or is not cured; provided that TerrAscend is not then in breach of the Arrangement Agreement so as to directly or indirectly cause any condition in favour of Gage that relates to the accuracy of TerrAscend's representations and warranties or TerrAscend's compliance with its covenants not to be satisfied;
 - (ii) the Gage Board or any committee of the Gage Board (A) fails to unanimously recommend or withdraws, amends, modifies or qualifies, or publicly proposes or states an intention to withdraw, amend, modify or qualify, the Gage Board Recommendation, (B) accepts, approves, endorses or recommends, or publicly proposes to accept, approve, endorse or recommend or takes no position or a neutral position, in each case with respect to a publicly announced, or otherwise publicly disclosed, Gage Acquisition Proposal for more than five (5) Business Days, (C) accepts, approves, endorses, recommends or executes or enters into (other than a confidentiality and standstill agreement permitted by and in accordance with the Arrangement Agreement) or publicly proposes to accept, approve, endorse, recommend or execute or enter into any agreement, letter of intent, understanding or arrangement relating to a Gage Acquisition Proposal or any proposal or offer that could reasonably be expected to lead to a Gage Acquisition Proposal; (D) fails to publicly reaffirm the Gage Board Recommendation (without qualification) within five (5) Business Days after having been requested in writing by TerrAscend to do so (collectively, a **"Gage Change in Recommendation"**); or (E) Gage breaches Article 5 of the Arrangement Agreement in any material respect;
 - (iii) the TerrAscend Board authorizes TerrAscend to enter into an agreement with respect to a TerrAscend Superior Proposal; provided that concurrently with such termination, TerrAscend pays the Termination Fee;

- (iv) any of the conditions set forth in the following Sections of the Arrangement Agreement are not capable of being satisfied by the Outside Date: Section 6.2(1)(h) *[Completion of the MIPA]*, Section 6.2(1)(i) *[Exchangeable Units]* and Section 6.2(1)(j) *[Third Party Consents]*;
- (v) Dissent Rights have been exercised with respect to more than 5% of the issued and outstanding Gage Subordinate Voting Shares (on an as converted basis) as a result of which the related condition to closing is not capable of being satisfied by the Outside Date; or
- (vi) since the date of the Arrangement Agreement, there has occurred, in relation to Gage, a Material Adverse Effect which is not capable of being cured on or prior to the Outside Date.

The Party desiring to terminate the Arrangement Agreement will give written notice of such termination to the other Party, specifying in reasonable detail the basis for such Party's exercise of its termination right.

Termination Fee

The Termination Fee is payable by Gage to TerrAscend in the event that:

- (a) TerrAscend terminates the Arrangement Agreement following a Gage Change in Recommendation (but not including a termination by TerrAscend where the Gage Change in Recommendation resulted from the occurrence of a Material Adverse Effect in respect of TerrAscend);
- (b) Gage terminates the Arrangement Agreement in order to enter into a Gage Superior Proposal; or
- (c) either TerrAscend or Gage terminates the Arrangement Agreement in the circumstance the Shareholder Approval is not obtained at the Meeting in accordance with the Interim Order, and a Gage Superior Proposal that was made to Gage (including the announcement of the intention to make a Gage Superior Proposal) prior to the termination of the Arrangement Agreement is within nine (9) months following the date of such termination (a) consummated by Gage or (b) Gage and/or one or more of Gage's Subsidiaries enters into a definitive agreement in respect of a Gage Superior Proposal.

The Termination Fee is payable by to TerrAscend to Gage in the event that:

- (a) Gage terminates the Arrangement Agreement following a TerrAscend Change in Recommendation (but not including a termination by Gage where the TerrAscend Change in Recommendation resulted from the occurrence of a Material Adverse Effect in respect of Gage);
- (b) TerrAscend terminates the Arrangement Agreement in order to enter into a TerrAscend Superior Proposal; or
- (c) either TerrAscend or Gage terminates the Arrangement Agreement in the circumstance the Required TerrAscend Shareholder Approval is not obtained at the Meeting, and a TerrAscend Superior Proposal that was made to TerrAscend (including the announcement of the intention to make a TerrAscend Superior Proposal) prior to the termination of the Arrangement Agreement is within nine (9) months following the date of such termination (a) consummated by TerrAscend or (b) TerrAscend and/or one or more of TerrAscend's Subsidiaries enters into a definitive agreement in respect of a TerrAscend Superior Proposal.

Amendments

The Arrangement Agreement and the Plan of Arrangement may, at any time and from time to time before or after the holding of the Meeting and the TerrAscend Meeting but not later than the Effective Time, be amended by mutual written agreement of the Parties, and any such amendment may, subject to the Interim Order and the Final Order and applicable Law, without limitation:

- (a) change the time for performance of any of the obligations or acts of the Parties;
- (b) modify any representation or warranty contained in the Arrangement Agreement or in any document delivered pursuant to the Arrangement Agreement;
- (c) waive compliance with or modify any inaccuracies or any of the covenants contained in the Arrangement Agreement and waive or modify performance of any of the obligations of the Parties; and/or
- (d) waive compliance with or modify any mutual conditions contained in the Arrangement Agreement.

Expenses

Pursuant to the Arrangement Agreement, all out-of-pocket third party transaction expenses incurred in connection with the Arrangement Agreement and the Plan of Arrangement, including all costs, expenses and fees of Gage incurred prior to or after the Effective Date in connection with, or incidental to, the Plan of Arrangement and the MIPA (including any consideration to be paid in accordance with the terms thereof), shall be paid by the Party incurring such expenses, whether or not the Arrangement or the MIPA is consummated, provided that the costs and expenses of the MIPA shall be borne by TerrAscend.

The Membership Interest Purchase Agreement

The following description of certain provisions of the membership interest purchase agreement (“**MIPA**”), dated August 31, 2021, by and among an individual (the “**Seller**”), WDB Holdings MI, Inc., a Delaware corporation and wholly-owned subsidiary of TerrAscend (“**WDB**”), 3 State Park, LLC, a Michigan limited liability company (“**3 State Park**”), AEY Thrive, LLC, a Michigan limited liability company (“**AEY Thrive**”), and AEY Holdings, LLC, a Michigan limited liability company (“**AEY Holdings**”), AEY Capital, LLC, a Michigan limited liability company (“**AEY Capital**,” together with, 3 State Park, AEY Thrive and AEY Holdings, the “**Licensed Operators**”) is not comprehensive and is qualified in its entirety by the full text of the MIPA. Defined terms that are not otherwise defined within this section only, shall have the meanings given to them in the MIPA.

Overview

Concurrent with TerrAscend and Gage entering into the Arrangement Agreement, WDB entered into the MIPA with the Licensed Operators and the Seller, the direct or indirect owner of the Licensed Operators which hold cannabis licenses and permits in connection with the Gage business. Pursuant to the MIPA, the Seller agreed to sell the Licensed Operators to WDB for an aggregate purchase price of US\$50,000.00. The MIPA contemplates that rolling closings for the various Licensed Operators shall occur as closing conditions applicable to respective Licensed Operators are satisfied. Upon completion of the Arrangement Agreement, the Corporation, through its affiliates including WDB, will own or control all of the cannabis licenses and permits in connection with the Gage business. Following the completion of the Arrangement Agreement, the ownership of any such permits or licenses controlled by the Corporation shall continue to be transferred to the WDB.

Representations and Warranties

The MIPA contains certain customary representations and warranties provided between the Seller and WDB. The assertions embodied in those representations and warranties are solely for the purposes of the MIPA. Certain representations and warranties may not be accurate and complete as of any specified date because they are qualified by certain disclosure provided by the Seller or are subject to a standard of materiality or are qualified by reference to a material adverse effect.

The representations and warranties provided by the Seller in favour of WDB in the MIPA relate to, among other things, enforceability and corporate matters, conflicts with other contractual arrangements caused by the MIPA, litigation matters, title to purchased securities, broker commissions and fees, authorization of governmental entities, financial matters, absence of any material adverse change, real and personal property, sufficiency of assets, intellectual property, material contracts, major customers and suppliers, warranties, product liability matters, labour and employment matters, employee benefit plans, compliance with laws, permits, environmental matters, taxes, and insurance.

The representations and warranties provided by WDB in favour of the Seller relate to, among other things, enforceability and corporate matters, conflicts with other contractual arrangements caused by the MIPA, litigation matters, solvency, securities laws, and broker commissions and fees.

Before each applicable closing, the Seller must provide a complete and accurate Disclosure Schedule in connection with its representations and warranties within ten Business Days in advance of such closing, subject to the reasonable approval of WDB.

Covenants and other Interim Period Obligations

After signing the MIPA, the parties are obligated to take various actions during the interim period between signing and each closing. During this interim period, WDB must submit prequalification applications to the MRA. The Seller is required to obtain applicable approvals to transfer cannabis licenses and permits held by various subsidiaries to the Thrive Enterprises, LLC ("**Thrive Enterprises**") subsidiary owned by the Seller and to effectuate those transfers.

The parties are bound by various other covenants under the MIPA, including, but not limited to, the following:

- The Seller is required to cause the Licensed Operators to conduct business in the ordinary course and refrain from taking any actions that would constitute a material adverse change.
- The Seller is required to obtain the consents of WDB before taking a number of specifically enumerated actions, such as acquiring property, selling certain valuable property, entering into joint venture arrangements, applying for or receiving any MRA Permit or municipal permit, materially changing its business strategy, or failing to pursue applications for material authorizations, among other actions.
- The parties must use their reasonable best efforts to take all actions and to do all things necessary to satisfy the closing conditions to the MIPA.
- The Seller shall permit WDB to have reasonable access to the properties, books, records, contracts, and other documents and information that TerrAscend and WDB may reasonably request.
- The parties are bound by certain covenants to maintain the confidentiality of the MIPA terms.

- The Seller shall not solicit or encourage any third party to make any competing offer for the Licensed Operators or any of their assets.
- The Seller is subject to various restrictive covenants, including noncompetition, nonsolicitation, confidentiality, and non-interference clauses for three (3) years following the final closing.

The Seller's obligations under the MIPA, including various covenants and representations and warranties, are guaranteed by Gage, which guarantee terminates upon closing of the Arrangement Agreement.

Closing Conditions and Closing Mechanics

The first of the multiple rolling closings will occur concurrently with the Effective Date of the Arrangement Agreement when the following conditions are met:

- Cannabis licenses and permits representing 70% of revenue of Gage must be successfully transferred to Thrive Enterprises (the "**First MIPA Closing**");
- the Arrangement Agreement must be ready for closing pursuant to its own terms; and
- the other closing conditions in the MIPA must be satisfied with respect to the applicable Licensed Operators.

For each closing under the MIPA, the obligation of WDB to consummate the transactions contemplated by the MIPA is subject to satisfaction of the following condition precedents, any of which may be waived by WDB at or prior to each closing:

- The representations of the Seller that are not qualified by materiality shall be true and correct in all material respects, in each case as of each closing (other than any representation and warranty that is made as of or through a specified date, which representation and warranty shall be true and correct in all respects, or true and correct in all material respects, as applicable, as of or through such specified date only), with respect to the Seller and each applicable Seller entity.
- The Seller must have complied with, performed, and observed, in all material respect, each of the covenants and agreements in the MIPA.
- There must have been no material adverse change since the date of the MIPA.
- All permits and licenses required for the consummation of the transactions contemplated by the MIPA shall have been made or obtained, all permits and licenses must be valid, and no governmental authority shall have enacted any laws that would make the transactions contemplated by the MIPA illegal.

For each closing under the MIPA, the obligation of the Seller to consummate the transactions contemplated by the MIPA is subject to satisfaction of the following condition precedents, any of which may be waived by the Seller at or prior to each closing:

- The representations and warranties of WDB must be true and correct in all material respects.
- WDB must have complied with, performed, and observed, in all material respects, each of the covenants and agreements in the MIPA.

- No governmental authority shall have enacted any laws that would make the transactions contemplated by the MIPA illegal.

All remaining Seller subsidiaries holding cannabis licenses and permits that are not included in the First MIPA Closing shall enter into a management services agreement with WDB, substantially based on WDB's preferred form agreement, to be agreed upon by the parties and effective upon closing of the Arrangement Agreement. Alternatively, at the discretion of WDB, the parties can maintain the existing management services agreements between certain of the Seller's subsidiaries and Gage subsidiaries.

After the First MIPA Closing, additional rolling closings may occur as the closing conditions applicable to such relevant Seller subsidiary are met. Of the total purchase price, US\$30,000.00 is due to the Seller upon the First MIPA Closing and US\$20,000.00 of the total purchase price is due in connection with the final closing. In the event the purchase of equity in the Licensed Operators becomes frustrated, the MIPA provides for the alternative transfer of specific assets, including any applicable licenses and permits, to WDB.

Following closing of the Arrangement Agreement, the Seller is required to timely submit applications to transfer ownership of any remaining cannabis licenses to WDB that are not otherwise directly or indirectly owned or controlled by WDB.

Termination

At any time before the final closing under the MIPA and except with respect to any completed closing, the parties may terminate the MIPA by mutual written agreement. Further, WDB may terminate the MIPA in its entirety if any law is enacted that makes the consummation of the transactions contemplated by the MIPA illegal or, with respect to any particular Licensed Operator, WDB may terminate the MIPA if any governmental authority denies any permit or license which would prohibit the consummation of the transaction with respect to such entity, including, but not limited to, any permit or license necessary to change the ownership of the entity, such that the denial of the permit or license would cause a Material Adverse Effect.

In the event that the Arrangement Agreement is terminated the MIPA shall automatically terminate on such date.

The TerrAscend Voting Support Agreements

Certain TerrAscend Shareholders (the "**Supporting TerrAscend Shareholders**") entered into the TerrAscend Voting Support Agreements with Gage pursuant to which, among other things, and subject to certain terms, conditions and exceptions, the Supporting TerrAscend Shareholders agreed to vote their TerrAscend Shares (to the extent such securities carry the right to vote) **FOR** the TerrAscend Shareholder Resolution.

The Supporting TerrAscend Shareholders, collectively as of the Record Date, beneficially own, or exercise control or direction over, directly or indirectly, approximately 6.4% of the voting power attaching to the TerrAscend Shares (and approximately 10.5% of the voting power attaching to the TerrAscend Shares which are entitled to vote under the minority approval requirements for a related-party transaction under MI 61-101). TerrAscend understands that there are other supportive shareholders who intend to vote in favour of the Resolution, but they have not executed a TerrAscend Voting Support Agreement as of the date of this Circular.

The TerrAscend Voting Support Agreements set forth, among other things, and subject to certain terms, conditions and exceptions, the agreement of each Supporting TerrAscend Shareholder to vote their TerrAscend Shares in favour of the TerrAscend Shareholder Resolution at the TerrAscend Meeting and any matters related thereto. In addition, Supporting TerrAscend Shareholders have agreed, among other

things and subject to the terms and conditions of the TerrAscend Voting Support Agreements, during the term of the TerrAscend Voting Support Agreements:

- (a) to not, directly or indirectly, without having first obtained the prior written consent of Gage:
 - (i) sell, transfer or otherwise convey, pledge, hypothecate or grant an interest in any of its TerrAscend Securities other than (A) any exercise of warrants or options exercisable for Gage Shares in accordance with their terms, or (B) to one or more corporations, family trusts, RRSP account or other entity directly or indirectly owned or controlled by, or under common control with the Shareholder;
 - (ii) grant or agree to grant any proxies or powers of attorney, deliver any voting instruction form, deposit any TerrAscend Securities into a voting trust or pooling agreement, or enter into a voting agreement, commitment, understanding or arrangement, oral or written, with respect to the voting of any TerrAscend securities; or
 - (iii) requisition or join in the requisition of any meeting of any of the securityholders of TerrAscend for the purpose of considering any resolution opposing the Arrangement or any of the transactions contemplated in the Arrangement Agreement;
- (b) to cause to be counted as present for purposes of establishing quorum and to vote (or cause to be voted) all of the TerrAscend Securities (to the extent they carry a right to vote):
 - (i) at any meeting of any of the securityholders of TerrAscend at which the Supporting TerrAscend Shareholder or any registered or beneficial owner of the TerrAscend Securities are entitled to vote, including the TerrAscend Meeting; and
 - (ii) in any action by written consent of the securityholders of TerrAscend, in favour of the approval, consent, ratification and adoption of the TerrAscend Shareholder Resolution and the transactions contemplated by the Arrangement Agreement (and any actions required for the consummation of the transactions contemplated by the Arrangement Agreement);
- (c) to cause to be counted as present for purposes of establishing quorum and to vote (or cause to be voted) all of the TerrAscend Securities (to the extent that they carry the right to vote) against any proposed action by any Person which would reasonably be regarded as being directed towards or likely to prevent or delay the successful completion of the Arrangement;
- (d) to not, and to ensure that its affiliates do not, directly or indirectly, through any officer, director, employee, representative or agent or otherwise:
 - (i) solicit proxies or become a participant in a solicitation in opposition to or competition with the Arrangement;
 - (ii) assist any Person in taking or planning any action that would compete with, restrain or otherwise serve to interfere with or inhibit the Arrangement;
 - (iii) act jointly or in concert with others with respect to voting securities of TerrAscend for the purpose of opposing or competing with the Arrangement;

- (iv) withdraw, amend, modify or qualify, or publicly propose or state an intention to withdraw, amend, modify or qualify support for the transactions contemplated by the Arrangement Agreement; or
- (v) cooperate in any way with, assist or participate in, knowingly encourage or otherwise facilitate or encourage any effort or attempt by any other Person to do or seek to do any of the foregoing;
- (e) to not: (i) contest in any way the approval of the Arrangement by any Governmental Entity; or (ii) take any other action of any kind, directly or indirectly, in each case which might reasonably be regarded as likely to reduce the success of, or delay or interfere with the completion of, the transactions contemplated by the Arrangement Agreement;
- (f) that if TerrAscend concludes after the date of the Arrangement Agreement that it is necessary or desirable to proceed with an alternative transaction structure (including, without limitation, a take-over bid) whereby TerrAscend and/or its affiliates would effectively acquire all the Gage Securities or interests of the Gage on economic terms and other terms and conditions having consequences to the Supporting Gage Shareholder that are substantially equivalent to or better than those contemplated by the Arrangement Agreement (any such transaction is referred to as an “**Alternative Transaction**”), the Supporting TerrAscend Shareholder will support the completion of the Alternative Transaction.

The Supporting TerrAscend Shareholders’ obligations under the TerrAscend Voting Support Agreements automatically terminate upon the earliest of:

- (a) the mutual agreement in writing of the Supporting TerrAscend Shareholder and Gage;
- (b) 5:00 p.m. (Toronto time) on the date, if any, that the Arrangement Agreement is validly terminated in accordance with its terms; and
- (c) the earlier of (i) the date of the TerrAscend Meeting; or (ii) the date on which the TerrAscend Board or any committee of the TerrAscend Board makes a TerrAscend Change in Recommendation.

The Gage Voting Support and Lock-Up Agreements

Certain Gage Shareholders (the “**Supporting Gage Shareholders**”) entered into the Voting Support and Lock-Up Agreements with TerrAscend pursuant to which, among other things, and subject to certain terms, conditions and exceptions, the Supporting Gage Shareholders agreed to vote their Gage Subordinate Voting Shares (to the extent such securities carry the right to vote) **FOR** the Gage Arrangement Resolution.

The Supporting Gage Shareholders, collectively as of the Record Date, beneficially own, or exercise control or direction over, directly or indirectly, approximately 58.5% of the voting power attaching to the Gage Subordinate Voting Shares (and approximately 29.1% of the voting power attaching to the Gage Subordinate Voting Shares which are entitled to vote under the minority approval requirements for a business combination under MI 61-101).

The Voting Support and Lock-Up Agreements set forth, among other things, and subject to certain terms, conditions and exceptions, the agreement of each Supporting Gage Shareholder to vote their Gage Subordinate Voting Shares in favour of the Gage Arrangement Resolution at the Gage Meeting and any matters related thereto. In addition, Supporting Gage Shareholders have agreed, among other things and subject to the terms and conditions of the Gage Voting Support and Lock-Up Agreements, during the term of the Gage Voting Support and Lock-Up Agreements:

- (a) to not, directly or indirectly, without having first obtained the prior written consent of TerrAscend:
 - (i) sell, transfer, gift, assign, grant a participation interest in, convey, pledge, hypothecate, grant a security interest in, encumber, option or otherwise dispose of any right or interest in, or enter into any forward sale, repurchase agreement, option or other arrangement or monetization transaction with respect to, any of its Gage Securities, or any right or interest therein (legal or equitable) to any Person or group of Persons, or tender any of the Gage Securities to a take-over bid or enter into any agreement, arrangement, commitment or understanding in connection therewith, or agree to do any of the foregoing, other than (A) pursuant to the Arrangement or an Alternative Transaction, (B) any exercise of warrants or options exercisable for Gage Subordinate Voting Shares in accordance with their terms, or (C) to one or more corporations, family trusts, RRSP account or other entity directly or indirectly owned or controlled by, or under common control with the Gage Shareholder, provided that (i) such transfer will not relieve the Gage Shareholder of or from its obligations under the Gage Voting Support and Lock-Up Agreement to vote or cause to be voted all Gage Securities at the Meeting, (ii) prompt written notice of such transfer is provided to TerrAscend; and (iii) the transferee continues to be an entity or corporation directly or indirectly owned or controlled by the Gage Shareholder at all times until the termination of the Gage Voting Support and Lock-Up Agreement;
 - (ii) other than as set forth in the Gage Voting Support and Lock-Up Agreements, grant or agree to grant any proxies or powers of attorney, deliver any voting instruction form, deposit any Gage Securities into a voting trust or pooling agreement, or enter into a voting agreement, commitment, understanding or arrangement, oral or written, with respect to the voting of any Gage Securities; or
 - (iii) requisition or join in the requisition of any meeting of any of the securityholders of the Gage for the purpose of considering any resolution;
- (b) to cause to be counted as present for purposes of establishing quorum and to vote (or cause to be voted) all of the Gage Securities (to the extent they carry a right to vote):
 - (i) at any meeting of any of the securityholders of the Gage at which the Shareholder or any registered or beneficial owner of the Gage Securities are entitled to vote, including the Meeting; and
 - (ii) in any action by written consent of the securityholders of the Gage, in favour of the approval, consent, ratification and adoption of the Gage Arrangement Resolution and the transactions contemplated by the Arrangement Agreement (and any actions required for the consummation of the transactions contemplated by the Arrangement Agreement);
- (c) to cause to be counted as present for purposes of establishing quorum and to vote (or cause to be voted) all of the Gage Securities (to the extent that they carry the right to vote) against any proposed action by Gage, any Gage Shareholder, any of the Gage's Subsidiaries or any other Person: (i) in respect of any Gage Acquisition Proposal or Gage Superior Proposal involving the Gage or any Subsidiary of the Gage that requires the approval of Gage Shareholders under applicable Law, other than the Arrangement or an Alternative Transaction; (ii) which would reasonably be regarded as being directed towards or likely to prevent or delay the successful completion of the Arrangement, including without limitation any amendment to the articles or by-laws of the Gage or any of its Subsidiaries or their respective corporate structures or capitalization; (iii) any action, agreement,

transaction or proposal that would result in a breach of any representation, warranty, covenant, agreement or other obligation of the Gage under the Arrangement Agreement;

- (d) in the event that any transaction for the proposed acquisition of at least a majority of the Gage Subordinate Voting Shares of the Gage, where such transaction requires the approval of Shareholders under applicable Law, other than the Arrangement or an Alternative Transaction, is presented prior to the termination of the Voting Support and Lock-Up Agreement for approval of, or acceptance by, the Gage Shareholders, whether or not it may be recommended by the Gage Board, not to directly or indirectly, accept, assist or otherwise further the successful completion of such transaction or purport to tender or deposit into any such transaction any of the Gage Securities;
- (e) to not, and to ensure that its affiliates do not, directly or indirectly, through any officer, director, employee, representative or agent or otherwise:
 - (i) solicit proxies or become a participant in a solicitation in opposition to or competition with TerrAscend's proposed purchase of the Gage Subordinate Voting Shares as contemplated by the Arrangement;
 - (ii) assist any Person in taking or planning any action that would compete with, restrain or otherwise serve to interfere with or inhibit TerrAscend's proposed purchase of the Gage Subordinate Voting Shares as contemplated by the Arrangement;
 - (iii) act jointly or in concert with others with respect to voting securities of the Gage for the purpose of opposing or competing with TerrAscend's proposed purchase of the Gage Subordinate Voting Shares as contemplated by the Arrangement;
 - (iv) solicit, assist, initiate, knowingly encourage or otherwise facilitate (including by way of furnishing or providing copies of, access to, or disclosure of, any confidential information, properties, facilities, books or records of the Gage or any subsidiary or entering into any form of agreement, arrangement or understanding) any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to, a Gage Acquisition Proposal;
 - (v) withdraw, amend, modify or qualify, or publicly propose or state an intention to withdraw, amend, modify or qualify support for the transactions contemplated by the Arrangement Agreement;
 - (vi) participate in any discussions or negotiations with any Person (other than TerrAscend) regarding any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to a Gage Acquisition Proposal;
 - (vii) accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement, arrangement or understanding regarding any Gage Acquisition Proposal; or
 - (viii) cooperate in any way with, assist or participate in, knowingly encourage or otherwise facilitate or encourage any effort or attempt by any other Person to do or seek to do any of the foregoing;
- (f) to not: (i) exercise any rights of appraisal or dissent rights that the Supporting Gage Shareholder may have under applicable Law or otherwise in respect of the Arrangement or the transactions contemplated by the Arrangement Agreement; (ii) contest in any way the approval of the Arrangement by any Governmental Entity; or (iii) take any other action of any kind, directly or indirectly, in each case which might reasonably be regarded as likely

to reduce the success of, or delay or interfere with the completion of, the transactions contemplated by the Arrangement Agreement;

- (g) to, and to cause each of its affiliates, and to instruct each of its representatives to, immediately cease and terminate, and cause to be terminated, any solicitation, encouragement, discussion, negotiations, or other activities commenced prior to the date of the Voting Support and Lock-Up Agreements with any Person (other than TerrAscend or an affiliate thereof) with respect to any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal, whether or not initiated by the Supporting Gage Shareholder or any of its affiliates or their respective officers, directors, employees, representatives or agents;
- (h) that subject to the completion of the Arrangement, from the date of the completion of the Arrangement, to not sell, transfer, gift, assign, grant a participation interest in, convey, pledge, hypothecate, grant a security interest in, encumber, option or otherwise dispose of any right or interest in, or enter into any forward sale, repurchase agreement, option or other arrangement or monetization transaction with respect to, any of its Gage Shares (or any securities convertible into Gage Shares), or any right or interest therein (legal or equitable) to any Person or group of Persons, or tender any of its TerrAscend Securities to a take-over bid or enter into any agreement, arrangement, commitment or understanding in connection therewith, or agree to do any of the foregoing with respect to TerrAscend Securities (each, a “**Transfer**”) until such time as such TerrAscend Securities have been released in accordance with the applicable release schedules, other than (A) any exercise or conversion, as applicable, of warrants, options or exchangeable shares exercisable for or convertible into Gage Shares in accordance with their terms, provided that such Gage Shares are also subject to the Voting Support and Lock-Up Agreement, (B) with the prior written consent of TerrAscend, (C) to one or more corporations, family trusts, RRSP account or other entity directly or indirectly owned or controlled by, or under common control with the Supporting Gage Shareholder, provided that (i) any such Transfer will not relieve the Supporting Gage Shareholder of or from its obligations under their Voting Support and Lock-Up Agreement, (ii) prompt written notice of such Transfer is provided to TerrAscend; and (iii) the transferee continues to be an entity or corporation directly or indirectly owned or controlled by the Supporting Gage Shareholder at all times, or (D) pursuant to a bona fide take-over bid made to all holders of Gage Shares, arrangement, merger, amalgamation or other business combination or similar transaction in which other holders of Gage Shares are entitled to participate and that is approved or supported by the Board, provided that in the event that such transaction is not completed, TerrAscend Securities subject to Voting Support and Lock-Up Agreement shall remain subject to such agreement;
- (i) Pursuant to the Voting Support and Lock-Up Agreements entered into with each of the Supporting Gage Shareholders, except Mayde and Mike Hermiz:

Percentage of TerrAscend Shares (or any securities convertible into TerrAscend Shares) held by Supporting Gage Shareholders, except Mayde and Mike Hermiz, to be Locked-Up	Duration of Lock-Up
10%	Free trading on the date of completion of the Arrangement (the “ Closing Date ”)

Percentage of TerrAscend Shares (or any securities convertible into TerrAscend Shares) held by Supporting Gage Shareholders, except Mayde and Mike Hermiz, to be Locked-Up	Duration of Lock-Up
15%	From the Closing Date until the date that is 90 days following the Closing Date.
75%	From the Closing Date until the date that is 180 days following the Closing Date.

- (j) Pursuant to the Voting Support and Lock-Up Agreements entered into with each of Mayde and Mike Hermiz:

Percentage of TerrAscend Shares (or any securities convertible into TerrAscend Shares) held by Mayde and Mike Hermiz to be Locked-Up	Duration of Lock-Up
5%	Free trading on the Closing Date
5%	From the Closing Date until the date that is three months following the Closing Date.
10%	From the Closing Date until the date that is six months following the Closing Date.
30%	From the Closing Date until the date that is twelve months following the Closing Date.
20%	From the Closing Date until the date that is eighteen months following the Closing Date.
20%	From the Closing Date until the date that is twenty-four months following the Closing Date.
10%	From the Closing Date until the date that is thirty months following the Closing Date.

- (k) that if TerrAscend concludes after the date of the Arrangement Agreement that it is necessary or desirable to proceed with an alternative transaction structure (including, without limitation, a take-over bid) whereby TerrAscend and/or its affiliates would effectively acquire all the Gage Securities or interests of the Gage on economic terms and other terms and conditions having consequences to the Supporting Gage Shareholder that are substantially equivalent to or better than those contemplated by the Arrangement Agreement (any such transaction is referred to as an “**Alternative Transaction**”), the Supporting Gage Shareholder will support the completion of the Alternative Transaction.

The Supporting Gage Shareholders' obligations under the Voting Support and Lock-Up Agreements automatically terminate upon the earliest of:

- (a) the mutual agreement in writing of the Supporting Gage Shareholder and TerrAscend;
- (b) 5:00 p.m. (Toronto time) on the date that the Arrangement Agreement is validly terminated in accordance with its terms;
- (c) the completion of the acquisition by TerrAscend of the Gage Securities; and
- (d) the Outside Date.

The Voting Support and Lock-Up Agreements may also be terminated by the Gage Shareholder if the form or amount of the consideration offered by TerrAscend to the Gage Shareholders pursuant to the Transaction is, without the prior written consent of the Gage Shareholder, reduced or changed in any respect that is, in each case, materially adverse to the Gage Shareholder, provided that a reduction or change in the market price of TerrAscend Shares will not constitute a reduction or change in the amount of the consideration payable for the outstanding Gage Shares as set out in the Arrangement Agreement.

Hermiz Support Agreement

Concurrently upon the completion of the Transaction, the Corporation, Gage, Spartans Partners Corporation, Spartan Partners Holding, LLC ("**SPH**") and Michael Hermiz will enter into a support agreement (the "**Support Agreement**") setting out, among other things, the conversion of the Gage Exchangeable Units held by Mr. Hermiz. Upon the completion of the Transaction SPH will be a wholly-owned subsidiary of TerrAscend.

The Exchangeable Unit Structure applicable to Mr. Hermiz's Gage Exchangeable Units will remain in place following the closing of the Arrangement, and he will be entitled to exchange his Gage Exchangeable Units into TerrAscend Shares on the basis of 15.005 TerrAscend Shares for each Gage Exchangeable Unit (the "**Exchangeable Unit Conversion Ratio**"), representing the right to acquire approximately 5.7% of the TerrAscend Shares.

The TerrAscend / SPH Call Right

The Gage Exchangeable Units are governed by and amended and restated operating agreement, by and among SPH and its members dated March 19, 2021 (the "**Operating Agreement**") which shall be amended concurrently with the completion of the Transaction to provide SPH with a call right (the "**Call Right**") in the event of (i) the occurrence of an insolvency event of SPH, (ii) the occurrence of a "control transaction" which includes (a) a take-over bid of TerrAscend within the meaning of National Instrument 62-104 – *Take-Over Bids and Special Transactions*, (b) the TerrAscend Shareholders' approval of a merger, consolidation, recapitalization or reorganization of TerrAscend, or, if TerrAscend Shareholder approval is not sought or obtained, any such transaction which would result in at least 50% of the total voting power represented by the voting securities of the resulting entity outstanding immediately after such transaction being beneficially owned by holders of outstanding voting securities of TerrAscend immediately prior to the transaction, with the voting power of each such continuing holder relative to such other continuing holders being not altered substantially in the transaction; and (c) the TerrAscend Shareholder approval of an agreement for the sale or disposition by TerrAscend of all or substantially all of TerrAscend's assets, (iii) the date which is two (2) years following the effective date of the Operating Agreement, or (iv) the day upon which US tax legislation is amended and becomes effective such that all US resident Gage Exchangeable Unitholders may receive TerrAscend Shares in exchange for their Gage Exchangeable Units on a tax deferred basis for US federal income tax purposes (each a "**Call Event**"). Upon any such Call Event, SPH shall have the right to redeem all, but not less than all, of the Gage Exchangeable Units then outstanding in exchange for the Exchangeable Unit Conversion Ratio.

Hermiz's Rights

So long as the Gage Exchangeable Units held by Mr. Hermiz are outstanding, under the Operating Agreement, Mr. Hermiz may elect exchange his Gage Exchangeable Units for the Exchangeable Unit Conversion Ratio.

Under the Support Agreement, so long as the Gage Exchangeable Units held by Mr. Hermiz are outstanding, if SPH has not exercised the Call Right, he shall have a right to participate in the event that a tender offer, share exchange offer, issuer bid, take-over bid, arrangement, business combination or similar transaction with respect to TerrAscend Shares (the “Offer”). In such event TerrAscend shall ensure that the holders of Gage Exchangeable Units may participate in each such Offer without being required to redeem Gage Exchangeable Units as against SPH, or, if so required, to ensure that any such redemption, shall be effective only upon, and shall be conditional upon, the closing of such Offer and only to the extent necessary to tender or deposit to the Offer.

Under the Support Agreement, so long as the Gage Exchangeable Units held by Mr. Hermiz are outstanding, he shall have the right, exercisable upon the occurrence and the continuance of: (i) an insolvency event; (ii) a Call Event; or (iii) any event causing the automatic exchange of Gage Exchangeable Units for TerrAscend Shares, to require TerrAscend to purchase from Mr. Hermiz all or any part of the Gage Exchangeable Units held by Mr. Hermiz at the Exchangeable Unit Conversion Ratio.

See “*Special Business Relating to the Transaction – Regulatory Matters – Interests of Certain Persons in the Transaction*”.

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INFORMATION CONCERNING THE CORPORATION

The following information is presented on a pre-Transaction basis and is reflective of the current business, financial and share capital position of the Corporation. See “Appendix “F” – *Information Concerning the Corporation*” for further information concerning the Corporation.

Corporate Structure

Name, Address and Incorporation

The Corporation was incorporated under the *Business Corporations Act* (Ontario) as “TerrAscend Corp.” on March 7, 2017. The Corporation’s registered and head office is located at P.O. Box 43125, Mississauga, Ontario, L5C 1W2. The TerrAscend Shares are listed and posted for trading on the CSE under the symbol “TER” and on the OTCQX® Best Market under the symbol “TRSSF”.

The Corporation’s registered and head office is located at P.O. Box 43125, Mississauga, Ontario, L5C 1W2.

The Corporation is a reporting issuer or equivalent in the provinces of British Columbia, Alberta and Ontario and files its continuous disclosure documents with the provincial securities regulatory authorities of those provinces. The continuous disclosure documents of the Corporation are filed on SEDAR and are available under the Corporation’s profile at www.sedar.com. The Corporation will be, as of January 1, 2022, a foreign private issuer as defined in Rule 3b-4 of the *Securities Exchange Act of 1934* in the United States.

See “Appendix “F” *Information Concerning the Corporation – TerrAscend Corporate Structure*”.

Capitalization, Voting Securities and Principal Holders of Voting Securities

The Corporation has four authorized classes of shares: an unlimited number of TerrAscend Shares, an unlimited number of proportionate voting shares (“**Proportionate Voting Shares**”), an unlimited number of non-participating, non-voting, unlisted exchangeable shares (“**Exchangeable Shares**”), and an unlimited number of preferred shares, issuable in series (“**Preferred Shares**”). As of the Record Date, there were a total of 184,540,757 TerrAscend Shares, no Proportionate Voting Shares, 38,890,570 Exchangeable Shares and 14,354 Preferred Shares issued and outstanding. Each Common Share, entitles the holder thereof to one vote on all matters to be acted upon at the Meeting, and each Proportionate Voting Share would entitle the holder thereof to 1,000 votes on all matters to be acted upon at the Meeting. The Exchangeable Shares and the Preferred Shares are not entitled to vote at the Meeting.

The aggregate TerrAscend Shares held, directly or indirectly by Jason Wild and his respective affiliates and joint actors and Richard Mavrinac shall be excluded from the majority of the minority Shareholder vote conducted at the Meeting in accordance with MI 61-101. See “*Special Business Relating to the Transaction – Regulatory Matters – Interests of Certain Persons in the Transaction*”.

Given the foregoing, there are a total of 111,553,283 votes eligible to be cast at the Meeting.

The Transaction consideration will result in an aggregate interest of approximately 19.8% in the Corporation by Gage Shareholders post-closing on a fully-diluted as-converted basis (including such TerrAscend Shares reserved for issuance upon (i) the exchange of Gage exchangeable units currently held by Mike Hermiz that will remain outstanding post-closing, and (ii) the exchange of all outstanding options and warrants of Gage that will be exchanged for replacement options and warrants of the Corporation at closing).

For information on TerrAscend’s pro forma share capital, see “Appendix “H” – *Information Concerning the Corporation Post-Completion – Consolidated Capitalization*”.

TerrAscend Shares

Voting Rights, Dividends and Dissolution. The holders of the TerrAscend Shares are entitled to one vote per share at all meetings of the TerrAscend Shareholder, except for meetings at which only holders of another specified class or series of shares are entitled to vote separately as a class or series. The holders of the TerrAscend Shares are entitled to receive, subject to the rights of the holders of any other class of shares, any dividend declared by the Corporation. If, as and when dividends are declared by the directors of the Corporation, each Common Share is entitled to 0.001 times the amount paid or distributed per Proportionate Voting Share. In the event of a dissolution, liquidation or winding-up of the Corporation, the holders of the TerrAscend Shares are, subject to the rights of any other class of shares, entitled to receive the remaining property of the Corporation on the basis that each Common Share is entitled to 0.001 times the amount distributed per Proportionate Voting Share, but otherwise there is no preference or distinction among or between the Proportionate Voting Shares and the TerrAscend Shares.

Conversion at Option of Holder. Each issued and outstanding Common Share may at any time, at the option of the holder, be converted into 0.001 of a Proportionate Voting Share. The conversion right may be exercised at any time and from time to time in the manner specified in the articles of the Corporation. Exercise of the conversion right requires delivery of a written notice to the Corporation's transfer agent signed by the registered holder of the TerrAscend Shares (or by his, her or its duly authorized representative) and be accompanied by the certificate or certificates representing the TerrAscend Shares, or, if uncertificated, such other evidence of ownership as the transfer agent may require, in respect of which the holder wishes to exercise the right of conversion. The right to convert TerrAscend Shares into Proportionate Voting Shares terminates if a conversion event occurs.

Ownership of Securities

The following table sets out the number of outstanding securities beneficially owned, directly or indirectly, or over which control or direction was exercised, by the directors and executive officers of the Corporation, or their respective associates or affiliates, as of the date of this Circular:

Name	Current Position(s) with the Corporation	Number of TerrAscend Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly	Percentage of the Outstanding TerrAscend Shares on an Undiluted Basis
Craig Collard	Lead Independent Director	52,939 TerrAscend Shares ⁽¹⁾	0.03%
Richard Mavrinac	Director	28,163 TerrAscend Shares ⁽²⁾	0.02%
Ed Schutter	Director	174,512 TerrAscend Shares ⁽³⁾	0.09%
Lisa Swartzman	Director	45,815 TerrAscend Shares ⁽⁴⁾	0.02%
Jason Wild	Executive Chairman, Chairman of the Board, Director	72,959,311 TerrAscend Shares ⁽⁵⁾	39.5%

Name	Current Position(s) with the Corporation	Number of TerrAscend Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly	Percentage of the Outstanding TerrAscend Shares on an Undiluted Basis
Keith Stauffer	Chief Financial Officer	None ⁽⁶⁾	0%

- (1) Mr. Collard also owns 150,000 options to purchase TerrAscend Shares pursuant to the TerrAscend stock option plan (the “**Stock Option Plan**”), and has economic exposure to the Corporation’s securities through a non-controlling investment in one of the entities controlled by Jason Wild, JW Partners, LP, that has a significant investment in the Corporation (see footnote 5). Mr. Collard also owns 52,939 Common Share purchase warrants exercisable for one Common Share at a price of \$3.25 until January 14, 2022, and 20,574 RSUs pursuant to the RSU Plan.
- (2) 10,000 TerrAscend Shares are held by Mary Mavrinac, the spouse of Mr. Mavrinac. Mr. Mavrinac also owns 360,000 options to purchase TerrAscend Shares pursuant to the Stock Option Plan, 8,163 Common Share purchase warrants exercisable for one Common Share at a price of \$3.25 until January 14, 2022, and 21,732 RSUs pursuant to the TerrAscend RSU plan (the “**RSU Plan**”). Mr. Mavrinac’s TerrAscend Shares shall be excluded from the majority of the minority shareholder vote conducted at the Meeting in accordance with MI 61-101. See “*Special Business Relating to the Transaction – Regulatory Matters – Interests of Certain Persons in the Transaction*”.
- (3) Mr. Schutter also owns 12,600 Common Share purchase warrants exercisable for one Common Share at a price of \$6.49 until November 6, 2024, and 21,014 RSUs pursuant to the RSU Plan.
- (4) Ms. Swartzman also owns 400,000 options to purchase TerrAscend Shares pursuant to the Stock Option Plan, 40,815 Common Share purchase warrants exercisable for one Common Share at a price of \$3.25 until January 14, 2022, and 19,856 RSUs pursuant to the RSU Plan.
- (5) Mr. Wild controls 336,731 TerrAscend Shares held by Jason Wild personally; 35,157 TerrAscend Shares held by Howard Wild 2012 Grandchildren’s Trust; 130,890 TerrAscend Shares held by Insight Wellness Fund, LLC; 970,790 TerrAscend Shares held by JW Growth Fund, LLC; 17,656,828 TerrAscend Shares held by JW Opportunities Master Fund, Ltd.; 46,206,586 TerrAscend Shares held by JW Partners, LP; 7,622,329 TerrAscend Shares held by JW Select Investments, LP; 3,000 Preferred Shares held by JW Opportunities Master Fund, LLC; and 7,000 Preferred Shares held by JW Partners, LP. Mr. Wild also controls 2,048 Proportionate Voting Share purchase warrants held by JW Opportunities Master Fund, Ltd., 6,145 Proportionate Voting Share purchase warrants held by JW Partners, LP and 398 Proportionate Voting Share purchase warrants held by JW Select Investments LP, each exercisable for 0.001 of a Proportionate Voting Share at a price of \$7.21 until August 23, 2022. Mr. Wild also controls 120,000 Common Share purchase warrants held by JW Growth Fund, LLC, 260,000 Common Share purchase warrants held by JW Opportunities Master Fund, Ltd., 620,000 Common Share purchase warrants held by JW Partners, LP and 4,729,146 Common Share purchase warrants held by JW Select Investments, LP, each exercisable for one Common Share at a price of \$3.25 until January 14, 2022. Mr. Wild also controls 3,000 Preferred Share purchase warrants held by JW Opportunities Master Fund, Ltd. and 7,000 Preferred Share purchase warrants held by JW Partners, LP, each exercisable for one Preferred Share at a price of US\$3,000 until May 22, 2023. Mr. Wild also owns 1,200,000 options to purchase TerrAscend Shares pursuant to the Stock Option Plan and 47,847 RSUs pursuant to the RSU Plan. The foregoing TerrAscend Shares shall be excluded from the majority of the minority shareholder vote conducted at the Meeting in accordance with MI 61-101. See “*Special Business Relating to the Transaction – Regulatory Matters – Interests of Certain Persons in the Transaction*”.
- (6) Mr. Stauffer owns 1,000,000 options to purchase TerrAscend Shares pursuant to the Stock Option Plan, and 13,004 RSUs pursuant to the RSU Plan.

Commitments to Acquire Securities

Other than as otherwise disclosed in this Circular, there are no agreements, commitment or understandings to acquire TerrAscend securities.

Prior Sales

See “Appendix “F” – Information Concerning the Corporation – Prior Sales”.

Trading Price and Volume

See “Appendix “F” – Information Concerning the Corporation – Trading Prices and Volume”.

Dividends

As of the date of this Circular, the Corporation had not declared dividends on the TerrAscend Shares and had no intention to declare dividends on the TerrAscend Shares in the immediate or foreseeable future. See “Appendix “F” – Information Concerning the Corporation – Dividends and Distributions”.

Prior Offers

In the 24 months prior to the date of this Circular, TerrAscend has not received any bona fide offers as it relates to the TerrAscend Shares.

Indebtedness of Directors and Executive Officers

As of the date of this Circular, none of the current or former directors, executive officers or employees of TerrAscend or any of its subsidiaries is indebted to TerrAscend, and, as at the date hereof, the indebtedness, if any, of such persons to other entities is not the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by TerrAscend or any of its subsidiaries.

Material Changes

As of the date of this Circular, the Corporation is not aware of any pending material changes to its affairs.

Directors’ and Officers’ Liability Insurance

The Corporation holds director and officer liability insurance in the aggregate amount of US\$10 million, subject to a US\$1 million deductible payable by the Corporation. The annual premium paid by the Corporation for this coverage is approximately US\$1.79 million. No indemnification under section 136 of the OBCA was paid or became payable in 2020 or to date in 2021.

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INFORMATION CONCERNING GAGE GROWTH CORP.

See “Appendix “G” – Information Concerning Gage”.

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GENERAL MATTERS

Interest of Informed Persons and Others in Material Transactions

None of the persons who were directors or executive officers of the Corporation or a subsidiary of the Corporation at any time during the Corporation's last completed financial year, any person or company who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the issued and outstanding TerrAscend Shares, nor any associate or affiliate of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction or proposed transaction which has materially affected or would materially affect the Corporation, except as disclosed under "*Special Business Relating to the Transaction – Regulatory Matters – Interests of Certain Persons in the Transaction*" and "*Appendix 'G' – General Development of the Business*", or elsewhere in this Circular.

Interests of Certain Persons and Companies in Matters to be Acted Upon

Except as disclosed under "*Special Business Relating to the Transaction – Regulatory Matters – Interests of Certain Persons in the Transaction*", or elsewhere in this Circular, the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or executive officer of TerrAscend or anyone who has held office as such since the beginning of Corporation's last financial year, or of any associate or affiliate of the foregoing, in any matter to be acted upon at the Meeting.

Management Contracts

No management functions of the Corporation or its subsidiaries are performed to any substantial degree by a person other than the directors or executive officers of the Corporation or its subsidiaries.

Expenses

The Corporation estimates that expenses in the aggregate amount of approximately US\$2.5 million will be incurred by the Corporation in connection with the Transaction, including, without limitation, legal, financial advisory, accounting, filing and printing costs, the cost of preparing and mailing this Circular, and fees in respect of the Fairness Opinions.

Auditors and Transfer Agent

The Corporation's auditor is MNP LLP, located in Toronto, Ontario. MNP LLP has been TerrAscend's independent auditor since March 7, 2017.

The registrar and transfer agent for the TerrAscend Shares is Odyssey Trust Company at its office in Toronto, Ontario.

Interests of Experts

The following persons and companies have prepared certain sections of this Circular and/or Appendices attached hereto as described below, or are named as having prepared or certified a report, statement or opinion in or incorporated by reference in this Circular. See "*Appendix 'F' – Information Concerning the Corporation – Interests of Experts*".

Name of Expert	Nature of Relationship
ATB Capital Markets Inc. ⁽¹⁾	Responsible for the preparation of the ATB Fairness Opinion attached to this Circular as Appendix “D”.
Haywood Securities Inc. ⁽¹⁾	Responsible for the preparation of the Haywood Fairness Opinion attached to this Circular as Appendix “E”.

(1) To the knowledge of the Corporation, as of the date hereof, the “designated professionals” (as that term is defined under applicable Canadian Securities Laws) owned, directly and indirectly, in the aggregate, less than 1% of the outstanding TerrAscend Shares.

Other Matters

Management of the Corporation is not aware of any matters to come before the Meeting other than those set forth in the Notice of Meeting. If any other matters do properly come before the Meeting, the person named in the form of proxy intends to vote the TerrAscend Shares represented thereby in accordance with his or her best judgement on such matter.

Additional Information

Additional information relating to the Corporation is available on the Corporation’s SEDAR profile at www.sedar.com. Financial information relating to the Corporation is provided in the Corporation’s annual financial statements and MD&A for its most recently completed financial year, which are available on the Corporation’s SEDAR profile at www.sedar.com. TerrAscend Shareholders may request copies of the most recent interim financial report, or any of the documents incorporated in this Circular, free of charge by contacting the Corporation at 1-855-837-7295.

Board Approval

The contents and the sending of this Circular have been approved by the disinterested members of the TerrAscend Board. The information concerning Gage contained in this Circular, including the appendices attached hereto and the information incorporated by reference herein, has been provided by Gage. The TerrAscend Board has relied upon this information without having made any independent inquiry as to the accuracy thereof. TerrAscend assumes no responsibility for the accuracy or completeness of such information, nor for any omission on the part of Gage to disclose facts or events which may affect the accuracy of any such information.

DATED at Toronto, Ontario, the 7th day of October, 2021.

On Behalf of the Board of Directors

(signed) “*Craig Collard*”

Craig Collard
Lead Independent Director

CONSENT OF ATB CAPITAL MARKETS INC.

To: The Board of Directors (the “**TerrAscend Board**”) of TerrAscend Corp. (“**TerrAscend**”)

We hereby consent (i) to the references within the management information circular of TerrAscend dated October 4, 2021 (the “**Circular**”) to our fairness opinion dated August 31, 2021 (the “**ATB Fairness Opinion**”), which we prepared for the TerrAscend Board in connection with the Arrangement Agreement dated August 31, 2021 between TerrAscend and Gage Growth Corp., and (ii) to the inclusion of the full text of the ATB Fairness Opinion as Appendix “D” to this Circular and (iii) to the filing of this Circular with the ATB Fairness Opinion included therein with the applicable securities regulatory authorities. In providing our consent, we do not intend or permit that any persons other than the TerrAscend Board shall rely upon the ATB Fairness Opinion which remains subject to the analyses, assumptions, limitations and qualifications contained therein.

(signed) “*ATB Capital Markets Inc.*”

ATB Capital Markets Inc.

CONSENT OF HAYWOOD SECURITIES INC.

To: The Board of Directors (the “**TerrAscend Board**”) of TerrAscend Corp. (“**TerrAscend**”)

We hereby consent (i) to the references within the management information circular of TerrAscend dated October 4, 2021 (the “**Circular**”) to our fairness opinion dated August 31, 2021 (the “**Haywood Fairness Opinion**”), which we prepared for the TerrAscend Board in connection with the Arrangement Agreement dated August 31, 2021 between TerrAscend and Gage Growth Corp., and (ii) to the inclusion of the full text of the Haywood Fairness Opinion as Appendix “E” to this Circular and (iii) to the filing of this Circular with the Haywood Fairness Opinion included therein with the applicable securities regulatory authorities. In providing our consent, we do not intend or permit that any persons other than the TerrAscend Board shall rely upon the Haywood Fairness Opinion which remains subject to the analyses, assumptions, limitations and qualifications contained therein.

(signed) “*Haywood Securities Inc.*”

Haywood Securities Inc.

APPENDIX A

DEFINED TERMS

In this Circular, unless the subject matter or context is inconsistent therewith, the following terms have the meanings set forth below and grammatical variations thereof shall have the corresponding meanings.

“3 State Park” means 3 State Park, LLC, a Michigan limited liability company;

“AEY Capital” means AEY Capital, LLC, a Michigan limited liability company;

“AEY Holdings” means AEY Holdings, LLC, a Michigan limited liability company;

“AEY Thrive” means AEY Thrive, LLC, a Michigan limited liability company;

“affiliate” has the meaning specified in NI 45-106 – *Prospectus Exemptions* as in effect on the date of the Arrangement Agreement;

“Alternative Transaction” has the meaning ascribed thereto under the heading *“Transaction Agreements – The Gage Voting Support and Lock-Up Agreements”*;

“Amended Operating Agreement” means that certain First Amendment to the Amended and Restated Operating Agreement by and among Spartan Partner Holdings, LLC and its members to be entered into on the Effective Date in substantially the form agreed to in writing by the Parties on the date hereof;

“Arise” means Arise Bioscience Inc.;

“Arrangement Agreement” means the arrangement agreement dated as of August 31, 2021, as amended effective October 4, 2021 between the Corporation and Gage, including the recitals and all schedules attached to the Arrangement Agreement, together with the Schedules attached thereto and the Gage Disclosure Letter and TerrAscend Disclosure Letter, as same may be further amended, supplemented or otherwise modified from time to time in accordance with the terms of the Arrangement Agreement, prior to the Effective Time, providing for, among other things, the Arrangement;

“Arrangement” or **“Transaction”** means an arrangement under Section 192 of the CBCA, on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations to the Plan of Arrangement made in accordance with the terms of the Arrangement Agreement and the provisions of the Plan of Arrangement or made at the direction of the Court in the Final Order with the prior written consent of Gage and TerrAscend, each acting reasonably;

“associate” has the meaning ascribed thereto in the *Securities Act* (Ontario);

“ATB Fairness Opinion” means the fairness opinion of ATB Capital Markets Inc., dated August 31, 2021 prepared for the TerrAscend Board in connection with the Arrangement Agreement;

“ATB” means ATB Capital Markets Inc.;

“Authorization” means, with respect to any Person, any order, permit, approval, consent, waiver, licence, exemption, review, decision of, registration and filing with, or similar authorization of any Governmental Entity, or the expiry, waiver or termination of any waiting period imposed by Law or a Governmental Entity having jurisdiction over the Person including, in respect of Gage and its Subsidiaries pursuant to any Law or request or mandate of any Governmental Entity, including the *Cannabis Act* and the Michigan Regulatory Laws, for the operation of the Gage Business, including the Regulatory Licenses;

“Bank Secrecy Act” means the *Currency and Foreign Transactions Reporting Act* of 1970;

“Board” means the board of directors of TerrAscend as constituted from time to time;

“Business Day” means any day of the year, other than a Saturday, Sunday or any day on which major banks are closed for business in Toronto, Ontario;

“Canopy Growth” means Canopy Growth Corporation;

“CBCA” means the *Canada Business Corporations Act* and the regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time;

“CBD” means cannabidiol;

“CDS” means the Canadian Depository for Securities;

“Circular” means the management information circular of TerrAscend dated October 4, 2021;

“Clarus Securities Fairness Opinion” means the opinion of Clarus Securities to the effect that, as of August 31, 2021, and based upon and subject to the assumptions made, matters considered and limitations and qualifications to be set forth in such opinion, and such other factors as Clarus Securities considered relevant, the Consideration to be received by Gage Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Gage Shareholders (other than the Specified Parties);

“Confidentiality Agreement” means the confidentiality agreement dated January 29, 2021 between Gage and TerrAscend;

“Consideration Shares” means TerrAscend Shares to be issued as the Consideration pursuant to the Arrangement;

“Consideration” means the consideration to be received by the Gage Shareholders pursuant to the Plan of Arrangement as consideration for their Gage Subordinate Voting Shares, consisting of 0.3001 of a Common Share for each Gage Subordinate Voting Share, subject to adjustment in the manner and in the circumstances contemplated in Section 2.12 of the Arrangement Agreement, on the basis set out in the Plan of Arrangement;

“Constating Documents” means the articles or certificate of incorporation, formation, amalgamation, or continuation, as applicable, and the operating or limited liability company agreements, shareholders agreements, by-laws, or similar organizational documents, as applicable, and all amendments thereto;

“Contract” means any legally binding agreement, commitment, engagement, contract, franchise, licence, obligation or undertaking (written or oral), and any amendment, exhibit, schedule or appendix thereof, to which any Party or any of its Subsidiaries is a party or by which it or any of its Subsidiaries is bound or affected or to which any of their respective properties or assets is subject;

“Cookies” means Cookies Creative Consulting & Promotions, LLC;

“Corporation” or **“TerrAscend”** means TerrAscend Corp.;

“Court” means the Ontario Superior Court of Justice (Commercial List) in the City of Toronto;

“CSA” means the US *Controlled Substances Act*;

“CSE” means Canadian Securities Exchange;

“Dissent Rights” means the rights of dissent of the Gage Shareholders in respect of the Gage Arrangement Resolution as described in the Plan of Arrangement;

“Effective Date” means the date shown on the Certificate of Arrangement giving effect to the Arrangement;

“Effective Time” means 12:01 a.m. (Toronto time) on the Effective Date, or such other time as the Parties agree to in writing before the Effective Date;

“Eight Capital Fairness Opinion” means the opinion of Eight Capital to the effect that, as of August 31, 2021, and based upon and subject to the assumptions made, matters considered and limitations and qualifications to be set forth in such opinion, and such other factors as Eight Capital considered relevant, the Consideration to be received by Gage Shareholders pursuant to the Arrangement is fair, from a financial point of view, to Gage Shareholders;

“Employee Plans” means any “employee benefit plan” (as such term is defined in Section 3(3) of ERISA) and all other health, welfare, supplemental unemployment benefit, change of control, bonus, profit sharing, option, insurance, compensation, incentive, incentive compensation, deferred compensation, share purchase, share compensation, disability, pension, vacation, severance or termination pay, retirement or retirement savings plans, or other employee benefit plans, policies, trusts, funds, agreements, or arrangements for the benefit of employees, former employees, directors or former directors of a Party or any of its Subsidiaries, which are maintained by or binding upon such Party or any of its Subsidiaries or in respect of which such Party or any of its Subsidiaries has an actual or contingent liability excluding all obligations for severance and termination pursuant to a statute;

“ERISA” means the Employee Retirement Income Security Act of 1974.

“Exchange Ratio” means 0.3001 of a Common Share to be issued by TerrAscend for each one Gage Subordinate Voting Share (or equivalent) exchanged pursuant to the Arrangement Agreement;

“Exchangeable Shares” means the non-participating, non-voting, unlisted exchangeable shares of TerrAscend;

“Fairness Opinions” means the ATB Fairness Opinion and the Haywood Fairness Opinion;

“FDA” means the US Food and Drug Administration;

“FDCA” means the US *Food, Drug, and Cosmetic Act*;

“Federal Cannabis Laws” means any United States federal laws, civil, criminal or otherwise, as such relate, either directly or indirectly, to the cultivation, harvesting, production, distribution, sale and possession of cannabis, marijuana or related substances or products containing or relating to the same, including, without limitation, the prohibition on drug trafficking under 21 U.S.C. § 841(a), et seq., the conspiracy statute under 18 U.S.C. § 846, the bar against aiding and abetting the conduct of an offense under 18 U.S.C. § 2, the bar against misprision of a felony (concealing another’s felonious conduct) under 18 U.S.C. § 4, the bar against being an accessory after the fact to criminal conduct under 18 U.S.C. § 3, and federal money laundering statutes under 18 U.S.C. §§ 1956, 1957, and 1960 and the regulations and rules promulgated under any of the foregoing;

“Final Order” means the final order of the Court made pursuant to Section 192 of the CBCA, after a hearing upon the fairness of the terms and conditions of the Arrangement, in a form acceptable to Gage and TerrAscend, each acting reasonably, approving the Arrangement, as such order may be amended by the Court (with the consent of both Gage and TerrAscend, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or dismissed, as affirmed or as amended (provided that any such amendment is acceptable to both Gage and TerrAscend, each acting reasonably) on appeal;

“First MIPA Closing” has the meaning ascribed thereto under the heading “*Transaction Agreements – The Membership Interest Purchase Agreement - Closing Conditions and Closing Mechanics*”;

“Gage” means Gage Growth Corp.;

“Gage Acquisition Proposal” means, other than the transactions contemplated by the Arrangement Agreement, any offer, proposal or inquiry (written or oral) from any Person or group of Persons other than TerrAscend (or any affiliate of TerrAscend), after the date of the Arrangement Agreement relating to:

- a) any sale or disposition (or any license, lease, long-term supply agreement or other arrangement having the same economic effect as a sale or disposition), direct or indirect, in a single transaction or a series of related transactions, of assets of Gage or any of its Subsidiaries (including voting, equity or other securities of its Subsidiaries) or alliance, joint venture, partnership or similar transaction representing 20% or more of the consolidated assets or contributing 20% or more of the consolidated revenue of Gage and its Subsidiaries, or of 20% or more of the voting or equity securities (or rights or interests in such voting or equity securities) of Gage or any of its Subsidiaries;
- b) direct or indirect take-over bid, exchange offer, issuance of securities or other transaction that, if consummated, would result in such Person or group of Persons beneficially owning or having the right to acquire 20% or more of any class of voting, equity or other securities of Gage or any of its Subsidiaries (including securities convertible or exercisable or exchangeable for voting, equity or other securities of Gage or any of its Subsidiaries) on a fully-diluted basis;
- c) any plan of arrangement, merger, amalgamation, consolidation, share exchange, debt exchange, business combination, reorganization, joint venture, exclusive license, partnership or similar transaction, recapitalization, liquidation, dissolution or winding up or similar transaction involving Gage or any of its Subsidiaries; or

any other similar transaction or series of transactions involving Gage, any of its Subsidiaries, or any agreements entered into by Gage or any of its Subsidiaries, the consummation of which would reasonably be expected to impede, interfere with, prevent a delay to the transactions contemplated herein or under the MIPA or which could reasonably be expected to materially reduce the benefits of the Arrangement to TerrAscend;

“Gage Arrangement Resolution” means the special resolution of the Gage Shareholders approving the Plan of Arrangement to be considered at the Gage Meeting (together with any other matters that require the approval of the Gage Shareholders in connection with the transactions contemplated under the Arrangement Agreement), and any amendment or variation thereto made in accordance with the provisions of the Arrangement Agreement or made at the direction of the Court in the Interim Order with the prior written consent of TerrAscend and Gage, each acting reasonably;

“Gage Board Recommendation” means a statement that the Gage Board and Gage Special Committee have received the Eight Capital Fairness Opinion and Clarus Securities Fairness Opinion, respectively, and have each unanimously determined (subject to the right of any conflicted directors, if any, to abstain from deciding upon the matter), after receiving advice of outside financial and legal counsel, that the execution, delivery and performance of the Arrangement Agreement is in the best interests of Gage and that the Arrangement is fair, from a financial point of view, to the Gage Shareholders and that the disinterested members of the Gage Board unanimously recommends that the Gage Shareholders vote in favour of the Gage Arrangement Resolution;

“Gage Board” means the board of directors of Gage as is constituted from time to time;

“Gage Business Assets” means all tangible and intangible assets, properties, Authorizations, rights or other privileges (whether contractual or otherwise, including through agreements with the Licensed Operators) owned (either directly or indirectly), leased, licensed, loaned, operated or being developed or used, including all vendor lists, customer lists, intellectual property and related technologies, real property, fixed assets, facilities, equipment, inventories and accounts receivable, by Gage and its Subsidiaries in connection with the Gage Business;

“Gage Business” means the business historically conducted by Gage and/or its Subsidiaries, including all activities and products processed under or using Gage Intellectual Property Rights;

“Gage Change in Recommendation” has the meaning ascribed thereto under the heading *“Transaction Agreements – Termination of Arrangement Agreement”*;

“Gage Debentures” means the outstanding unsecured debentures of Gage, denominated in US dollars and the outstanding unsecured debentures of Gage, denominated in Canadian dollars;

“Gage Disclosure Letter” means the disclosure letter dated the date of the Arrangement Agreement and delivered by Gage to TerrAscend in connection with the Arrangement Agreement;

“Gage Employee” means all officers and employees of Gage and its Subsidiaries, including unionized, non-unionized, part-time, full-time, active and inactive employees;

“Gage Exchangeable Unit Structure” has the meaning ascribed thereto under the heading *“Special Business Relating to the Transaction – Regulatory Matters – Interests of Certain persons in the Transaction”*;

“Gage Exchangeable Units” means the exchangeable units issued by Spartan Partners Holding, LLC, which are exchangeable for either 75,000,000 Gage Subordinate Voting Shares or 1,500,000 Gage Proportionate Voting Shares in accordance with their terms;

“Gage Filings” means all documents of Gage publicly filed under the profile of Gage on the System for Electronic Document Analysis Retrieval (SEDAR);

“Gage Intellectual Property Rights” means, collectively, Gage Owned Intellectual Property Rights and the Gage Licensed Intellectual Property Rights;

“Gage Licensed Intellectual Property Rights” shall mean all Intellectual Property rights that are licensed to Gage or any of its Subsidiaries by any third party, including the Licensed Operators, or which Gage or any of its Subsidiaries otherwise has the right to use;

“Gage Meeting” means the special meeting of the holders of Gage Subordinate Voting Shares to be held on November 11, 2021, including any adjournment or postponement of such special meeting in accordance with the terms of the Arrangement Agreement, to be called and held in accordance with the Interim Order to consider the Gage Resolution and for any other purpose as may be set out in the Circular and agreed to in writing by Gage, acting reasonably;

“Gage Options” means stock options to purchase Gage Subordinate Voting Shares issued pursuant to the Gage Stock Option Plan;

“Gage Owned Intellectual Property Rights” shall mean all Intellectual Property rights owned or purported to be owned by Gage or any of its Subsidiaries, in whole or in part;

“Gage Proportionate Voting Shares” means the shares in the capital of Gage designated as proportionate voting shares, each entitling the holder thereof to fifty (50) votes per share at shareholder meetings of Gage, and which are convertible, at any time at the option of the holder, into Gage Subordinate Voting Shares at a ratio of fifty (50) Gage Subordinate Voting Shares for each Gage Proportionate Voting Share;

“Gage RSU Plan” means the restricted share unit plan approved by the Gage Board on January 26, 2021;

“Gage RSUs” means the outstanding restricted share units of Gage issued pursuant to the Gage RSU Plan;

“Gage Securities” means the Gage Subordinate Voting Shares, Gage Super Voting Shares, Gage Exchangeable Units, the Mayde Exchangeable Shares, Gage RSUs, Gage Options and Gage Warrants listed on Schedule A to the Voting Support and Lock-Up Agreements and any securities of Gage acquired by the Gage Shareholder or any of its affiliates subsequent to the date hereof, and includes all securities which such Gage Securities may be converted into, exchanged for or otherwise changed into;

“Gage Shareholder Approval” means, for the required level of approval for the Gage Arrangement Resolution, (i) two-thirds ($66\frac{2}{3}\%$) of the votes cast by Gage Shareholders, present or represented by proxy at the Gage Meeting and entitled to vote; and (ii) a simple majority of the Gage Shareholders present or represented by proxy at the Meeting and entitled to vote, excluding the Gage Subordinate Voting Shares held or controlled by Mike Hermiz, Jason Wild and Richard Mavrinac in accordance with MI 61-101;

“Gage Shareholders” means the registered or beneficial holders of Gage Subordinate Voting Shares, as the context requires;

“Gage Shares” means a share in the capital of Gage, and includes the Gage Subordinate Voting Shares, the Gage Super Voting Shares and the Gage Proportionate Voting Shares;

“Gage Stock Option Plan” means the amended and restated stock option plan approved by the Gage Board on June 3, 2019;

“Gage Subordinate Voting Shares” means the shares in the capital of Gage designated as subordinate voting shares, each entitling the holder thereof to one vote per share at shareholder meetings of Gage;

“Gage Super Voting Shares” means the shares in the capital of Gage designated as super voting shares, each entitling the holder thereof to fifty (50) votes per share at shareholder meetings of Gage;

“Gage Superior Proposal Notice” has the meaning ascribed thereto under the heading *“Transaction Agreements – The Arrangement Agreement – Right to Match”*;

“Gage Superior Proposal” means any unsolicited bona fide written Gage Acquisition Proposal from a Person who is an arm’s length third party made after the date of the Arrangement Agreement: (i) to acquire all of the outstanding Gage Shares not beneficially owned by such arm’s length third party or all or substantially all of the assets of Gage on a consolidated basis; (ii) that complies with Securities Laws in all material respects and did not result from or involve a breach of Article 5 of the Arrangement Agreement or any other agreement between the Person making the Gage Acquisition Proposal and Gage or any of its Subsidiaries; (iii) that the Gage Board determines, in its good faith judgment after receiving the advice of its outside legal counsel and Financial Advisors, is reasonably capable of being completed without undue delay relative to the Arrangement, taking into account all financial, legal, regulatory and other aspects of such proposal (including any required shareholder approvals and any minimum tender requirements) and the Person making such proposal; (iv) that is not subject to a financing condition and, in respect of which it has been demonstrated to the satisfaction of the Gage Board, in its good faith judgment, after receiving the advice of its outside legal counsel and Financial Advisors, that adequate arrangements have been made in respect of any financing, including any costs or expenses related thereto, required to complete such Gage Acquisition Proposal; (v) that is not subject to any due diligence or access condition; (vi) in the event that Gage does not have the financial resources to pay the Termination Fee, the terms of such Gage Acquisition Proposal provide that the Person making such Gage Superior Proposal shall advance or otherwise provide Gage the cash required for Gage to pay the Termination Fee and such amount shall be advanced or provided on or before the date such Termination Fee becomes payable; and (vii) that the Gage Board determines, in its good faith judgment, after receiving the advice of its outside legal and Financial Advisors and after taking into account all the terms and conditions of the Gage Acquisition Proposal, including all legal, financial, regulatory and other aspects of such Gage Acquisition Proposal and the party making such Gage Acquisition Proposal, would, if consummated in accordance with its terms, but without assuming away the risk of non-completion, result in a transaction which is more favourable, from a financial point of view, to the Gage Shareholders than the Arrangement (including any amendments to the terms and

conditions of the Arrangement proposed by TerrAscend pursuant to Section 5.4(2)) of the Arrangement Agreement;

“Gage Voting Support and Lock-Up Agreements” means each of the voting support and lock-up agreements dated August 31, 2021 between TerrAscend and each of the Supporting Gage Shareholders;

“Gage Warrants” means the outstanding warrants of Gage to purchase Gage Subordinate Voting Shares;

“Governmental Entity” means (i) any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, commissioner, board, bureau, ministry, agency or instrumentality, domestic or foreign, including the US Internal Revenue Service and the Canada Revenue Agency, (ii) any subdivision or authority of any of the above, (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing or (iv) any stock exchange, including the CSE;

“Haywood Fairness Opinion” means the fairness opinion of Haywood Securities Inc., dated August 31, 2021, prepared for the TerrAscend Board in connection with the Arrangement Agreement;

“Haywood” means Haywood Securities Inc.;

“IFRS” means International Financial Reporting Standards, as issued by the International Accounting Standards Board, applicable as at the date on which the calculation is made or required to be made, applied on a consistent basis;

“Intellectual Property” means domestic and foreign: (i) patents, applications for patents and reissues, divisions, continuations, renewals, extensions and continuations-in-part of patents or patent applications; (ii) proprietary and non-public business information, including inventions (whether patentable or not), invention disclosures, improvements, discoveries, trade secrets, confidential information, know-how, methods, processes, designs, technology, technical data, schematics, formulae and customer lists, and documentation relating to any of the foregoing; (iii) copyrights, copyright registrations and applications for copyright registration; (iv) mask works, mask work registrations and applications for mask work registrations; (v) designs, design registrations, design registration applications and integrated circuit topographies; (vi) trade names, business names, corporate names, domain names, website names and world wide web addresses, common law trade-marks, trade-mark registrations, trade-mark applications, trade dress and logos, and the goodwill associated with any of the foregoing; (vii) software; and (viii) any other intellectual property and industrial property;

“Interested Directors” means Richard Mavrinac and Jason Wild;

“Interim Order” means the interim order of the Court contemplated by Section 2.2 and made pursuant to Section 192 of the CBCA, in a form acceptable to Gage and TerrAscend, each acting reasonably, providing for, among other things, the calling and holding of the Meeting, as such order may be amended by the Court with the consent of Gage and TerrAscend, each acting reasonably;

“Intermediary” has the meaning ascribed thereto under the heading *“General Proxy Matters – Non-Registered Shareholders”*;

“Key Authorizations” means (i) the approval of the CSE with regard to the Arrangement and the issuance and listing of the Consideration Shares issuable pursuant thereto; and (ii) acceptance of a Subsidiary of TerrAscend as a ‘supplemental applicant’ in respect of any Licensed Operator whose ownership may not be transferred in accordance with the MIPA at the Effective Time;

“Key Employees” means such key Gage employees, consultants or independent contractors specified in the Gage Disclosure Letter;

“Law” or “Laws” means, with respect to any Person, any and all applicable law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, notice, judgment, decree, ruling or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person or its business, undertaking, property or securities, and to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Entity, as amended;

“Licensed Operators” means AEY Capital, together with 3 State Park, AEY Thrive and AEY Holdings;

“Lien” means any mortgage, charge, pledge, hypothecation, security interest, prior claim, encroachments, option, right of first refusal or right of first offer, occupancy right, possessory right, covenant, assignment, lien (statutory, inchoate or otherwise), defect of title, restriction, adverse right or claim, or other third party interest or encumbrance of any kind, in each case, whether contingent or absolute;

“Matching Period” has the meaning ascribed thereto under the heading *“Transaction Agreements – Additional Covenants Regarding Non-solicitation - Right to Match”*;

“Material Adverse Effect” means, in respect of any Party, as applicable, any change, event, occurrence, effect, state of facts or circumstance that, individually or in the aggregate with other such changes, events, occurrences, effects, state of facts or circumstances, is or could reasonably be expected to be material and adverse to the business, operations, results of operations, assets, properties, capitalization, financial condition, liabilities (contingent or otherwise) or cash flows of a Party and its Subsidiaries, and as it relates to Gage and the Gage Business, taken as a whole, except any such change, event, occurrence, effect, or circumstance resulting from:

- a) general conditions in the cannabis industry or markets in which the Party and its Subsidiaries operate;
- b) any change in global, national or regional political conditions (including military action and the outbreak or escalation of war or acts of terrorism) or in general economic, business, regulatory, political or market conditions or in national or global financial, banking or capital markets;
- c) any adoption, proposal, implementation or change in Law or any interpretation of Law by any Governmental Entity;
- d) any change in IFRS or US GAAP, as applicable;
- e) any natural disaster or epidemic, pandemic or disease outbreak (including the COVID-19 virus or public health emergencies as declared by the World Health Organization);
- f) the failure of the Party to meet any internal or published projections, forecasts, guidance or estimates of revenues or earnings or other financial or operating metrics for any period (it being understood that the cause underlying any such failure may be taken into account in determining whether a Material Adverse Effect has occurred, to the extent not other-wise excepted by another clause of this definition);
- g) the announcement or disclosure of the Arrangement Agreement;
- h) any action taken (or omitted to be taken) by the Party that is consented to by the other Party expressly in writing;
- i) any matter which has been disclosed by Gage in the Gage Disclosure Letter;
- j) any action taken (or omitted to be taken) upon the written request of the Party; or

- k) any change in the market price or trading volume of any securities of the Party (it being understood that the causes underlying such change in market price may be taken into account in determining whether a Material Adverse Effect has occurred),

provided, however, that with respect to clauses (a) through to and including (e), such matter does not have a materially disproportionate effect on the Party and its Subsidiaries, taken as a whole, relative to other comparable companies and entities operating in the industry or markets in which the Party and/or its Subsidiaries operate;

“Material Contract” means any Contract: (i) that if terminated or modified or if it ceased to be in effect, would reasonably be expected to have a Material Adverse Effect on Gage; (ii) relating directly or indirectly to the guarantee of any liabilities or obligations or to indebtedness for borrowed money in excess of \$250,000 in respect of Gage; (iii) restricting, or which may in the future restrict, the incurrence of indebtedness by Gage or any of its Subsidiaries (including by requiring the granting of an equal and rateable Lien) or the incurrence of any Liens on any properties or assets of Gage or any of its Subsidiaries, or restricting, or which may in the future restrict, the payment of dividends by Gage, in each case, in any material respect; (iv) relating to the purchase of materials, supplies, equipment or services involving payments, individually or in the aggregate, in excess of \$250,000 annually or \$750,000 over the life of the Contract by Gage or any of its Subsidiaries over the life of such Contract; (v) providing for the establishment, investment in, organization, formation, or governance of any joint venture, limited liability company, strategic alliance, partnership or sharing of profits, revenue or proprietary information or similar arrangement that creates an exclusive dealing arrangement or right of first offer or refusal that materially limits Gage’s business or that of any Subsidiary; (vi) that contains any exclusivity or non-solicitation obligations of Gage or any of its Subsidiaries; (vii) providing for severance or change in control payments in excess of \$100,000; (viii) providing for the purchase, sale or exchange of, or option to purchase, sell or exchange, any property or asset other than inventory in the Ordinary Course where the purchase or sale price or agreed value or fair market value of such property or asset exceeds \$250,000 in respect of Gage; (ix) that limits or restricts in any material respect (A) the ability of Gage or any of its Subsidiaries to engage in any line of business or carry on business in any geographic area, (B) the ability of Gage or any of its Subsidiaries to solicit or hire any Person, or (C) the scope of Persons to whom Gage or any of its Subsidiaries may sell products or deliver services; (x) that gives another Person the right to purchase or license an unlimited quantity or volume of, or enterprise-wide scope of use of, that Gage’s products or services (or licenses to that Gage’s products or services) for a fixed aggregate price at no additional charge, or under which Gage grants most-favoured customer pricing, rights of first refusal or similar rights or terms to any Person; or (xi) that remains in full force and effect and has been filed by Gage with the applicable Securities Authorities as a Material Contract in accordance with applicable Securities Laws. For greater certainty, any Contract between Gage and any of its Subsidiaries and the Licensed Operators shall be a Material Contract;

“Mayde” means Mayde Inc.;

“Mayde Exchangeable Shares” means the means the 6,000 Class B exchangeable shares issued by Spartan Partners Corporation, a Subsidiary of Gage;

“Meeting Materials” has the meaning ascribed thereto under the heading *“General Proxy Matters – Non-Registered Shareholders”*;

“Meeting” means the special meeting of the holders of TerrAscend Shares to be held on November 11, 2021, including any adjournment or postponement of such special meeting in accordance with the terms of the Arrangement Agreement, to be called and held to consider the Resolution;

“MI 61-101” means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*;

“Michigan Regulatory Laws” means the *Michigan Medical Marihuana Facilities Licensing Act* (MMFLA), the *Michigan Regulation and Taxation of Marihuana Act* (MRTMA), the rules and regulations promulgated

by the Michigan Marijuana Regulatory Agency (MRA), and any applicable municipal ordinances adopted pursuant to the MMFLA or MRTMA;

“**MIPA**” meaning ascribed thereto under the heading “*Transaction Agreements – The Membership Interest Purchase Agreement*”;

“**Misrepresentation**” means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made;

“**MRA**” means the Marijuana Regulatory Agency of the State of Michigan;

“**NI 52-110**” means National Instrument 52-110 – *Audit Committees*;

“**Non-Registered TerrAscend Shareholder**” has the meaning ascribed thereto under the heading “General Proxy Matters – *Non-Registered TerrAscend Shareholders*”.

“**Notice of Meeting**” has the meaning ascribed thereto under the heading “*Information Contained in this Circular*”;

“**OBCA**” means the *Business Corporations Act* (Ontario);

“**Odyssey**” means Odyssey Transfer Agent & Trust Company;

“**officer**” has the meaning specified in the *Securities Act* (Ontario);

“**Ordinary Course**” means, with respect to an action taken by a Party or its Subsidiary, that such action is consistent with the past practices of such Party or such Subsidiary and is taken in the ordinary course of the normal day-to-day operations of the business of such Party or such Subsidiary but excludes non-arm’s length transactions;

“**Outside Date**” means six (6) months from the date of the Arrangement Agreement, or such later date as may be agreed to in writing by the Parties;

“**Parties**” means TerrAscend and Gage, and “**Party**” means either of them;

“**Permitted Lien**” means, in respect of Gage or any of its Subsidiaries, any one or more of the following:

- a) Liens for Taxes which are not yet due or delinquent or that are being properly contested in good faith by appropriate proceedings and for which adequate provisions have been made in accordance with IFRS in Gage’s most recent publicly filed financial statements;
- b) Liens of contractors, subcontractors, mechanics, workers, suppliers, materialmen, carriers and others in respect of the construction, maintenance, repair or operation of Gage Business Assets provided that such Liens are related to obligations not past due or delinquent, are not registered against title to any Gage Business Assets and in respect of which adequate holdbacks are being maintained as required by applicable Law;
- c) the right reserved to or vested in any Governmental Entity by any statutory provision or by the terms of any lease, licence, franchise, grant or permit of Gage or any of its Subsidiaries, to terminate any such lease, licence, franchise, grant or permit, or to require annual or other payments as a condition of their continuance;

- d) easements, servitudes, restrictions, restrictive covenants, rights of way, licenses, permits and other similar rights in real or immovable property that in each case do not materially detract from the value or materially interfere with the use of the real or immovable property subject thereto;
- e) zoning and building by-laws and ordinances, regulations made by public authorities that in each case do not materially detract from the value or materially interfere with the use of the real or immovable property subject thereto; and
- f) Liens listed and described in the Gage Disclosure Letter;

“Person” includes any individual, partnership, association, body corporate, organization, trust, estate, trustee, executor, administrator, legal representative, government (including Governmental Entity), syndicate or other entity, whether or not having legal status;

“Plan of Arrangement” means the plan of arrangement, substantially in the form of Appendix “C”, subject to any amendments or variations to such plan made in accordance with Section 8.1 of the Arrangement Agreement or Section 6.1 of the Plan of Arrangement, or made at the direction of the Court in the Final Order with the prior written consent of TerrAscend and Gage, each acting reasonably;

“Preferred Shares” means the preferred shares, issuable in series, of TerrAscend;

“Proportionate Voting Shares” means the proportionate voting shares of TerrAscend;

“RBA” has the meaning ascribed thereto in Appendix “I” under the heading *“US Cannabis Regulatory Regime”*;

“RCC” has the meaning ascribed thereto under the heading *“General Matters – Interests of Informed Persons and Others in Material Transactions”*;

“Record Date” means October 4, 2021;

“Regulatory Licenses” means the specific Authorizations identified by Gage in the Gage Disclosure Letter;

“Replacement Option” means an option or right to purchase or receive TerrAscend Shares, as applicable, granted by TerrAscend in replacement of Gage Options on the basis set forth in the Plan of Arrangement;

“Replacement Warrants” means the warrants providing for the right to purchase TerrAscend Shares issued by TerrAscend in replacement of the Gage Warrants on the basis set forth in the Plan of Arrangement;

“Representatives” means the officers, directors, employees, representatives (including any financial or other adviser) or agents of Gage or any of its Subsidiaries or TerrAscend or any of its Subsidiaries, as applicable;

“Required TerrAscend Shareholder Approval” means, for the Resolution related to the transactions contemplated under the Arrangement Agreement, not less than a simple majority of the votes cast on the Resolution by TerrAscend Shareholders present in person or represented by proxy at the Meeting, excluding any votes attached to TerrAscend Shares in accordance with Part 8 of MI 61-101;

“Resolution” means the resolution of TerrAscend Shareholders approving the issuance by the Corporation of TerrAscend Shares as consideration in connection with the Transaction (as the Transaction may be, or may have been, modified or amended in accordance with its terms), the full text of which is included as Appendix “B”;

“RKD” means RKD Ventures LLC;

“**RRSP**” means a registered retirement savings plan;

“**RSU Plan**” means the restricted share unit plan of TerrAscend dated November 19, 2019;

“**RSUs**” means the outstanding restricted share units of TerrAscend issued pursuant to the TerrAscend RSU Plan;

“**Section 3(a)(10) Exemption**” means the exemption from the registration requirements of the US Securities Act pursuant to Section 3(a)(10) thereof;

“**securities authorities**” means the Ontario Securities Commission, the Securities and Exchange Commission, any US state securities authorities, commissions or regulators, and the applicable securities commission or securities regulatory authority of each of the other provinces and territories of Canada;

“**Securities Laws**” means (a) the Securities Act (Ontario) and any other applicable securities laws, securities commissions or securities regulatory authority of a province or territory of Canada, (b) the US Securities Act and the US Exchange Act, (c) US state securities Laws, in each case, to the extent applicable, and (d) the policies, rules and regulations of the CSE;

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval;

“**Significant Shareholder**” means, collectively, Insight Wellness Fund, LLC, JW Growth Fund, LLC, JW Opportunities Master Fund, Ltd., JW Partners, LP, JW Select Investments, LP, JW Opportunities Master Fund, LLC, JW Partners, LP, and JW Growth Fund, LLC;

“**SPC**” means Spartan Partners Corporation, a Subsidiary of Gage;

“**Stock Option Plan**” means the stock option plan of TerrAscend dated March 8, 2017, as amended on August 6, 2018, January 8, 2019 and April 27, 2020;

“**Subsidiary**” or “**Subsidiaries**” has the meaning specified in National Instrument 45-106 – *Prospectus Exemptions* as in effect on the date of the Arrangement Agreement;

“**Supporting TerrAscend Shareholders**” means the directors and officers of TerrAscend who are entitled to vote at the Meeting and TerrAscend Shareholders, who collectively beneficially own or exercise control or direction over approximately 6.4% of the voting power attaching to the TerrAscend Shares (and approximately 10.5% of the voting power attaching to the TerrAscend Shares which are entitled to vote under the minority approval requirements for a related-party transaction under MI 61-101);

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations thereunder, as amended from time to time;

“**Tax Returns**” means any and all returns, reports, declarations, elections, notices, forms, designations, filings, and statements (including estimated tax returns and reports, withholding tax returns and reports, and information returns and reports) filed or required to be filed in respect of Taxes;

“**Taxes**” means (i) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Governmental Entity, whether computed on a separate, consolidated, unitary, combined or other basis, including those levied on, or measured by, or described with respect to, income, gross receipts, profits, gains, windfalls, capital, capital stock, production, recapture, transfer, land transfer, license, gift, occupation, wealth, environment, net worth, indebtedness, surplus, sales, goods and services, harmonized sales, use, value-added, excise, special assessment, stamp, withholding, business, franchising, real or personal property, health, employee health, payroll, workers’ compensation, employment or unemployment, severance, social services, social security, education, utility, surtaxes, customs, import or export, and including all license and registration

fees and all employment insurance, health insurance and government pension plan premiums or contributions, (ii) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Entity on or in respect of amounts of the type described in clause (i) above or this clause (ii), (iii) any liability for the payment of any amounts of the type described in clauses (i) or (ii) as a result of being a member of an affiliated, consolidated, combined or unitary group for any period and (iv) any liability for the payment of any amounts of the type described in clauses (i) or (ii) as a result of any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any party;

“Termination Fee” means \$30 million;

“TerrAscend Acquisition Proposal” means, other than the transactions contemplated by the Arrangement Agreement, any offer, proposal or inquiry (written or oral) from any Person or group of Persons other than Gage (or any affiliate of Gage), after the date of the Arrangement Agreement relating to:

- (a) any sale or disposition (or any license, lease, long-term supply agreement or other arrangement having the same economic effect as a sale or disposition), direct or indirect, in a single transaction or a series of related transactions, of assets of the TerrAscend or any of its Subsidiaries (including voting, equity or other securities of its Subsidiaries) or alliance, joint venture, partnership or similar transaction representing 20% or more of the consolidated assets or contributing 20% or more of the consolidated revenue of the TerrAscend and its Subsidiaries, or of 20% or more of the voting or equity securities (or rights or interests in such voting or equity securities) of the TerrAscend or any of its Subsidiaries;
- (b) direct or indirect take-over bid, exchange offer, issuance of securities or other transaction that, if consummated, would result in such Person or group of Persons beneficially owning or having the right to acquire 20% or more of any class of voting, equity or other securities of the TerrAscend or any of its Subsidiaries (including securities convertible or exercisable or exchangeable for voting, equity or other securities of the TerrAscend or any of its Subsidiaries) on a fully-diluted basis;
- (c) any plan of arrangement, merger, amalgamation, consolidation, share exchange, debt exchange, business combination, reorganization, joint venture, exclusive license, partnership or similar transaction, recapitalization, liquidation, dissolution or winding up or similar transaction involving the TerrAscend or any of its Subsidiaries; or
- (d) any other similar transaction or series of transactions involving the TerrAscend, any of its Subsidiaries, or any agreements entered into by the TerrAscend or any of its Subsidiaries, the consummation of which would reasonably be expected to impede, interfere with, prevent a delay to the transactions contemplated herein;

“TerrAscend Board Recommendation” means a statement that the Board and/or the special committee of independent members of the Board have received such fairness opinions, and have each unanimously determined (subject to the right of any conflicted directors, if any, to abstain from deciding upon the matter), after receiving advice of outside financial and legal counsel, that the execution, delivery and performance of the Arrangement Agreement is in the best interests of TerrAscend and that the Consideration to be paid to the Gage Shareholders by TerrAscend is fair, from a financial point of view, to TerrAscend and that the TerrAscend Board and the special committee of independent members of the Board each unanimously recommends that the TerrAscend Shareholders vote in favour of the Resolution;

“TerrAscend Canada” means TerrAscend Canada Inc.

“TerrAscend Change in Recommendation” means when the Board or any committee of the Board (i) fails to unanimously recommend or withdraws, amends, modifies or qualifies, or publicly proposes or states an intention to withdraw, amend, modify or qualify, the TerrAscend Board Recommendation; (ii) accepts, approves, endorses or recommends, or publicly proposes to accept, approve, endorse or recommend or

takes no position or a neutral position, in each case with respect to a publicly announced, or otherwise publicly disclosed, TerrAscend Acquisition Proposal that constitutes or would reasonably be expected to constitute or lead to a TerrAscend Superior Proposal; or (iii) fails to publicly reaffirm the Board Recommendation (without qualification) within five (5) Business Days after having been requested in writing by Gage to do so;

“TerrAscend Disclosure Letter” means the disclosure letter dated the date of the Arrangement Agreement and delivered by TerrAscend to Gage in connection with the Arrangement Agreement;

“TerrAscend Filings” means all documents of TerrAscend publicly filed under the profile of TerrAscend on SEDAR;

“TerrAscend Securities” means TerrAscend Shares, Preferred Shares, stock options to acquire TerrAscend Shares pursuant to the Stock Option Plan, outstanding warrants of TerrAscend to purchase TerrAscend Shares, RSUs listed on Schedule A to the TerrAscend Voting Support Agreements and any securities of TerrAscend acquired by the applicable Supporting TerrAscend Shareholder or any of its affiliates subsequent to the date of the TerrAscend Voting Support Agreements, and includes all securities which such TerrAscend Securities may be converted into, exchanged for or otherwise changed into;

“TerrAscend Shareholders” means holders of common shares in the capital of TerrAscend Corp.;

“TerrAscend Shares” means the common shares of TerrAscend;

“TerrAscend Special Committee” means the special committee of the board of directors of TerrAscend;

“TerrAscend Superior Proposal” means any unsolicited bona fide written TerrAscend Acquisition Proposal from a Person who is an arm’s length third party made after the date of the Arrangement Agreement: (i) to acquire all of the outstanding TerrAscend Shares not beneficially owned by such arm’s length third party or all or substantially all of the assets of TerrAscend on a consolidated basis; (ii) that complies with Securities Laws in all material respects; (iii) that the Board determines, in its good faith judgment after receiving the advice of its outside legal counsel and financial advisors, is reasonably capable of being completed without undue delay, taking into account all financial, legal, regulatory and other aspects of such proposal (including any required shareholder approvals and any minimum tender requirements) and the Person making such proposal; (iv) that is not subject to a financing condition and, in respect of which it has been demonstrated to the satisfaction of the Board, in its good faith judgment, after receiving the advice of its outside legal counsel and financial advisors, that adequate arrangements have been made in respect of any financing, including any costs or expenses related thereto, required to complete such TerrAscend Acquisition Proposal; (v) that is not subject to any due diligence or access condition; (vi) that requires the termination of the Arrangement Agreement in accordance with its term; (vii) in the event that TerrAscend does not have the financial resources to pay the Termination Fee, the terms of such TerrAscend Acquisition Proposal provide that the Person making such TerrAscend Superior Proposal shall advance or otherwise provide TerrAscend the cash required for TerrAscend to pay the Termination Fee and such amount shall be advanced or provided on or before the date such Termination Fee becomes payable; and (viii) that the Board determines, in its good faith judgment, after receiving the advice of its outside legal and financial advisors and after taking into account all the terms and conditions of the TerrAscend Acquisition Proposal, including all legal, financial, regulatory and other aspects of such TerrAscend Acquisition Proposal and the party making such TerrAscend Acquisition Proposal, would, if consummated in accordance with its terms, but without assuming away the risk of non-completion, result in a transaction which is more favourable, from a financial point of view, to the TerrAscend Shareholders than the Arrangement;

“TerrAscend Voting Support Agreements” means each of the voting support agreements between Gage and each of the Supporting TerrAscend Shareholders;

“Third Party Proxyholder” means a person whom a TerrAscend Shareholder wishes to appoint, other than the management nominee, in the form of proxy or Voting Instruction Form as proxyholder;

“Thrive Enterprises” means Thrive Enterprises, LLC;

“Transfer” has the meaning ascribed thereto under the heading *“Transaction Agreements – The Gage Voting Support and Lock-Up Agreements”*;

“US GAAP” means the accounting principles generally accepted in the United States;

“US Securities Act” means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder;

“US Tax Code” means the United States Internal Revenue Code of 1986, as amended;

“US Treasury Regulations” means the treasury regulations promulgated under the US Tax Code;

“United States” or **“US”** means the United States of America, its territories and possessions, any State of the United States and the District of Columbia;

“Units” has the meaning ascribed thereto under the heading *“General Matters – Interests of Informed Persons and Others in Material Transactions”*;

“USDA” means the United States Department of Agriculture;

“Voting Instruction Form” has the meaning ascribed thereto under the heading *“General Proxy Matters – Non-Registered TerrAscend Shareholders”*;

“WDB” means WDB Holdings PA, Inc., a Delaware corporation and wholly-owned Subsidiary of TerrAscend.

APPENDIX B

RESOLUTION

BE IT RESOLVED THAT:

1. TerrAscend Corp. (the “**Corporation**”) is hereby authorized to issue such number of common shares in the capital of the Corporation (the “**Common Shares**”) as is necessary to allow the Corporation to acquire 100% of the issued and outstanding subordinate voting shares of Gage Growth Corp. (“**Gage**”) pursuant to a plan of arrangement, including the issuance of such number of Common Shares to be reserved for issuance upon (i) the exchange of Gage exchangeable units currently held by Mike Hermiz that will remain outstanding post-closing, and (ii) the exchange of all outstanding options and warrants of Gage that will be exchanged for replacement options and warrants of the Corporation at closing (collectively, the “**Transaction**”, as the Transaction may be, or may have been, modified or amended in accordance with its terms), in accordance with the terms of the arrangement agreement entered into between the Corporation and Gage, as more particularly described in the management information circular of the Corporation dated October 4, 2021;
2. Notwithstanding that this resolution has been duly passed by the holders of the common shares of the Corporation, the directors of the Corporation are hereby authorized and empowered, if they decide not to proceed with the aforementioned resolution, to revoke this resolution at any time prior to the closing date of the Transaction, without further notice to or approval of the shareholders of the Corporation; and
3. Any one or more directors or officers of the Corporation is hereby authorized, for and on behalf and in the name of the Corporation, to execute and deliver all such agreements, forms, waivers, notices, certificates, confirmations and other documents and instruments, and to do or cause to be done all such other acts and things, as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

APPENDIX C
PLAN OF ARRANGEMENT

PLAN OF ARRANGEMENT
UNDER SECTION 192
OF THE CANADA BUSINESS CORPORATIONS ACT

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

- 1.1.1 In this Plan of Arrangement, any capitalized term used herein and not defined in this Section 1.1.1 will have the meaning ascribed thereto in the Arrangement Agreement. Unless the context otherwise requires, the following words and phrases used in this Plan of Arrangement will have the meanings hereinafter set out:

“**Affected Person**” has the meaning ascribed thereto in Section 7.1.1.

“**Arrangement**” means an arrangement under Section 192 of the CBCA, on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations to this Plan of Arrangement made in accordance with the terms of the Arrangement Agreement or the provisions of this Plan of Arrangement or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably.

“**Arrangement Agreement**” means the arrangement agreement dated as of August 31, 2021 between the Purchaser and the Company, together with the Schedules attached thereto and the Company Disclosure Letter and the Purchaser Disclosure Letter, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof.

“**Arrangement Resolution**” means the special resolution of the Company Shareholders approving this Plan of Arrangement to be considered at the Company Meeting.

“**Articles of Arrangement**” means the articles of arrangement of the Company in respect of the Arrangement that are required by the CBCA to be sent to the Director after the Final Order is made, which shall include this Plan of Arrangement and otherwise be in a form and content satisfactory to the Company and the Purchaser, each acting reasonably.

“**Broker**” has the meaning ascribed thereto in Section 7.1.2(a).

“**Business Day**” means any day of the year, other than a Saturday, Sunday or any day on which major banks are closed for business in Toronto, Ontario.

“**CBCA**” means the *Canada Business Corporations Act* and the regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time.

“**Certificate of Arrangement**” means the certificate of arrangement giving effect to the Arrangement, issued pursuant to subsection 192(7) of the CBCA after the Articles of Arrangement have been filed.

“**Company**” means Gage Growth Corp., a company existing under the laws of Canada.

“Company Circular” means the notice of the Company Meeting and accompanying management information circular, including all schedules, appendices and exhibits to, and information incorporated by reference in, such management information circular, to be sent to the Company Shareholders in connection with the Company Meeting, as amended, supplemented or otherwise modified from time to time in accordance with the terms of the Arrangement Agreement.

“Company Meeting” means the special meeting of Company Shareholders, including any adjournment or postponement of such special meeting in accordance with the terms of the Arrangement Agreement, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution and for any other purpose as may be set out in the Company Circular and agreed to in writing by the Purchaser, acting reasonably.

“Company Proportionate Voting Shares” means the shares in the capital of the Company designated as proportionate voting shares, each entitling the holder thereof to fifty (50) votes per share at shareholder meetings of the Company, and which are convertible, at any time at the option of the holder, into Company Subordinate Voting Shares at a ratio of fifty (50) Company Subordinate Voting Shares for each Company Proportionate Voting Share.

“Company RSU Plan” means the restricted share unit plan approved by the Company Board on January 26, 2021.

“Company RSUs” means the outstanding restricted share units of the Company issued pursuant to the Company RSU Plan.

“Company Shareholders” means the registered or beneficial holders of Company Shares, as the context requires.

“Company Shares” means a share in the capital of the Company, and includes the Company Subordinate Voting Shares, the Company Super Voting Shares and the Company Proportionate Voting Shares.

“Company Stock Option Plan” means the amended and restated stock option plan approved by the Company Board on June 3, 2019.

“Company Stock Options” means stock options to purchase Company Subordinate Voting Shares issued pursuant to the Company Stock Option Plan.

“Company Subordinate Voting Shares” means the shares in the capital of the Company designated as subordinate voting shares, each entitling the holder thereof to one vote per share at shareholder meetings of the Company.

“Company Super Voting Shares” means the shares in the capital of the Company designated as super voting shares, each entitling the holder thereof to fifty (50) votes per share at shareholder meetings of the Company.

“Company Warrants” means the outstanding warrants of the Company to purchase Company Subordinate Voting Shares.

“Consideration” means the consideration to be received by non-Dissenting Shareholders pursuant to this Plan of Arrangement as consideration for their Company Shares, consisting of .3001 of a Purchaser Share for each Company Subordinate Voting Share, subject to adjustment in the manner

and in the circumstances contemplated in Section 2.10 of the Arrangement Agreement, on the basis set out in this Plan of Arrangement.

“Court” means the Ontario Superior Court of Justice (commercial list) in the city of Toronto.

“Depository” means such Person as the Company may appoint to act as depository for Company Shares in relation to the Arrangement, with the approval of the Purchaser, acting reasonably.

“Director” means the Director appointed pursuant to section 260 of the CBCA.

“Dissent Procedures” has the meaning ascribed thereto in Section 4.1.1.

“Dissent Rights” means the rights of dissent of the registered Company Shareholders in respect of the Arrangement Resolution as described in Section 4.1.1 hereto.

“Dissenting Shareholder” means a registered Company Shareholder who has validly exercised a Dissent Right and who is ultimately entitled to be paid the fair value of the Company Shares held by such registered Company Shareholder, but such Company Shareholder will only be a Dissenting Shareholder in respect of the Company Shares in respect of which Dissent Rights are validly exercised by such holder in strict compliance with the terms of the Dissent Rights.

“Dissenting Shares” has the meaning ascribed thereto in Section 4.1.2.

“Effective Date” means the date upon which the Arrangement becomes effective as shown on the Certificate of Arrangement.

“Effective Time” means 12:01 a.m. (Toronto Time) on the Effective Date, or such other time as the Parties agree to in writing before the Effective Date.

“Exchange Ratio” means .3001 of a Purchaser Share to be issued by the Purchaser for each one Company Subordinate Voting Share exchanged pursuant to the Arrangement.

“Final Order” means the final order of the Court in a form acceptable to the Company and the Purchaser, each acting reasonably, approving the Arrangement, as such order may be amended by the Court (with the consent of both the Company and the Purchaser, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to both the Company and the Purchaser, each acting reasonably) on appeal.

“Governmental Entity” means (i) any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, commissioner, board, bureau, ministry, agency or instrumentality, domestic or foreign, including the U.S. Internal Revenue Service and the Canada Revenue Agency, (ii) any subdivision or authority of any of the above, (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing or (iv) any stock exchange, including the CSE.

“Hermiz Exchangeable Units” means the 900,000 exchangeable units issued by Spartan Partners Holding, LLC, an indirect subsidiary of the Company, which are exchangeable for either 45,000,000 Company Subordinate Voting Shares or 900,000 Company Proportionate Voting Shares in accordance with their terms.

“Interim Order” means the interim order of the Court in a form acceptable to the Company and the Purchaser, each acting reasonably, providing for, among other things, the calling and holding of the Company Meeting, as such order may be amended by the Court with the consent of the Company and the Purchaser, each acting reasonably.

“Law” means, with respect to any Person, any and all applicable law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, notice, judgment, decree, ruling or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person or its business, undertaking, property or securities, and to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Entity, as amended.

“Letter of Transmittal” means the letter of transmittal to be delivered by the Company to the Company Shareholders for use in connection with the Arrangement.

“Lien” means any mortgage, charge, pledge, hypothec, security interest, prior claim, encroachments, option, right of first refusal or first offer, occupancy right, covenant, assignment, lien (statutory, inchoate or otherwise), defect of title, or restriction or adverse right or claim, or other third party interest or encumbrance of any kind, in each case, whether contingent or absolute.

“Mayde” means Mayde Inc.

“Mayde Exchangeable Shares” means the 6,000 Class B exchangeable shares issued by Spartan Partners Corporation, a subsidiary of the Company.

“Merger” has the meaning specified in Section 3.1.1(f).

“Mergerco” has the meaning ascribed thereto in Section 3.1.1(f);

“Parties” means the Company and the Purchaser, and **“Party”** means either of them.

“Person” includes any individual, partnership, association, body corporate, organization, trust, estate, trustee, executor, administrator, legal representative, government (including Governmental Entity), syndicate or other entity, whether or not having legal status.

“Plan of Arrangement” means this plan of arrangement, subject to any amendments or variations hereto made in accordance with Section 8.1 of the Arrangement Agreement or Section 6.1 hereto, or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably.

“Purchaser” means TerrAscend Corp., a corporation existing under the laws of the Province of Ontario.

“Purchaser Shares” means the common shares in the authorized share capital of the Purchaser.

“Purchaser Subco” means 13283941 Canada Inc., a corporation continued under the CBCA and a wholly-owned subsidiary of the Purchaser.

“Replacement Option” means an option or right to purchase or receive Purchaser Shares, as applicable, granted by the Purchaser in replacement of Company Stock Options on the basis set forth in Section 3.1.1(i).

“Replacement Warrant” means the warrants providing for the right to purchase Purchaser Shares issued by the Purchaser in replacement of the Company Warrants on the basis set forth in Section 3.1.1(j).

“Section 3(a)(10) Exemption” means the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof.

“Tax Act” means the *Income Tax Act* (Canada) and the regulations promulgated thereunder, each as amended.

“U.S. Securities Act” means the United States *Securities Act of 1933*, as amended, and the rules and regulations promulgated thereunder.

“U.S. Tax Code” means the United States Internal Revenue Code of 1986, as amended.

“Withholding Obligation” has the meaning ascribed thereto in Section 7.1.1.

1.2 Interpretation Not Affected by Headings

The headings contained in this Plan of Arrangement are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Plan of Arrangement. The terms “this Plan of Arrangement”, “hereof”, “herein”, “hereto”, “hereunder” and similar expressions refer to this Plan of Arrangement and not to any particular Article, Section or Subsection hereof and include any agreement or instrument supplementary or ancillary hereto.

1.3 Date for any Action

If the date on which any action is required to be taken hereunder is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.4 Number and Gender

In this Plan of Arrangement, unless the context otherwise requires, words importing the singular include the plural and vice versa, and words importing gender include all genders and neuter.

1.5 References to Persons and Statutes

A reference to a Person includes any successor to that Person. Any reference to a statute or to a rule of a self-regulatory organization, including any stock exchange, refers to such statute or rule, and all rules and regulations, administrative policy statements, instruments, blanket orders, notices, directions and rulings issued or adopted under it, as it or they may have been or may from time to time be amended or re-enacted, unless stated otherwise.

1.6 Currency

Unless otherwise stated in this Plan of Arrangement, all references herein to amounts of money are expressed in lawful money of Canada.

1.7 Computation of Time

A period of time is to be computed as beginning on the day following the event that began the period and ending at 4:30 p.m. on the last day of the period, if the last day of the period is a Business Day, or at 4:30 p.m. on the next Business Day if the last day of the period is not a Business Day.

1.8 Time References

Time shall be of the essence in every matter or action contemplated hereunder. References to time are to Toronto time.

1.9 Including

The word “including” means “including, without limiting the generality of the foregoing”.

ARTICLE 2 ARRANGEMENT AGREEMENT; EFFECTIVENESS

2.1 Effectiveness

2.1.1 This Plan of Arrangement is made pursuant to and subject to the provisions of the Arrangement Agreement and constitutes an arrangement as referred to in Section 192 of the CBCA.

2.1.2 This Plan of Arrangement will become effective as at the Effective Time and will be binding (without any further authorization, act or formality on the part of the Court, the Director, or any other Person) from and after the Effective Time on:

- (a) the Company,
- (b) the Purchaser,
- (c) all Company Shareholders,
- (d) Mergerco,
- (e) Purchaser Subco,
- (f) Spartan Partners Corporation,
- (g) Spartan Partners Holdings, LLC,
- (h) holders of Company RSUs, Company Warrants, Company Stock Options, Hermiz Exchangeable Units, or Mayde Exchangeable Shares, and
- (i) the Depositary.

ARTICLE 3

THE ARRANGEMENT

3.1 Arrangement

3.1.1 At the Effective Time each of the following events shall occur and shall be deemed to occur sequentially as set out below without any further authorization, act or formality, in each case, unless stated otherwise, effective as at one minute intervals starting at the Effective Time:

- (a) each Company RSU, whether vested or unvested, shall be deemed to be vested to the fullest extent, and such Company RSU shall be, and shall be deemed to be, surrendered to the Company by the holder of Company RSUs at a ratio of one RSU for one Company Subordinate Voting Share, less any amounts required to be withheld pursuant to Article 7 and the Company Subordinate Voting Shares issuable in connection therewith shall be deemed to be issued to such holder of Company RSUs as fully paid and non-assessable shares in the capital of the Company, provided that no share certificates shall be issued with respect to such shares;
- (b) each Company Share outstanding immediately prior to the Effective Time held by a Company Shareholder in respect of which Dissent Rights have been validly exercised will be deemed to have been transferred without any further act or formality to the Purchaser by the holder thereof for cancellation, free and clear of any Liens, and such Company Shareholder will cease to be the registered holder of such Dissenting Shares and will cease to have any rights as a registered holder of such Company Shares other than the right to be paid fair value for such Dissenting Shares as set out in Section 4.1.2, and such Company Shareholder's name will be removed as the registered holder of such Dissenting Shares from the register of holders of Company Shares maintained by or on behalf of the Company, and the Dissenting Shares shall be cancelled;
- (c) each Mayde Exchangeable Share outstanding immediately prior to the Effective Time shall be transferred without any further act or formality to the Purchaser in exchange for 1,500.5 Purchaser Shares, and upon such transfer:
 - (i) the holder of the Mayde Exchangeable Shares will cease to be the registered holder of such Mayde Exchangeable Shares on the register of Spartan Partners Corporation and will cease to have any rights as a holder of such Mayde Exchangeable Shares;
 - (ii) such holder of the Mayde Exchangeable Shares shall be entered into the securities register of the Purchaser as the holder of such Purchaser Shares;
- (d) concurrently with the transfer of Mayde Exchangeable Shares pursuant to Section 3.1.1(c), there shall be added to the stated capital of the Purchaser Shares, an amount equal to the cost (within the meaning of the Tax Act, including, if applicable, as determined under Section 85 of the Tax Act) of the Mayde Exchangeable Shares acquired by the Purchaser pursuant to Section 3.1.1(c);
- (e) each Company Super Voting Share outstanding immediately prior to the Effective Time shall be transferred for no payment, and without any further act or formality, to the

Purchaser, and the holder of such transferred Company Super Voting Share shall be removed from the Company's securities register for the Company Super Voting Shares;

- (f) concurrently with the transfer of Company Super Voting Shares pursuant to Section 3.1.1(e), the stated capital of the Company Super Voting Shares shall be reduced to nil, and there shall be added to the stated capital of the Company Subordinate Voting Shares, an amount equal to the paid-up capital (within the meaning of the Tax Act) of the Company Super Voting Shares immediately prior to the Effective Time;
- (g) immediately following the preceding steps, Purchaser Subco shall amalgamate and merge with and into the Company (the "**Merger**") under Section 181 of the CBCA and be one corporate entity ("**Mergerco**") and upon the Merger being effective:
 - (i) Survival. The legal existence of the Company shall not cease and the Company shall survive the Merger as Mergerco.
 - (ii) Name. The name of Mergerco shall be "Gage Growth Corp.", being the name of the Company.
 - (iii) Registered Office. The registered office of Mergerco shall continue to be the registered office of the Company.
 - (iv) Authorized Shares. The classes and maximum number of shares that Mergerco is authorized to issue shall be the same as the Company was authorized to issue immediately prior to the Merger.
 - (v) Restrictions on Share Transfer. The restrictions on share transfer shall be the same as the restrictions applicable to the transfer of shares of the Company contained in the Articles of the Company immediately prior to the Merger, if any.
 - (vi) Number of Directors. The minimum and maximum number of directors of Mergerco shall be the same minimum and maximum number of directors of the Company immediately prior to the Merger.
 - (vii) Restrictions on Business. The restrictions on business of Mergerco shall be the same as the restrictions on business of the Company contained in the Articles of the Company immediately prior to the Merger, if any.
 - (viii) Directors. The directors of Mergerco immediately after the Merger shall be Lisa Swartzman and Keith Stauffer.
 - (ix) Shares. The Purchaser shall receive on the Merger and amalgamation one Mergerco subordinate voting share in exchange for each Purchaser Subco common share previously held and each Company Share (other than Dissenting Shares held by Dissenting Shareholders who are ultimately determined to be entitled to be paid fair value for their Dissenting Shares in accordance with Article 4) shall entitle the holder thereof to the Consideration.

- (x) Stated Capital. The stated capital account maintained for the subordinate voting shares of Mergerco will be equal to the aggregate of the paid-up capital, for purposes of the Tax Act, of the Purchaser Subco shares held by the Purchaser and the Company Shares, immediately prior to the Merger.
- (xi) By-laws. The by-laws of Mergerco shall be the by-laws of the Company.
- (xii) Effect of the Merger. The provisions of subsection 186(a) to (g) of the CBCA shall apply to the Merger with the result that:
 - i) the amalgamation of the amalgamating corporations and their continuance as one corporation becomes effective;
 - ii) the property of each amalgamating corporation continues to be the property of Mergerco;
 - iii) Mergerco continues to be liable for the obligations of each amalgamating corporation;
 - iv) the separate legal existence of Purchaser Subco shall cease without Purchaser Subco being liquidated or wound up, and the property, rights and interests of Purchaser Subco shall become the property, rights and interests and obligations of Mergerco;
 - v) an existing cause of action, claim or liability to prosecution is unaffected;
 - vi) a civil, criminal or administrative action or proceeding pending by or against an amalgamating corporation may be continued to be prosecuted by or against the amalgamated corporation;
 - vii) a conviction against, or ruling, order or judgment in favour of or against, an amalgamating corporation may be enforced by or against the amalgamated corporation; and
 - viii) the Articles of Arrangement are deemed to be the articles of incorporation of the amalgamated corporation and the Certificate of Arrangement is deemed to be the certificate of incorporation of the amalgamated corporation; and

(h) for greater certainty:

- (i) immediately following the Merger, Purchaser Subco and the Company shall be one corporation;
- (ii) the properties, rights, interests and obligations of the Company shall continue to be the properties, rights, interests and obligations of

Mergerco, and the Merger shall not constitute an assignment by operation of law, a transfer or any other disposition of the property, rights, interests and obligations of the Company to Mergerco;

- (iii) the legal existence of the Company shall not cease and the Company shall survive the Merger as Mergerco, notwithstanding the issue by the Director of a Certificate of Arrangement and the assignment of a new incorporation number to Mergerco; and
 - (iv) following the Merger, Mergerco shall make an election to cease to be a “public corporation” under paragraph (c) of the definition of “public corporation” contained in subsection 89(1) of Tax Act.
- (i) each Company Stock Option outstanding at the Effective Time (whether vested or unvested) will be exchanged for a Replacement Option to acquire such number of Purchaser Shares as is equal to: (A) that number of Company Subordinate Voting Shares that were issuable upon exercise of such Company Stock Option immediately prior to the Effective Time, multiplied by (B) the Exchange Ratio, rounded down to the nearest whole number of Purchaser Shares, at an exercise price per Purchaser Share equal to the greater of (i) the quotient determined by dividing: (X) the exercise price per Company Subordinate Voting Share at which such Company Stock Option was exercisable immediately prior to the Effective Time, by (Y) the Exchange Ratio, rounded up to the nearest whole cent, and (ii) such minimum amount that meets the requirements of paragraph 7(1.4)(c) of the Tax Act. All terms and conditions of a Replacement Option, including the term to expiry, vesting, conditions to and manner of exercising, shall be the same as the Company Stock Option for which it was exchanged, and any certificate or option agreement previously evidencing the Company Stock Option shall thereafter evidence and be deemed to evidence such Replacement Option;
- (j) each Company Warrant outstanding at the Effective Time will be exchanged for a Replacement Warrant evidencing a right to purchase such number of Purchaser Shares as is equal to: (A) that number of Company Subordinate Voting Shares that were issuable upon exercise of such Company Warrant immediately prior to the Effective Time, multiplied by (B) the Exchange Ratio, rounded down to the nearest whole number of Purchaser Shares, at an exercise price per Purchaser Share equal to the greater of (i) the quotient determined by dividing: (X) the exercise price per Company Subordinate Voting Share at which such Company Warrant was exercisable immediately prior to the Effective Time, by (Y) the Exchange Ratio, rounded up to the nearest whole cent, and (ii) such minimum amount that meets the requirements of paragraph 7(1.4)(c) of the Tax Act. All terms and conditions of a Replacement Warrant, including the term to expiry, conditions to and manner of exercising, shall be the same as set out in the warrant certificate for which it was exchanged, and the warrant certificate previously evidencing the Company Warrant shall thereafter evidence and be deemed to evidence such Replacement Warrant. Notwithstanding anything to the contrary contained herein, the assumption of warrants provided for in this Section 3.1(m) will be performed in a manner that complies with Sections 424(a) and 409A U.S. Tax Code (and the regulations promulgated thereunder);

3.1.2 The Consideration and the Exchange Ratio shall be adjusted to reflect fully the effect of any stock split, reverse split, stock dividend (including any dividend or distribution of securities convertible into Purchaser Shares or Company Shares, other than stock dividends paid in lieu of ordinary course dividends), consolidation, reorganization, recapitalization or other like change with respect to

Purchaser Shares or the Company Shares occurring after the date of the Arrangement Agreement and prior to the Effective Time.

3.2 U.S. Securities Laws

- 3.2.1 Notwithstanding any provision herein to the contrary, the Purchaser and the Company agree that the Plan of Arrangement will be carried out with the intention that all Consideration to be issued in connection with the Arrangement shall be exempt from registration requirements of the U.S. Securities Act pursuant to the Section 3(a)(10) Exemption thereunder, and may be subject to restrictions on resale under the applicable securities laws of the United States, including Rule 144 under the U.S. Securities Act with respect to affiliates of the Company and the Purchaser.

3.3 U.S. Tax Treatment

- 3.3.1 The Company and Purchaser intend that for U.S. federal income tax purposes (and applicable state and local Tax purposes), (i) the Merger, together with the transactions described in Section 3.1.1, will qualify as a reorganization within the meaning of Sections 368(a)(1)(A) and 368(a)(2)(E) of the U.S. Tax Code and (ii) the Company will be considered to be the survivor of the Merger and Purchaser Subco will be considered to have ceased to exist as a result of the Merger.

ARTICLE 4 RIGHTS OF DISSENT

4.1 Dissent Rights

- 4.1.1 Registered holders of Company Shares may exercise rights of dissent (the “**Dissent Rights**”) in connection with the Arrangement pursuant to the Interim Order and in the manner set forth in Sections 190 of the CBCA, as modified by the Interim Order, the Final Order and this Section 4.1 (collectively, the “**Dissent Procedures**”), provided that the written notice setting forth the objection of such registered Company Shareholder to the Arrangement contemplated by Section 190(5) of the CBCA must be received by the Company not later than 5:00 p.m. (Toronto time) on the Business Day that is two (2) Business Days before the Company Meeting.
- 4.1.2 Company Shareholders who duly and validly exercise Dissent Rights with respect to their Company Shares (“**Dissenting Shares**”) and who:
- (a) are ultimately determined to be entitled to be paid fair value for their Dissenting Shares shall be entitled to be paid the fair value by the Purchaser for the Dissenting Shares and will be deemed to have irrevocably transferred such Dissenting Shares to the Company (free and clear of all Liens) pursuant to Section 3.1.1(a); or
 - (b) for any reason, are ultimately not entitled to be paid fair value for their Dissenting Shares, will be deemed to have participated in the Arrangement on the same basis as a non-dissenting Company Shareholder and will receive Purchaser Shares on the same basis as every other non-dissenting Company Shareholder,

but in no case will the Company or the Purchaser be required to recognize such Persons as holding Company Shares on or after the Effective Date. For greater certainty, in no case shall the Company, the Purchaser or any other Person be required to recognize Dissenting Shareholders as Company Shareholders after the Effective Time, and the names of such Dissenting Shareholders shall be deleted from the central securities register of holders of Company Shares as of the Effective Time.

4.1.3 In addition to any other restrictions set forth in the CBCA, none of the following shall be entitled to exercise Dissent Rights:

- (a) Company Shareholders who vote, or who have instructed a proxyholder to vote, in favour of the Arrangement Resolution; and
- (b) holders of Company RSUs, Company Warrants, Company Stock Options, Hermiz Exchangeable Units and Mayde Exchangeable Shares.

ARTICLE 5

DELIVERY OF CONSIDERATION

5.1 Delivery of Consideration

5.1.1 Following receipt of the Final Order and prior to the Effective Date in accordance with the terms of the Arrangement Agreement, the Purchaser shall deposit with the Depositary such number of Purchaser Shares as is necessary in order to effect the exchange or settlement under Section 3.1 of this Plan of Arrangement. In addition, the Purchaser will (i) on the Effective Date, issue to the holders of Company Options and Company Warrants certificates representing the Replacement Options and Replacement Warrants required to be issued pursuant to Section 3.1 and reflect such holders as the registered holders of Replacement Options and/or Replacement Warrants, as applicable, on the registers of options and warrants maintained by the Purchaser, and (ii) deliver (or caused to be delivered) such certificates to the holders of the Company Options and Company Warrants as soon as reasonably practicable thereafter (and in any event not later than five Business Days following the Effective Date).

5.1.2 Subject to surrender to the Depositary of a certificate which immediately prior to the Effective Time represented outstanding Company Shares, together with a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depositary may reasonably require, following the Effective Time the holder of such surrendered certificate shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such holder, the Purchaser Shares which such holder has the right to receive under Section 3.1 of this Plan of Arrangement, less any amounts withheld pursuant to Section 7.1 and any certificate so surrendered shall forthwith be cancelled.

5.1.3 Until surrendered as contemplated by this Section 5.1, each certificate that immediately prior to the Effective Time represented Company Shares shall be deemed after the Effective Time to represent only the right to receive, upon such surrender, the Purchaser Shares to which the holder thereof is entitled in lieu of such certificate as contemplated by Section 3.1 and this Section 5.1, less any amounts withheld pursuant to Section 7.1. Any such certificate formerly representing Company Shares not duly surrendered on or before the sixth anniversary of the Effective Date shall:

- (a) cease to represent a claim by, or interest of, any former holder of Company Shares of any kind or nature against or in the Company or the Purchaser (or any successor to any of the foregoing); and
- (b) be deemed to have been surrendered to the Purchaser and shall be cancelled.

5.1.4 No Company Shareholder or holder of Company RSUs, Company Warrants, Company Stock Options, or Mayde Exchangeable Shares shall be entitled to receive any consideration with respect to such Company Shares, Company RSUs, Company Warrants, Company Stock Options, or Mayde

Exchangeable Shares other than the consideration to which such holder is entitled in accordance with Section 3.1 and, for greater certainty, no such holder will be entitled to receive any interest, dividends, premium or other payment in connection therewith.

5.2 Distributions with Respect to Unsurrendered Certificates

No dividend or other distribution declared or paid after the Effective Time with respect to Purchaser Shares shall be delivered to the holder of any certificate formerly representing Company Shares unless and until the holder of such certificate shall have complied with the provisions of Section 5.1. Subject to applicable Law, at the time of such compliance, there shall, in addition to the delivery of a certificate representing the Purchaser Shares to which such holder is thereby entitled, be delivered to such holder, without interest, the amount of the dividend or other distribution with a record date after the Effective Time theretofore paid with respect to such Purchaser Shares.

5.3 No Fractional Shares

No fractional Purchaser Shares shall be issued to any Person pursuant to this Plan of Arrangement. The number of Purchaser Shares, to be issued to any Person pursuant to this Plan of Arrangement shall, without additional compensation, be rounded down to the nearest whole Purchaser Share.

5.4 Lost Certificates

5.4.1 In the event any certificate, which immediately before the Effective Time represented one or more outstanding Company Shares that was exchanged pursuant to this Plan of Arrangement, is lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed, the Depositary will issue in exchange for such lost, stolen or destroyed certificate, the Consideration to which such Person is entitled in respect of the Company Shares represented by such lost, stolen, or destroyed certificate pursuant to this Plan of Arrangement deliverable in accordance with such Person's Letter of Transmittal.

5.4.2 When authorizing such delivery of Purchaser Shares that such holder is entitled to receive in exchange for any lost, stolen or destroyed certificate, the Person to whom such Purchaser Shares are to be delivered shall, as a condition precedent to the delivery of such Purchaser Shares, give a bond satisfactory to the Purchaser and the Depositary in such sum as the Purchaser and the Depositary may direct and indemnify the Purchaser and the Depositary in a manner satisfactory to the Purchaser and the Depositary, against any claim that may be made against the Purchaser or the Depositary with respect to the certificate alleged to have been lost, stolen or destroyed.

5.5 Calculations

All calculations and determinations made by the Purchaser, the Company or the Depositary, as applicable, for the purposes of this Plan of Arrangement shall be conclusive, final and binding.

ARTICLE 6 AMENDMENT

6.1 Amendments to Plan of Arrangement

6.1.1 The Company and the Purchaser may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification and/or supplement must (i) be set out in writing, (ii) be approved by the Purchaser

and the Company in writing (subject to the Arrangement Agreement), each acting reasonably, (iii) be filed with the Court and, if made following the Company Meeting, approved by the Court, and (iv) communicated to Company Shareholders if and as required by the Court.

- 6.1.2 Any amendment, modification or supplement to this Plan of Arrangement may be proposed by the Company or the Purchaser at any time prior to the Company Meeting (provided that the Purchaser or the Company (subject to the Arrangement Agreement), as applicable, shall have consented thereto) with or without any other prior notice or communication, and if so proposed and accepted by the Persons voting at the Company Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.
- 6.1.3 Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Company Meeting shall be effective only if (i) it is consented to in writing by each of the Company and the Purchaser (in each case, acting reasonably), and (ii) if required by the Court, it is consented to by some or all of the Company Shareholders voting in the manner directed by the Court.
- 6.1.4 Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by the Purchaser, provided that it concerns a matter which, in the reasonable opinion of the Purchaser, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the economic interest of any former Company Shareholder.
- 6.1.5 This Plan of Arrangement may be withdrawn prior to the Effective Time in accordance with the terms of the Arrangement Agreement.

ARTICLE 7 WITHHOLDING TAX

7.1 Withholding Tax

- 7.1.1 The Purchaser, the Company and the Depositary, as the case may be, shall be entitled to deduct or withhold from any amounts contemplated to be payable to any Person under this Plan of Arrangement (an “**Affected Person**”) such amounts as are required, entitled or permitted to be deducted or withheld with respect to such payment (a “**Withholding Obligation**”) under the Tax Act, the U.S. Tax Code or any other provision of federal, provincial, territorial, state, local or foreign tax Law, in each case, as amended, and shall remit or cause to be remitted the amount so deducted or withheld to the appropriate Governmental Entity. To the extent that amounts are so deducted or withheld, such deducted or withheld amounts shall be treated for all purposes as having been paid to the recipient of the payment in respect of which such deduction or withholding was made, provided that such deducted or withheld amounts are actually remitted in accordance with applicable Law to the appropriate taxing authority.
- 7.1.2 Each of the Company, the Purchaser and the Depositary shall also have the right to:
 - (a) deduct, withhold and sell, or direct the Purchaser, the Company or the Depositary to deduct, withhold and sell through a broker (the “**Broker**”), and on behalf of any Affected Person; or
 - (b) require the Affected Person to irrevocably direct the sale through a Broker and irrevocably direct the Broker pay the proceeds of such sale to the Purchaser, the Company or the

Depository as appropriate (and, in the absence of such irrevocable direction, the Affected Person shall be deemed to have provided such irrevocable direction),

such number of Purchaser Shares delivered or deliverable to such Affected Person pursuant to this Plan of Arrangement as is necessary to produce sale proceeds (after deducting commissions payable to the Broker and other costs and expenses) sufficient to fund any Withholding Obligations. Any such sale of Purchaser Shares shall be effected on a public market and as soon as practicable following the Effective Date. None of the Purchaser, the Company, the Depository or the Broker will be liable for any loss arising out of any sale of such Purchaser Shares, including any loss relating to the manner or timing of such sales, the prices at which the Purchaser Shares are sold or otherwise.

ARTICLE 8 PARAMOUNTCY

8.1 Paramountcy

8.1.1 From and after the Effective Time:

- (a) this Plan of Arrangement shall take precedence and priority over any and all rights related to the Company RSUs, Company Warrants, Company Stock Options, or Mayde Exchangeable Shares and Company Shares issued and outstanding prior to the Effective Time;
- (b) the rights and obligations of Company Shareholders and holders of the Company RSUs, Company Warrants, Company Stock Options or Mayde Exchangeable Shares, the Depository and any trustee and transfer agent therefor, shall be solely as provided for in this Plan of Arrangement; and
- (c) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to the Company Shares, Company RSUs, Company Warrants, Company Stock Options or Mayde Exchangeable Shares shall be deemed to have been settled, compromised, released and determined without liability except as set forth in this Plan of Arrangement.

ARTICLE 9 FURTHER ASSURANCES

9.1 Further Assurances

- #### **9.1.1**
- Notwithstanding that the transactions and events set out in this Plan of Arrangement shall occur and be deemed to have occurred in the order set out herein without any further authorization, act or formality, each of the Parties shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to implement this Plan of Arrangement and to further document or evidence any of the transactions or events set out herein.

APPENDIX D
ATB FAIRNESS OPINION

August 31st, 2021

TerrAscend Corp.
14 Murray Street, Box 176
New York, NY
10007

To the Special Committee of the Board of Directors of TerrAscend Corp.:

ATB Capital Markets Inc. (“**ATB**”) understands that TerrAscend Corp. (“**TerrAscend**” or the “**Company**”) has entered into an arrangement agreement dated August 31st, 2021 (the “**Agreement**”) with Gage Growth Corp. (“**Gage**”), pursuant to which TerrAscend will acquire all of the issued and outstanding subordinate voting shares of Gage (or equivalent) (the “**Gage Shares**”) by way of court approved plan of arrangement under the *Business Corporations Act* (the “**Arrangement**”, and the transactions contemplated in the Agreement being collectively referred to as the “**Transaction**”). In addition, as an integral part of the Transaction, TerrAscend, through a wholly-owned and controlled subsidiary of TerrAscend, has entered into a membership interest purchase agreement dated August 31st, 2021 (the “**MIPA**”) with the owners of the licenses that Gage supports in the State of Michigan (the “**Licensed Operators**”) to acquire, subject to regulatory approvals, all of the issued and outstanding membership interests of each of the Licensed Operators and/or all of the licenses held by such Licensed Operators.

Pursuant to the Transaction, shareholders of Gage (the “**Gage Shareholders**”) will receive in respect of each Gage Share held 0.3001 (the “**Exchange Ratio**”) of a common share of TerrAscend (the “**Consideration**”). Holders of Gage options and warrants will receive for each Gage option or warrant held, a replacement option or warrant exercisable to acquire from TerrAscend such number of TerrAscend Shares equal to (i) that number of Gage Shares that were issuable upon exercise of such Gage option or warrant immediately prior to the effective time of the Arrangement (the “**Effective Time**”), multiplied by (ii) the Exchange Ratio, at an exercise price equal to the quotient determined by dividing (a) the exercise price per Gage Share at which such Gage option or warrant was exercisable immediately prior to the Effective Time by (b) the Exchange Ratio. The specific terms and conditions of the Transaction are fully described in the Agreement and will be described in a management information circular (the “**Circular**”) to be mailed to shareholders of TerrAscend (the “**TerrAscend Shareholders**”) in connection with the Transaction.

TerrAscend Shareholders and Gage Shareholders are being asked to consider and vote on, among other matters, the Transaction at a special meeting of TerrAscend Shareholders (the “**TerrAscend Meeting**”) and a special meeting of Gage Shareholders (the “**Gage Meeting**”). JW Asset Management, LLC, an entity controlled by Jason Wild, is currently a holder of approximately 39% of the issued and outstanding common shares of TerrAscend (the “**TerrAscend Shares**”). In addition, JW Asset Management, LLC collectively with its joint actors through funds it advises or manages holds or exercises direction or control over approximately 16.3% of the Gage Shares (on an as-exchanged basis) and warrants to acquire an additional 23,757,145 Gage Shares. Accordingly, the Transaction constitutes a “related party transaction” under MI 61-101 for TerrAscend as Jason Wild is a “control person” of both Gage and TerrAscend. As a result of the foregoing, Jason Wild and his joint actors will be excluded from the disinterested shareholder vote conducted at the TerrAscend Meeting and the Gage Meeting in accordance with MI 61-101. The Transaction is subject to the approval of (i) a majority of the votes cast by disinterested TerrAscend Shareholders at the TerrAscend Meeting; (ii) at least two-thirds of the votes cast by the Gage Shareholders



at the Gage Meeting; and (iii) a majority of the votes cast by disinterested Gage Shareholders at the Gage Meeting.

ATB understands that Gage Shareholders holding an aggregate of approximately 58.5% of the Gage Shares have entered into voting support and lock-up agreements with TerrAscend to vote in favor of the Transaction. This represents approximately 29.1% of the Gage Shares held by Gage Shareholders entitled to vote for the purposes of the disinterested shareholder vote at the Gage Meeting.

ATB also understands that both TerrAscend and Gage are relying on the formal valuation exemption under MI 61-101, on the basis that no securities of TerrAscend or Gage are listed on the Toronto Stock Exchange or any other specified market.

ATB was retained to provide its opinion as to the fairness, from a financial point of view, of the Consideration to be paid to Gage Shareholders pursuant to the Transaction, to TerrAscend (this **"Fairness Opinion"**). ATB has not been engaged to prepare, and has not prepared, a valuation or appraisal of TerrAscend, Gage or any of TerrAscend's or Gage's assets or liabilities and the Fairness Opinion should not be construed as such.

ENGAGEMENT OF ATB BY TERRASCEND

ATB was formally engaged by the special committee of the board of directors of TerrAscend (the **"TerrAscend Special Committee"**) pursuant to an engagement agreement (the **"Engagement Agreement"**) dated August 9th, 2021 to render an opinion as to the fairness, from a financial point of view, of the Consideration to be paid to Gage Shareholders pursuant to the Transaction, to TerrAscend. The terms of the Engagement Agreement provide that ATB will receive a fixed fee for the delivery of the Fairness Opinion, no portion of which is contingent upon the completion of the Transaction or the conclusions reached in the Fairness Opinion. No other fees are payable to ATB pursuant to the Engagement Agreement. The Company has also agreed to reimburse all reasonable out-of-pocket expenses incurred by ATB in connection with its engagement under the Engagement Agreement whether or not the Transaction is completed. In addition, TerrAscend has agreed to indemnify ATB, each of its subsidiaries and affiliates, and each of their respective directors, officers, employees, partners, agents, shareholders, each other person, if any, controlling ATB or any of its respective subsidiaries and affiliates, against certain losses, claims, damages and liabilities arising from the Engagement Agreement.

On August 31st, 2021, at the request of the TerrAscend Special Committee, ATB orally delivered a presentation of its Fairness Opinion based on the scope of review and subject to the assumptions and limitations set out herein. This Fairness Opinion provides the same opinion, in writing. Subject to the terms of the Engagement Agreement, ATB consents to the inclusion of the Fairness Opinion in the Circular, with a summary thereof, in a form acceptable to ATB, and to the filing thereof by TerrAscend with the applicable Canadian securities regulatory authorities.

CREDENTIALS OF ATB

ATB is a Canadian investment banking firm with operations in a broad range of investment banking activities, including corporate finance, mergers and acquisitions, debt capital markets, equity sales and trading, and investment research. ATB and its senior investment banking professionals have participated in a significant number of transactions involving public and private companies and have extensive experience in preparing valuations and fairness opinions.



This Fairness Opinion is the opinion of ATB and its form and content have been approved by a committee of senior investment banking professionals of ATB, each of whom is experienced in merger, acquisition, divestiture, valuation and fairness opinion matters.

INDEPENDENCE OF ATB

Neither ATB, nor any of its affiliates or associates is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Ontario)) of TerrAscend, Gage, or any of their respective associates or affiliates (each an “**Interested Party**”, and collectively, the “**Interested Parties**”). Neither ATB nor any of its affiliates or associates is an advisor to any Interested Party in respect to the Transaction other than to the TerrAscend Special Committee pursuant to the Engagement Agreement. In the past 24-month period preceding the date hereof, ATB has not been engaged by the Company, Gage or any of their respective associates or affiliates to provide any financial advisory services nor has it participated in any financings in connection to any Interested Party other than in respect of the (i) the engagement by the Company with respect to rendering this opinion with respect to the Transaction, (ii) Company’s January 2021 equity financing for gross proceeds of approximately \$176 million, pursuant to which ATB acted as financial advisor to the Company, and (iii) Company’s December 2020 senior secured syndicated term loan for gross proceeds of \$120 million, pursuant to which ATB acted as co-manager.

Other than as set forth above, there are no understandings, agreements or commitments between ATB and any of the Interested Parties with respect to future financial advisory or investment banking business. ATB may in the future, in the ordinary course of its business, perform financial advisory or investment banking services for the Interested Parties. In addition, ATB has, and may in the future have, other normal course financial dealings with one or more of the Interested Parties.

ATB acts as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have and may in the future have positions in the securities of one or more of the Interested Parties and, from time to time, may have executed or may execute transactions on behalf of one or more of the Interested Parties or other clients for which it may have received or may receive compensation. As an investment dealer, ATB conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including matters with respect to the Transaction, or any of the Interested Parties.

SCOPE OF REVIEW

In connection with this Fairness Opinion, ATB reviewed and relied upon (without attempting to verify independently the completeness or accuracy of) or carried out, among other things, the following:

1. the Agreement;
2. the MIPA;
3. the unaudited condensed consolidated interim financial statements of Gage for the three and six months ended June 30th, 2021 and June 30th, 2020 and the management’s discussion and analysis relating thereto;
4. the unaudited condensed consolidated interim financial statements of Gage for the three months ended March 31st, 2021 and March 31st, 2020 and the management’s discussion and analysis relating thereto;

5. the audited consolidated annual financial statements of Gage for the years ended December 31st, 2020 and December 31st, 2019 and the management's discussion and analysis related thereto;
6. the final non-offering long form prospectus dated March 26th, 2021 in connection to Gage's public listing on the Canadian Securities Exchange;
7. the unaudited condensed consolidated interim financial statements of TerrAscend for the three and six months ended June 30th, 2021 and June 30th, 2020 and the management's discussion and analysis relating thereto;
8. the unaudited condensed consolidated interim financial statements of TerrAscend for the three months ended March 31st, 2021 and March 31st, 2020 and the management's discussion and analysis relating thereto;
9. the audited consolidated annual financial statements of TerrAscend for the years ended December 31st, 2020 and December 31st, 2019 and the management's discussion and analysis related thereto;
10. certain other public filings of Gage and TerrAscend available on SEDAR;
11. certain publicly available information relating to the business, operations, financial condition and trading history of TerrAscend, Gage and other selected public companies ATB considered relevant;
12. certain press releases issued by TerrAscend and Gage;
13. certain internal financial, operating, corporate and other information prepared or provided by or on behalf of Gage and TerrAscend relating to the business, operations and financial condition of Gage and TerrAscend;
14. certain internal management models, forecasts, projections, estimates and budgets prepared or provided by or on behalf of management of TerrAscend and Gage;
15. discussions with management of TerrAscend relating to Gage's current businesses, business plans, financial condition, industry outlook and prospects and other issues considered relevant;
16. certain other non-public information in respect of Gage and TerrAscend, including information provided to ATB through the respective data rooms of Gage and TerrAscend;
17. various reports published by equity research analysts and industry sources, as available, which ATB considered relevant;
18. public information with respect to selected precedent transactions ATB considered relevant;
19. a letter of representation as to certain factual matters and the completeness and accuracy of certain information upon which the Fairness Opinion is based, addressed to ATB and dated August 31st, 2021 and provided by a senior officer of TerrAscend; and
20. such other corporate, industry, and financial market information, investigations and analyses as ATB considered necessary or appropriate in the circumstances.

ATB did not meet with the auditors of TerrAscend or Gage and has assumed the accuracy and fair presentation of the audited and unaudited financial statements of TerrAscend and Gage, and, as applicable, the reports of the auditors therein.

ATB has not, to the best of its knowledge, been denied access to any information requested.

This Fairness Opinion has been prepared in accordance with the Disclosure Standards for Formal Valuations and Fairness Opinions of the Investment Industry Regulatory Organization of Canada ("IIROC") but IIROC has not been involved in the preparation or review of this Fairness Opinion.

ASSUMPTIONS AND LIMITATIONS

The Fairness Opinion is subject to the assumptions, explanations and limitations set forth below.

With the TerrAscend Special Committee's acknowledgement and agreement as provided for in the Engagement Agreement, ATB relied upon the accuracy, completeness and fair presentation of all financial information, data, advice, opinions, representations and other information obtained by it from public sources, provided to it by or on behalf of TerrAscend and/or Gage, or otherwise obtained by ATB (collectively, the "Information") and has relied upon the representations of management of TerrAscend to confirm that the terms agreed to between the parties to the Transaction and the Consideration to be received by Gage Shareholders pursuant to the Transaction appropriately reflects all material information relating to TerrAscend and Gage and their respective businesses, operations and assets. ATB has assumed that such information, data, advice, opinions and representations were complete, accurate and fairly presented as of the date thereof and did not omit to state any material fact or any fact necessary to be stated to make such information, data, advice, opinions and representations not misleading. This Fairness Opinion is conditional upon the accuracy, completeness and fair presentation of such Information. Subject to the exercise of professional judgment, and except as expressly described herein, ATB has not attempted to verify independently the accuracy, completeness or fair presentation of any of the Information.

With respect to the budgets, forecasts, projections or estimates of Gage and/or TerrAscend provided to ATB and used in its analyses, ATB notes that projected future results are inherently subject to uncertainty. ATB has assumed, however, that such budgets, forecasts, projections and estimates were prepared using the assumptions identified therein, which ATB has been advised are (or were at the time of preparation and continue to be), in the opinion of TerrAscend and/or Gage, reasonable in the circumstances.

In preparing this Fairness Opinion, ATB has made several assumptions, including that all conditions to the Transaction can and will be satisfied in due course, all consents, permissions, exemptions or orders of relevant regulatory authorities or third parties will be obtained, without adverse conditions or qualifications, the procedures being followed to implement the Transaction are valid and effective, the Circular will be distributed to TerrAscend Shareholders in accordance with all applicable laws, and the disclosure in the Circular will be accurate, in all material respects, and will comply, in all material respects, with the requirements of all applicable laws. In its analysis in connection with the preparation of this Fairness Opinion, ATB made numerous assumptions with respect to industry performance, general business and economic conditions, and other matters, many of which are beyond the control of ATB, TerrAscend, Gage, or their respective affiliates. Among other things, ATB has assumed the accuracy, completeness and fair presentation of and has relied upon, without independent verification, the financial statements forming part of the Information.

In rendering this Fairness Opinion, ATB expresses no view as to the likelihood that the conditions respecting the Transaction will be satisfied or waived or that the Transaction will be implemented within the time frame indicated in the Circular. ATB has also assumed that all of the representations and warranties contained in the Agreement are true and correct as of the date hereof.

This Fairness Opinion has been provided for the use of the TerrAscend Special Committee and the board of directors of TerrAscend and is not intended to be, and does not constitute, a recommendation that any TerrAscend Shareholder vote in favour of matters related to the Transaction. Additionally, ATB expresses no opinion with respect to future trading prices of the securities of TerrAscend or Gage. This Fairness

Opinion does not address the relative merits of the Transaction as compared to other transactions or business strategies that might be available to TerrAscend, nor does it address the underlying TerrAscend business decision to enter into the Agreement. In considering the fairness, from a financial point of view, of the Consideration, ATB considered the Transaction from the perspective of TerrAscend generally and did not consider the specific circumstances of any particular shareholder and ATB expresses no opinion as to whether the Transaction is consistent with the best interests of TerrAscend Shareholders. ATB was not engaged to review any legal, tax or regulatory aspects of the Transaction and this Fairness Opinion does not address any such matters.

This Fairness Opinion is rendered on the basis of securities markets, economic and general business and financial conditions prevailing as of August 31st, 2021 and the condition and prospects, financial and otherwise, of TerrAscend and Gage, as they were reflected in the Information provided or otherwise available to ATB. Any changes therein may affect this Fairness Opinion and, although ATB reserves the right to update, change, supplement or withdraw this Fairness Opinion in such event, it disclaims any and all undertaking or obligation to advise any person of any such change that may come to its attention, or to change, supplement or withdraw this Fairness Opinion after such date.

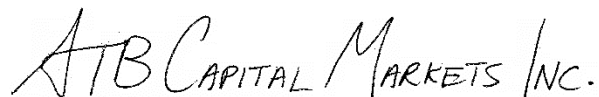
The preparation of a fairness opinion is a complex process and is not necessarily amenable to partial analysis or summary description. ATB believes that its analyses must be considered in totality and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together as a whole, could create an incomplete view of the process underlying this Fairness Opinion. Accordingly, this Fairness Opinion should be read in its entirety.

FAIRNESS OPINION CONCLUSION

Based upon and subject to the foregoing, ATB is of the opinion that, as of the date hereof, the Consideration to be paid to Gage Shareholders pursuant to the Arrangement is fair, from a financial point of view, to TerrAscend.

This Fairness Opinion may be relied upon by the TerrAscend Special Committee and the board of directors of TerrAscend for their exclusive use only for the purposes of considering the Transaction and its recommendation to TerrAscend Shareholders with respect to the Arrangement, but may not be used or relied upon by any other person, or for any other purpose, without the express prior written consent of ATB, except as otherwise provided herein.

Yours very truly,

A handwritten signature in black ink that reads "ATB CAPITAL MARKETS INC." in a stylized, cursive script.

ATB CAPITAL MARKETS INC.

APPENDIX E
HAYWOOD FAIRNESS OPINION



August 31, 2021

TerrAscend Corp.
P. O. Box 43125
Mississauga, Ontario
L5B 4A7

To the Special Committee of the Board of Directors:

Haywood Securities Inc. (“**Haywood**”) understands that TerrAscend Corp. (“**TERR**”) has entered into an arrangement agreement dated August 31, 2021 (the “**Agreement**”) with Gage Growth Corp. (“**Gage**”), pursuant to which TERR will acquire all of the issued and outstanding subordinate voting shares of Gage (the “**Gage Shares**”) by way of a court approved plan of arrangement under the Canada Business Corporations Act (the “**Transaction**”).

Under the terms of the Agreement, shareholders of Gage (the “**Gage Shareholders**”) will receive 0.3001 of a common share of TERR for each Gage Share (or equivalent) held (the “**Consideration**”).

The terms of, and conditions necessary to complete, the Transaction are set forth in the Agreement and will be described in a management information circular (the “**Circular**”) to be mailed to the shareholders of TERR (the “**TERR Shareholders**”) in connection with the special meeting of TERR Shareholders to consider, among other matters, and, if deemed advisable, to approve the Transaction.

The Special Committee (the “**Special Committee**”) of the board of directors of TERR (the “**Board**”) has retained Haywood to provide financial advice in connection with the Transaction and to prepare and render an opinion (this “**Fairness Opinion**”) to the Board as to the fairness of the Consideration, from a financial point of view, to TERR Shareholders. Haywood has not prepared a “formal valuation” (within the meaning of Multilateral Instrument 61-101 (“**MI 61-101**”)) of TERR or Gage or any of their subsidiaries and assets, and this Fairness Opinion should not be construed as such.

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Engagement

Pursuant to a letter agreement dated August 13, 2021 (the “**Engagement Agreement**”), the Special Committee engaged Haywood to provide financial advice in connection with Transaction and to prepare and render an opinion as to the fairness of the Consideration, from a financial point of view, to TERR Shareholders.

Following its review of the terms of the Transaction, Haywood rendered its verbal opinion to the Board as to the fairness of the Consideration, from a financial point of view, to TERR Shareholders, subject to completion of satisfactory due diligence. This Fairness Opinion confirms the verbal opinion rendered by Haywood to the Special Committee on August 31, 2021. The data used for Haywood’s analyses in the verbal opinion and in this Fairness Opinion is as of August 30, 2021.

The terms of the Engagement Agreement provide that Haywood is to be paid a fixed fee for the delivery of the Fairness Opinion, no portion of which is conditional upon this Fairness Opinion being favourable. TERR has also agreed to reimburse Haywood for its reasonable out-of-pocket expenses, whether or not the Transaction is completed, and to indemnify Haywood, its affiliates, and their respective directors, officers, employees, agents and controlling persons, against certain losses, claims, damages and liabilities which may arise directly or indirectly from services performed by Haywood in connection with its engagement.

Independence of Haywood

Neither Haywood, nor any of its affiliates, is an insider, associate or affiliate of any of Gage or TERR or any of their respective associates or affiliates.

Haywood acts as a trader and dealer, both as principal and agent, in major financial markets and, as such, has and may in the future have positions in the securities of TERR, Gage or any of their respective associates or affiliates and, from time to time, may have executed or may execute transactions on behalf of such companies or clients for which it received or may receive compensation. As of the date of this Fairness Opinion, Haywood’s clients and members of its Pro Group (as that term is defined in the policies of the TSX Venture Exchange) hold an aggregate of 10,557,880 shares of TERR, an aggregate of \$3,981,000 6% unsecured convertible debentures of TERR maturing on November 6, 2024, subject to mandatory conversion in certain stated circumstances, and an aggregate of 5,789,090 shares of Gage. In the ordinary course of trading and brokerage activities, Haywood, the associates and affiliates thereof and the officers, directors and employees of any of them at any time may hold long or short positions, may trade or otherwise effect transactions, for their own account, for managed accounts or for the accounts of customers, in debt or equity securities of TERR, Gage or related assets or derivative securities. As an investment dealer, Haywood conducts research on companies and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including with respect to TERR, Gage or with respect to the Transaction.

Credentials of Haywood

Haywood is one of Canada's leading independent investment dealers with operations in corporate finance, equity sales and trading and investment research. Haywood is a participating organization of the Toronto Stock Exchange and the TSX Venture Exchange and a member of the Investment Industry Regulatory Organization of Canada (“**IIROC**”) and the Canadian Investor Protection Fund. The opinion expressed herein is the opinion of Haywood, and the individuals primarily responsible for preparing this Fairness Opinion are professionals of Haywood experienced in merger, acquisition, divestiture and fairness opinion

matters and have an understanding of the marketable securities involved in the Transaction. Fairness opinions prepared by Haywood, including this Fairness Opinion, are subject to internal oversight and review before they are issued.

Scope of Review and Approach to Analysis

In connection with rendering this Fairness Opinion, Haywood has reviewed and relied upon, or carried out, among other things, the following:

- (a) the Agreement;
- (b) Membership Interest Purchase Agreement dated August 31, 2021 among WDB Holdings MI, Inc. and the various entities with which Gage had a prior contractual relationship;
- (c) Corporate documents for Gage as well as documents contained in its data room made available to us as of August 31, 2021;
- (d) Corporate documents for TERR as well as documents contained in its data room made available to us as of August 31, 2021;
- (e) the audited financial statements of Gage for the year ended December 31, 2020 and unaudited financial statements for the interim period ended June 30, 2021;
- (f) the audited financial statements for TERR for the year ended December 31, 2020 and unaudited financial statements for the interim period ended June 30, 2021;
- (g) financial forecasts for Gage provided by Gage, and subsequent discussions with management of TERR and Gage regarding these projections;
- (h) public information relating to the business, financial condition and trading history of TERR and other select public companies Haywood considered relevant;
- (i) certain historical financial information and operating data concerning Gage;
- (j) certain projected financial information for TERR, including without limitation, budgets, financial forecasts and internal operational models, which were prepared and provided by TERR;
- (k) the financial results of Gage, comparing them with publicly available financial data concerning certain publicly traded companies that Haywood deemed to be relevant for the purposes of its analysis (sources: Capital IQ);
- (l) where applicable, comparing the consideration to be paid by TERR to the value per common share of TERR implied by analyses of market multiples of comparable companies;
- (m) certain industry and analyst reports and statistics that Haywood deemed relevant for the purposes of its analysis;

- (n) certain other internal information prepared by TERR with respect to Gage and provided to Haywood;
- (o) meetings with TERR's management to understand relevant aspects of the business and the outlook for the near and mid-future that will impact Gage;
- (p) a certificate addressed to Haywood, dated August 31, 2021, from a senior officer of TERR as to the completeness and accuracy of the Information (as defined below);
- (q) publicly available financial documents on relevant comparable companies in the sector (source: company filings); and
- (r) such other financial, market, technical and industry information, conducting such other investigations, analyses and discussions (including discussions with senior management of TERR) as Haywood considered relevant and appropriate in the circumstances.

In its assessment, Haywood considered several techniques which involved a number of quantitative and qualitative factors, using a blended approach to determine its opinion on the Transaction.

Haywood has not, to the best of its knowledge, been denied access by Gage or TERR to any information under its control requested by Haywood. Haywood did not meet with the auditors of TERR or Gage and has assumed the accuracy and fair presentation of and relied upon the audited financial statements of TERR and Gage and the reports of the auditors thereon.

Assumptions and Limitations

With the approval and agreement of the Special Committee and as provided for in the Engagement Agreement, and subject to the exercise of its professional judgement, Haywood has relied upon and assumed the completeness, accuracy and fair presentation of all financial information, business plans, financial analyses, forecasts and other information, data, advice, opinions and representations (collectively referred to as the “**Information**”) obtained by Haywood from public sources, or provided to Haywood by Gage and TERR, their respective subsidiaries, directors, officers, associates, affiliates, consultants, advisors and representatives relating to Gage, TERR, their respective subsidiaries, associates and affiliates, and to the Transaction. This Fairness Opinion is conditional upon such completeness, accuracy and fair presentation of the Information. Haywood has not been requested to or, subject to the exercise of professional judgment, attempted to verify independently the completeness, accuracy or fair presentation of any of the Information and assumes no responsibility or liability in connection therewith. Haywood has not conducted or been provided with any “formal valuation” (within the meaning of MI 61-101) or appraisal of any assets or liabilities, nor has it evaluated the solvency of Gage or TERR under any provincial or federal laws relating to bankruptcy, insolvency or similar matters. Haywood has not had the benefit of reviewing any third party economic assessment on the assets of Gage or TERR, and expresses no opinion as to the results of any future economic assessment that may be released prior to or following completion of the Transaction or the market reaction to the results of such economic assessment. The technical due diligence conducted by Haywood was limited in scope and Haywood has relied heavily on the experience and representations of management of TERR and Gage.

TERR has represented to Haywood in a certificate of a senior officer dated August 31, 2021, among other things, that the Information provided to Haywood, including the written information and discussions concerning TERR and Gage, as applicable, referred to above under the heading “Scope of Review and

Approach to Analysis”, is complete and correct in all material respects at the date the Information was provided to Haywood and that, since the date on which the Information was provided to Haywood, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of TERR or any of its affiliates and no material change has occurred in the Information or any part thereof which would have or which would reasonably be expected to have a material effect on this Fairness Opinion. Haywood has relied on the representations and warranties of Gage as set out in the Agreement and assumes that such representations and warranties are complete and correct at the date of this Fairness Opinion and that there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of Gage or its affiliates which would have or which would reasonably be expected to have a material effect on this Fairness Opinion.

With respect to any financial analyses, forecasts, projections, estimates and/or budgets provided to Haywood and used in its analysis, Haywood notes that projecting future results of any company is inherently subject to uncertainty. Haywood has assumed, however, that such financial analyses, forecasts, projections, estimates and/or budgets were prepared using the assumptions identified therein and that such assumptions reflect reasonable estimates and judgments by management as to the expected future results of operations and financial condition of each of Gage and TERR. Haywood expresses no view as to such financial analyses, forecasts, projections, estimates and/or budgets or the assumptions on which they were based.

In preparing this Fairness Opinion, Haywood has made several assumptions, including that all of the representations and warranties contained in the Agreement are correct as of the date hereof, all of the conditions required to complete the Transaction will be met, the Transaction will be completed substantially in accordance with its terms and all applicable laws, and that the disclosure provided in the Circular with respect to Gage, TERR, and their respective subsidiaries and affiliates and the Transaction will be accurate in all material respects.

Haywood has relied, as to all legal matters relevant to rendering this Fairness Opinion, upon the advice of its own counsel. Haywood has further assumed that all material governmental, regulatory or other consents and approvals necessary for the consummation of the Transaction will be obtained without any adverse effect on Gage or TERR or on the contemplated benefits of the Transaction.

Haywood is not a legal, tax or accounting expert and expresses no opinion concerning any legal, tax or accounting matters concerning the Transaction or the sufficiency of this letter for your purposes.

This Fairness Opinion is rendered as at the date hereof and on the basis of securities markets, economic and general business and financial conditions prevailing, and the Information as at August 30, 2021 and the conditions and prospects, financial and otherwise, of Gage or TERR as they are reflected in the Information provided by Gage and TERR, and as was represented to Haywood in its discussions with the management of TERR, and certain of their respective consultants, advisors and representatives. It should be understood that subsequent developments may affect this Fairness Opinion and that Haywood does not have any obligation to update, revise or reaffirm this Fairness Opinion. Haywood is expressing no opinion herein as to the price at which the current shares of TERR will trade at any future time. In Haywood’s analysis and in connection with the preparation of this Fairness Opinion, Haywood made numerous assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond the control of Haywood and any party involved in the Transaction.

This Fairness Opinion is provided for the use of the Special Committee and the Board only and may not be disclosed, referred or communicated to, or relied upon by, any third party without Haywood's prior written approval. Haywood consents to the inclusion of this Fairness Opinion in the Circular. Haywood disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting this Fairness Opinion that may come or be brought to the attention of Haywood after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting this Fairness Opinion after the date hereof, Haywood reserves the right to change, modify or withdraw this Fairness Opinion.

Haywood believes that its analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying this Fairness Opinion. The preparation of an opinion is a complex process and is not necessarily amenable to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

This Fairness Opinion has been prepared in accordance with the Disclosure Standards for Formal Valuations and Fairness Opinions of IIROC, but IIROC has not been involved in the preparation or review of this Fairness Opinion.

Fairness Conclusion

Based on and subject to the foregoing and such other factors as Haywood considered relevant, Haywood is of the opinion that, as of the date hereof, the Consideration is fair, from a financial point of view, to TERR Shareholders.

Yours truly,

HAYWOOD SECURITIES INC.

"Haywood Securities Inc."

APPENDIX F

INFORMATION CONCERNING THE CORPORATION

Upon completion of the Arrangement, each Gage Shareholder will become a shareholder of TerrAscend other than those Gage Shareholders who are Dissenting Gage Shareholders.

The following information concerning TerrAscend (before completion of the Arrangement) should be read in conjunction with the information described below under “Documents Incorporated by Reference”. Unless the context indicates otherwise, capitalized terms which are used in this Appendix “F” and are not otherwise defined herein have the meanings given to such terms under the heading “Defined Terms” in Appendix “A” this Circular. Unless otherwise indicated, all references to dollar amounts are to the currency of the United States, and references to “Canadian dollars” and “C\$” are to the currency of Canada.

Forward-Looking Statements

The information in this Appendix contains “forward-looking statements” within the meaning of applicable securities laws. Forward-looking statements contained herein may be identified by the use of words such as, “may”, “would”, “should”, “could”, “will”, “likely”, “expect”, “anticipate”, “believe”, “intend”, “plan”, “forecast”, “project”, “estimate”, “outlook” and other similar expressions intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These statements reflect TerrAscend management’s current beliefs with respect to future events and are based on information currently available to management. Forward-looking statements contained herein include, but are not limited to: (a) beliefs and plans about TerrAscend’s operations and business, (b) plans related to future dividends and distributions, (c) TerrAscend’s consolidated share capitalization, (d) TerrAscend’s Board considering filling the role of Lead Independent Director in addition to adding additional independent directors to the Board, and (e) the information contained under the heading “Information about TerrAscend following Completion of the Arrangement”, and more specifically, the description of the business of TerrAscend following completion of the Arrangement, and the description of TerrAscend’s capital structure, market for securities directors and officers, and principal securityholders following completion of the Arrangement. Forward-looking statements are not a guarantee of future outcomes or 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. The forward-looking statements contained herein are based on certain key expectations and assumptions, relating to:

- the ability of TerrAscend to generate cash flow from operations and obtain necessary financing on acceptable terms;
- the successful completion of the Arrangement on the timeline and the terms anticipated;
- TerrAscend’s expectations regarding its consolidated sales, expenses and operations;
- TerrAscend’s plans for developing its business and its operations;
- expectations with respect to future production costs and capacity;
- the general economic, financial market, regulatory and political conditions in which TerrAscend operates;
- the timely receipt of any required regulatory approvals for the conduct of TerrAscend’s businesses from the applicable authorities;
- the ability of TerrAscend to obtain qualified staff, equipment and services in a timely and cost-efficient manner; and

- the ability of TerrAscend to conduct its operations in a safe, efficient and effective manner.

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 they 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: current and future market conditions; 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 US; and the risk factors set out below under the section entitled “Risk Factors” and “Risk Factors Following Completion of the Arrangement” and other filings with the Canadian securities regulators available under TerrAscend’s profile on SEDAR at www.sedar.com.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Appendix “F” from documents filed by TerrAscend with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request, without charge, from TerrAscend’s principal business and registered office at PO Box 43125, Mississauga, Ontario, L5C 1W2. In addition, copies of the documents incorporated by reference may be obtained through TerrAscend’s SEDAR profile at www.sedar.com.

The following documents of TerrAscend are specifically incorporated by reference in this Circular:

- (a) the management information circular of TerrAscend dated October 4, 2021, prepared in connection with a special of shareholders to be held on November 11, 2021, to be filed on or about October 12, 2021;
- (b) the management information circular of TerrAscend dated May 21, 2021, prepared in connection with an annual meeting of shareholders held on June 28, 2021, filed on June 1, 2021;
- (c) the audited consolidated financial statements of TerrAscend for the years ended December 31, 2020 and 2019, together with the notes thereto, filed on March 23, 2021;
- (d) the management’s discussion and analysis of the financial condition and results of operations of TerrAscend as of December 31, 2020 and for the year ended December 31, 2019, filed on March 23, 2021;
- (e) the unaudited condensed interim consolidated financial statements of TerrAscend for the three and six months ended June 30, 2021 and 2020, filed on August 19, 2021;
- (f) the management’s discussion and analysis of the financial condition and results of operations of TerrAscend as of June 30, 2021, for six months ended June 30, 2020, filed on August 19, 2021;
- (g) the management’s discussion and analysis of the financial condition and results of operations of TerrAscend as of March 31, 2021, for three months ended March 31, 2020, filed on May 19, 2021;
- (h) the material change report of TerrAscend dated February 5, 2021, relating to the announcement of a C\$224 million non-brokered private placement; and
- (i) the material change report of TerrAscend dated September 10, 2021, relating to TerrAscend entering into the Arrangement Agreement with Gage Growth Corp.

Any documents of the type required by National Instrument 41-101 – *General Prospectus Requirements* to be incorporated by reference in a long form prospectus, in annual financial statements and the auditors' report thereon, interim financial statements, management's discussion and analysis of financial conditions and results of operations, material change reports (excluding a confidential material change report), business acquisition report and information circular, filed by TerrAscend after the date of this Circular and before the Meeting are deemed to be incorporated by reference in this Circular.

Any statement contained in this Appendix "F" or in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for purposes of this Appendix "F" to the extent that a statement contained in this Appendix "F" or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference into this Appendix "F" modifies or supersedes that statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute part of this Appendix "F".

TERRASCEND CORPORATE STRUCTURE

Name, Address, and Incorporation

TerrAscend Canada Inc. ("**TerrAscend Canada**") was incorporated on February 18, 2014 under the OBCA as Solace Health Inc. On March 7, 2017, TerrAscend was incorporated under the OBCA as "TerrAscend Corp." On March 8, 2017, TerrAscend completed a share exchange transaction pursuant to which each of the shareholders of TerrAscend Canada exchanged their TerrAscend Canada common shares for TerrAscend Shares. TerrAscend's registered and head office is located at PO Box 43125, Mississauga, Ontario, L5C 1W2.

DESCRIPTION OF THE BUSINESS

Summary and Overview

TerrAscend is a leading North American cannabis operator with vertically integrated licensed operations in Pennsylvania, New Jersey, and California, licensed cultivation and processing operations in Maryland, and licensed processing operations in Canada. TerrAscend operates an award-winning chain of Apothecarium Dispensary ("**Apothecarium Dispensary**") retail locations, as well as scaled cultivation, processing, and manufacturing facilities on both the east and west coasts of the United States. TerrAscend's best-in class cultivation and manufacturing practices yield consistent, high-quality cannabis, providing industry-leading product selection to both the medical and legal adult-use market.

TerrAscend operates under one operating segment, being the cultivation, production and sale of cannabis products.

TerrAscend's portfolio of operating businesses and brands include:

- Ilera Healthcare ("**Ilera**"), a vertically integrated cannabis cultivator, processor and dispensary operator in Pennsylvania;
- TerrAscend NJ, LLC ("**TerrAscend NJ**"), an alternative treatment center operator in New Jersey with vertically integrated operations to cultivate, process and dispense cannabis;

- Apothecarium Dispensaries (“**Apothecarium Dispensaries**”) are a group of full-service dispensaries in Northern California that provide quality cannabis to both medical patients and adult-use customers;
- Valhalla Confections (“**Valhalla**”), a leading provider of premium edible products;
- State Flower (“**State Flower**”), a premium cannabis producer operating a cultivation facility in San Francisco, California
- HMS Health, LLC (“**HMS Health**”) and HMS Processing, LLC (“**HMS Processing**”, and together with HMS Health “**HMS**”) a cultivator and processor of cannabis flower and oil products for the wholesale medical cannabis market in Maryland;
- Arise Bioscience, Inc. (“**Arise**”), a manufacturer and distributor of hemp-derived products, located in Boca Raton, Florida; and
- TerrAscend Canada, a Licensed Producer (as such term is defined in the Cannabis Act) of cannabis, with its current principal business activities including processing and sale of cannabis flower and oil products in Canada.

TerrAscend is listed on the CSE, having the ticker symbol TER and effective October 22, 2018, it began trading on OTCQX® under the ticker symbol TRSSF.

Ilera Healthcare

Ilera is one of the initial five permitted vertically integrated cannabis cultivator, processor, and dispensary operators in the State of Pennsylvania. The grower/processor operation began as a 67,000 sq. ft. site in Waterfall, Pennsylvania in January 2018. In Q1 2020, Ilera tripled its capacity, now spanning an approximate 150,000 sq. ft. footprint including a double-stack indoor grow and one of the largest branded manufacturers in the market. Ilera distributes its broad product line, which includes dried flower, vaporizables, concentrates, tinctures, and topicals to all dispensaries throughout Pennsylvania.

In addition, Ilera operates three Apothecarium-branded retail dispensaries, one in Plymouth Meeting, Pennsylvania opened in March 2018, a second in Lancaster, Pennsylvania opened in April 2020, with a third dispensary in Thorndale, PA opened in July 2020. TerrAscend’s Pennsylvania dispensaries offer a variety of products and formats, produced by Ilera and other manufacturers, to ensure its pharmacists and wellness associates can provide an appropriate product to meet a particular patient’s needs.

On April 30, 2021, TerrAscend, through a wholly owned subsidiary WDB Holding PA, Inc., acquired Guadco, LLC and KCR Holdings LLC (collectively “**KCR**”). The transaction added three retail dispensaries located in Bethlehem, Allentown and Stroudsburg, Pennsylvania. Prior to the acquisition, TerrAscend owned 10% of KCR.

TerrAscend NJ

TerrAscend NJ is permitted to operate as an alternative treatment center in New Jersey’s north region. Under New Jersey law, alternative treatment centers are vertically integrated and are able to cultivate and process medical cannabis, and operate up to three dispensaries. TerrAscend NJ is a majority-owned subsidiary of TerrAscend, whose minority partners are BWH NJ, LLC and Blue Marble Ventures, LLC. TerrAscend NJ owns a 16-acre site in Boonton Township, Morris County that currently has a cultivation and processing total footprint of approximately 140,000 sq. ft. TerrAscend has the ability to further increase the Boonton facility to 240,000 sq. ft. In addition to cultivation, TerrAscend NJ is also engaged in the extraction, processing and manufacturing of a wide range of branded form factors including, vaporizables, concentrates, topicals, tinctures and edibles and currently operates two Apothecarium-branded dispensaries in Phillipsburg, and Maplewood, New Jersey. TerrAscend expects to open a third New Jersey dispensary in Lodi during the fourth quarter of 2021.

Apothecarium Dispensaries, Valhalla and State Flower

Apothecarium Dispensaries are a group of licensed, full-service dispensaries in northern California that provide quality cannabis to both medical patients and adult-use customers. The dispensaries are known for emphasizing education and customer service for seniors, first-time dispensary visitors, and patients with serious medical conditions. The focus is on providing guests with in-depth, one-on-one consultations from trained cannabis consultants. Apothecarium Dispensaries also provide free cannabis education events that are open to the public. Guests may purchase their cannabis in the dispensaries or order online for pickup.

There are currently five Apothecarium Dispensaries in California, including three in San Francisco, one in Berkeley and one in Capitola. The flagship dispensary located in the Castro district of San Francisco was named the best-designed dispensary in the country by Architectural Digest.

Valhalla is a premier manufacturer of select cannabis-infused artisan edibles that are gluten free, in both gelatin and vegan varieties, and made with ingredients free of chemically formulated fertilizers, growth stimulants, antibiotics, or pesticides, all while maintaining eco-friendly practices.

State Flower is a producer of premium cannabis flower that is currently sold through dispensaries in California and Nevada.

TerrAscend has agreed to continue licensing Apothecarium Dispensaries, State Flower and Valhalla names and related intellectual property to Gravitas Nevada Ltd. ("**Gravitas**"). and its related operations in Nevada. Gravitas is a vertically-integrated business engaged in the cultivation, processing, packaging and dispensing of cannabis and cannabis related products in Nevada.

HMS

On May 3, 2021, TerrAscend, through a wholly owned subsidiary WDB Holding MD, Inc. ("**WDB MD**"), acquired HMS. HMS is a cultivator and processor of medical cannabis in the state of Maryland. The cultivator/processor operation includes a 22,000 square foot facility located in Frederick, Maryland.

Arise

On January 15, 2019, Arise completed the acquisition of substantially all of the assets from Grander Distribution, LLC ("**Grander**"). Arise is currently engaged in the production and distribution of innovative hemp-derived wellness products utilizing the assets acquired from Grander. Arise's whole-plant hemp extract products are made in the US and are available for sale in retail locations in the United States. In August 2021, TerrAscend made the decision to undertake a strategic review process to explore, review, and evaluate potential alternatives for its Arise business focused on maximizing shareholder value.

TerrAscend Canada

TerrAscend Canada is a Licensed Producer (as such term is defined in the Cannabis Act) of cannabis in Canada, and its current principal business activities include the sale of recreational ("recreational" or "adult-use") cannabis to the provincial cannabis retailers.

TerrAscend Canada operates out of a 67,300 square foot facility located in Mississauga, Ontario and is licensed to cultivate, process and sell cannabis for medical and non-medical purposes. These licenses allow for sales of dried cannabis, cannabis oil and extracts, topicals, and edibles. TerrAscend Canada sells products nationally under the Haven Street and Legend brands in the dried flower, vapes, and edibles categories.

A strategic decision was made to cease the growing and cultivation of cannabis in Canada in order to focus on more profitable distribution opportunities. The final harvest from its manufacturing facility occurred in

September 2020. On November 18, 2020, TerrAscend Canada was issued a research license by Health Canada to possess cannabis for the purposes of research.

Production and Services

For a detailed description of TerrAscend's production and services, please refer to the "*Summary and Overview*" above and the "*Three-Year History*" below.

Specialized Skill and Knowledge

All aspects of TerrAscend's business requires specialized skills and knowledge. TerrAscend believes its team has developed and sourced business systems to effectively and efficiently operate its wholesale operations and retail cannabis operations across North America. The brand building, retail marketing and product development knowledge and skills of TerrAscend's management team and employees will be essential to TerrAscend becoming a well-respected household name within the retail cannabis industry.

Competitive Conditions

TerrAscend faces, and will continue to face, competition from new and existing licensed cannabis operators, competitors with existing retail operations, government owned retailers and the illicit market and other applicable participants in the cannabis wholesale and manufacturing industry. Some of the competitors of TerrAscend may have greater financial resources, market access and manufacturing and marketing experience than TerrAscend.

Increased competition by numerous independent cannabis retail outlets and larger and better financed competitors (including new entrants), could have a material adverse effect on TerrAscend.

TerrAscend's competition can be grouped into the following categories:

- (a) Vertically Integrated Competitors: This class of competitors (which may include licensed producers of cannabis that are able to produce cannabis and cannabis products sold at retail stores of their affiliates) includes well-financed competitors with an established operating history in North America.
- (b) Existing Retailers: This class of competitors includes early-stage and semi-developed retail cannabis businesses, as well as established retail cannabis businesses, which may be well capitalized, and which may also have an established and longer retail operating history in North America.
- (c) Government Competition: This class of competitors includes government wholesalers that sell directly to consumers in the Provinces of British Columbia, Alberta and Ontario.
- (d) Illicit Market: This class of competitors includes individuals and businesses operating in the illicit market within various jurisdictions across North America. These competitors may divert sizeable commercial opportunities from TerrAscend.
- (e) Existing Wholesalers: This class of competitors includes early-stage and semi-developed wholesalers, as well

as established wholesalers, which may be well capitalized, and which may also have an established and longer retail operating history in North America.

New Products

Effective August 18, 2021, TerrAscend NJ signed an exclusive agreement to supply Cookies licensed product, an award-winning brand, to the New Jersey market and to bring “Cookies Corners” to its three dispensaries in New Jersey.

Cycles

TerrAscend’s business is not cyclical or seasonal in nature. However, TerrAscend may, from time to time, be affected by supply constraints, disruptions and seasonal variations that impact the supply of cannabis and cannabis products. The impact of such supply constraints, disruptions and variations on TerrAscend and its operating results cannot be predicted at this time.

Employees

As at the end of June 2021, TerrAscend employed 902 employees.

Intercompany Relationships

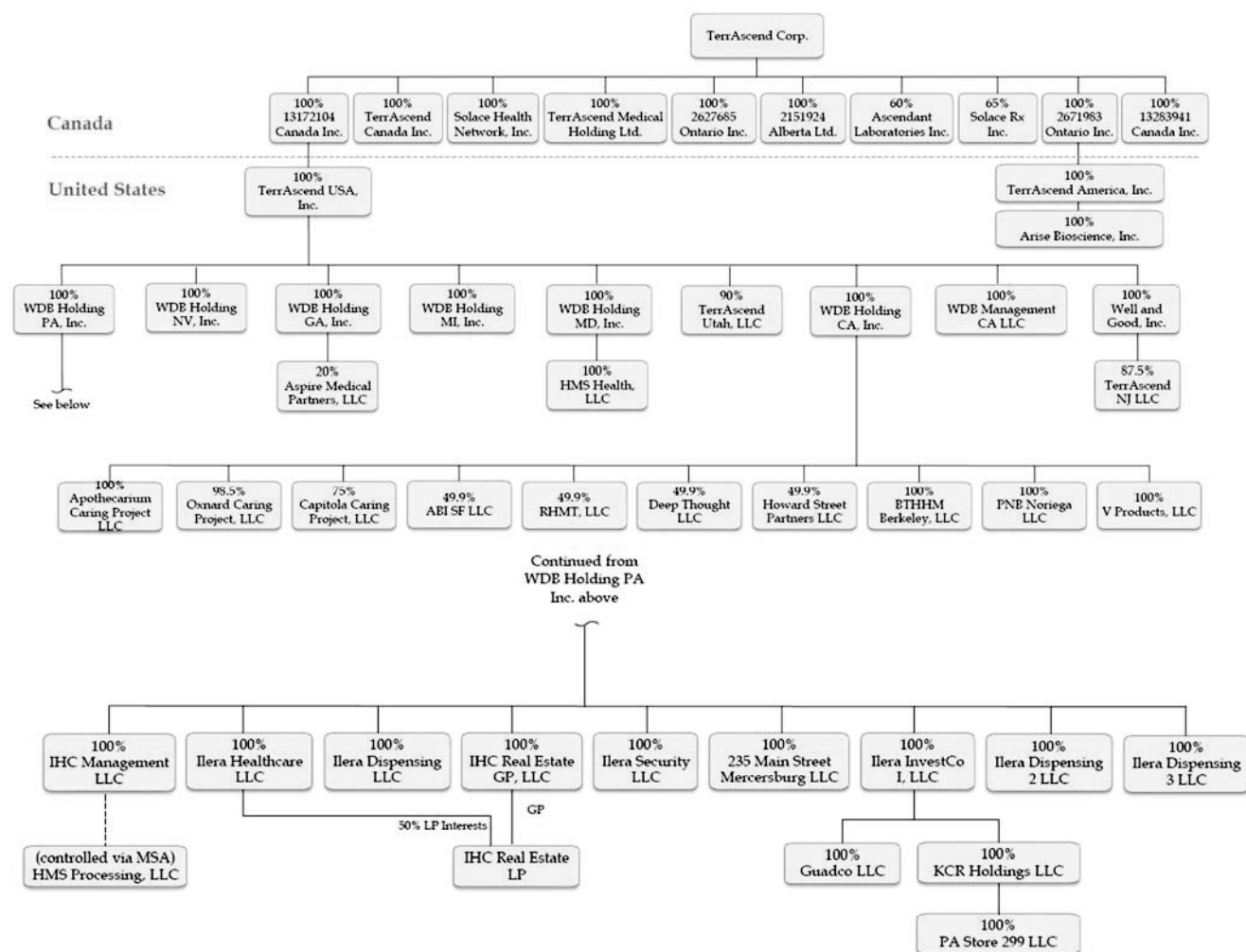
TerrAscend conducts its business through its various subsidiaries. The following table lists TerrAscend’s subsidiaries, including their respective jurisdictions of incorporation as at the date hereof:

Name of Subsidiary	Jurisdiction
13172104 Canada Inc.	Canada
TerrAscend Canada Inc.	Ontario
13283941 Canada Inc.	Canada
Solace Health Network Inc.	Canada
TerrAscend Medical Holdings Inc.	Canada
2627685 Ontario Inc.	Ontario
2151924 Alberta Ltd.	Alberta
2671983 Ontario Inc.	Ontario
Solace Rx Inc.	Ontario
Ascendant Laboratories Inc.	Ontario
TerrAscend USA, Inc.	Delaware
TerrAscend America, Inc.	Delaware
Arise Bioscience, Inc.	Delaware
WDB Holding PA, Inc.	Delaware

Name of Subsidiary	Jurisdiction
WDB Holding NV, Inc.	Delaware
WDB Holding CA, Inc.	Delaware
WDB Management CA LLC	California
WDB Holding MI, Inc.	Delaware
Well and Good, Inc.	Delaware
BTHHM Berkeley, LLC	California
PNB Noriega LLC	California
V Products, LLC	California
Ilera Healthcare LLC	Pennsylvania
Ilera Dispensing LLC	Pennsylvania
IHC Real Estate GP, LLC	Delaware
IHC Real Estate LP	Delaware
Ilera Security LLC	Pennsylvania
235 Main Street Mercersburg LLC	Pennsylvania
Ilera InvestCo I, LLC	Pennsylvania
Ilera Dispensing 2 LLC	Pennsylvania
Ilera Dispensing 3 LLC	Pennsylvania
WDB Holding GA, Inc.	Georgia
Aspire Medical Partners, LLC	Georgia
WDB Holding MD, Inc.	Maryland
HMS Health, LLC	Maryland
HMS Processing LLC	Maryland
TerrAscend Utah, LLC	Utah
TerrAscend NJ LLC	New Jersey
Apothecarium Caring Project LLC	California

Name of Subsidiary	Jurisdiction
Oxnard Caring Project LLC	California
Capitola Caring Project, LLC	California
ABI SF LLC	California
RHMT, LLC	California
Deep Thought LLC	California
Howard Street Partners, LLC	California
IHC Management LLC	Delaware
GuadCo LLC	Pennsylvania
KCR Holdings LLC	Pennsylvania
PA Store 299 LLC	Delaware

If the Arrangement is completed, TerrAscend will acquire all of the outstanding Gage Shares and Gage will become an indirect wholly-owned subsidiary of TerrAscend. The following organizational charts set out, as of the date of this Circular, the subsidiaries of TerrAscend. Unless otherwise noted, TerrAscend beneficially owns or controls, directly or indirectly, 100% of voting securities of the applicable subsidiary. TerrAscend does not beneficially own, control or direct, directly or indirectly, any restricted securities in any of its subsidiaries.



GENERAL DEVELOPMENT OF THE BUSINESS

Three-Year History

Notable Transactions

- Entry into the US Marijuana Market and Capital Reorganization.** On October 9, 2018, TerrAscend announced its intention to pursue growth opportunities in the US marijuana market, including potential acquisitions of operators in states that have legalized marijuana for medical or recreational use. Although TerrAscend at the time did not engage in the business of, or derive any revenue from, the cultivation, distribution or possession of marijuana in the United States, TerrAscend announced that it had identified certain acquisition prospects with significant market share and strong brand recognition. To support its new strategy, TerrAscend entered into an agreement with Canopy Growth Corporation ("**Canopy Growth**"), Canopy Rivers Corporation ("**Canopy Rivers**"), and entities controlled by Jason Wild, chairman of TerrAscend (JW Opportunities Master Fund, Ltd., JW Partners, LP, and Pharmaceutical Opportunities Fund, LP, and collectively, "**JW Asset Management Group**") to reorganize the

capital of TerrAscend (the “**TerrAscend Reorganization**”) and obtain waivers of certain contractual covenants that at the time, restricted TerrAscend from operating in the US. The TerrAscend Reorganization was implemented by way of a statutory plan of arrangement on the terms set out in the Arrangement Agreement and was subject to court approval, the approval of TerrAscend’s Shareholders, and other customary conditions. The TerrAscend Reorganization was completed on November 30, 2018.

- *Entry into US Hemp-Derived Products Market.* On December 24, 2018, TerrAscend announced the signing of a definitive agreement to acquire substantially all of the assets of Grander, a manufacturer and distributor of hemp-derived wellness products. The transaction closed on January 15, 2019. Substantially all of the operating assets of Grander were indirectly acquired by TerrAscend through a wholly owned subsidiary Arise. As consideration, TerrAscend paid \$12.7 million, comprising \$6.5 million in cash, 1,362,343 TerrAscend Shares, and \$0.5 million in working capital adjustments. The fair value of TerrAscend Shares was \$5.1 million as at January 15, 2019. Subject to meeting certain earnings milestones, TerrAscend agreed to pay up to an additional \$10 million in cash or share considerations. The total value of the potential purchase consideration payable by TerrAscend under the terms of the agreement was approximately \$22.4 million, and the fair value of the contingent consideration was \$0.6 million as at January 15, 2019. Based on performance of the Arise business during the measurement period, the milestones for the additional \$10 million payment were not met and the total purchase consideration paid by TerrAscend remained \$12.4 million.
- *Acquisition of Apothecarium Dispensaries.* On June 6, 2019, TerrAscend closed a series of transactions to acquire controlling interests in three entities in California operating the award-winning retail dispensary brand known as “Apothecarium”. The transactions also included the acquisition of entities that were seeking to operate two additional retail locations in Northern California, and Valhalla Confections, a leading provider of premium edible products. TerrAscend acquired 49.9% of the outstanding equity interests of the entities operating the three San Francisco Apothecarium Dispensary locations and TerrAscend has the right (or, in certain circumstances, obligation) to acquire the remaining equity interests of those entities post-closing following receipt of certain regulatory approvals. As consideration, TerrAscend paid \$71.8 million, comprising \$36.8 million in cash, \$1.1 million in the form of a working capital adjustment, contingent consideration of \$3 million and 6,700 TerrAscend Proportionate Voting Shares. The fair value of the share consideration at June 6, 2019 was \$30.9 million. TerrAscend retains 100% of the economics of entities operating the three San Francisco locations of Apothecarium Dispensaries through control of such entities.
- *Acquisition of Ilera.* On September 16, 2019, TerrAscend acquired 100% of the equity of the entities comprising Ilera for total consideration of \$225 million paid in a combination of cash and TerrAscend Shares. At closing, TerrAscend paid to the sellers \$25 million in cash, subject to customary closing adjustments, an additional \$25 million worth of TerrAscend Proportionate Voting Shares in the equity of TerrAscend equivalent to approximately 5,059,102 TerrAscend Proportionate Voting Shares (which are each exchangeable for 1,000 TerrAscend Shares), and \$601,000 in working capital adjustments. Additional cash consideration of \$175 million in aggregate was paid to the sellers based on Ilera achieving certain specified sales and profitability targets, with staged payments made in 2020 and 2021. On June 30, 2021 the final earn-out had been calculated and remaining fair value amount of \$29.7 million was paid on that date.
- *Acquisition of State Flower.* On January 23, 2020, TerrAscend obtained control of ABI SF LLC, owner of State Flower, a premium California cannabis brand that is currently sold through dispensaries in California and Nevada, by converting all principal and accrued interest under a convertible note into a 49.9% equity interest in State Flower. TerrAscend retains 100% of the economics of State Flower through control of ABI SF LLC and has the right to acquire the remaining equity interests of ABI SF LLC following receipt of certain regulatory approvals.

- *Termination of Securities Purchase Agreement.* On January 27, 2020, TerrAscend announced the termination of the securities purchase agreement with Gravitas dated February 10, 2019 (the “Securities Purchase Agreement”), pursuant to which TerrAscend would have acquired all of the issued and outstanding equity interest of Gravitas Nevada Ltd. TerrAscend agreed to continue licensing Apothecarium Dispensaries, State Flower and Valhalla names and related intellectual property to Gravitas and its related operations in Nevada. Gravitas is a vertically-integrated business engaged in the cultivation, processing, packaging and dispensing of cannabis and cannabis related products in Nevada.
- *Acquisition of HMS.* On May 3, 2021, TerrAscend, through a wholly owned subsidiary, WDB MD, acquired HMS a cultivator and processor of cannabis flower and oil products for the wholesale medical cannabis market in Maryland. TerrAscend acquired 100% of the equity of HMS Health and the rights to acquire 100% of the equity of HMS Processing post-closing following receipt of certain regulatory approvals, for total consideration of \$24.5 million comprised of \$22.4 million in cash and a \$2.1 million note, which bears 5.0% annual interest, due April 2022. TerrAscend retains 100% of the economics of HMS through full ownership of HMS Health, LLC and a master services agreement with HMS Processing.
- *Acquisition of Keystone Canna Remedies.* On April 30, 2021, TerrAscend, through a wholly owned subsidiary WDB acquired KCR. The transaction added three retail dispensaries located in Bethlehem, Allentown and Stroudsburg, Pennsylvania. Prior to the acquisition, TerrAscend owned 10% of KCR. TerrAscend acquired the remaining 90% of the equity for total consideration of \$69.8 million comprised of \$34.4 million in TerrAscend Shares, \$20.5 million in cash, \$7.1 million related to the fair value in previously owned shares, and a \$6.8 million note which bears 10% annual interest, due April 2022.

Capital Markets and Financing Activities

TerrAscend has engaged in the following equity offerings and financing activities since January 1, 2018:

- *December 2018 Credit Facility.* On December 19, 2018, TerrAscend announced that it had agreed to terms on a \$75 million credit facility with certain funds advised by JW Asset Management (of which Jason Wild, the current Executive Chairman and Chairman of TerrAscend’s Board, is the President and Chief Investment Officer, and which funds are also the largest shareholders of TerrAscend, (the “**JW Credit Facility**”)). The JW Credit Facility provided TerrAscend with access to non-dilutive capital for acquisitions in the United States, as well as for general corporate and working capital purposes. The JW Credit Facility was paid in full during the second quarter of 2020.
- *Mortgage Financing.* On April 23, 2019, TerrAscend completed a C\$6.5 million mortgage financing secured by its manufacturing facility in Mississauga, bearing interest of 5.5% and a balance due date of May 1, 2022. On June 19, 2020, this financing was replaced when TerrAscend completed a C\$7.25 million loan financing secured by its manufacturing facility in Mississauga, bearing interest of 8.25% and a balance due date of July 1, 2023.
- *May 2019 Private Placement.* On May 28, 2019, TerrAscend announced the closing of a non-brokered private placement of 9,026,034 TerrAscend Shares at a price of C\$7.64 per TerrAscend Share for gross proceeds of approximately C\$69 million.
- *Early Exercise.* On August 27, 2019, TerrAscend announced the early exercise of purchase warrants to acquire TerrAscend Proportionate Voting Shares representing 28,636,361 TerrAscend Shares for aggregate proceeds of approximately C\$31.5 million. All of the outstanding warrants were held by funds advised by JW Asset Management, LLC which are affiliates of Mr. Jason Wild, the Executive Chairman and Chairman of TerrAscend Board. The proceeds were used to fund TerrAscend’s growth initiatives and for working capital purposes.

- Canopy Loan.* On February 5, 2020, TerrAscend and Canopy Rivers agreed to amend the terms of their previously issued convertible debentures with a face value of \$10 million. Pursuant to the amended terms, the first tranche of the convertible debentures was converted into a \$10 million loan payable bearing interest at a rate of 6% per annum, payable annually, with a balance due date of October 2, 2024. The effective interest rate on the loan is 15.4%. TerrAscend also issued Canopy Rivers 2,225,714 TerrAscend Share purchase warrants, exercisable at C\$5.95 upon the occurrence of certain triggering events. The warrants were issued such that they can be exercised upon maturity of the loan payable in a cashless exercise by offsetting the principal value of the loan payable. The amendment was treated as a modification of the convertible debenture and as a result, no gains or losses were recorded for the transaction. During the year ended December 31, 2020, Canopy Growth acquired TerrAscend Share purchase warrants previously issued to Canopy Rivers as well as the loan payable outstanding balance.
- Loan Financing.* On March 10, 2020, TerrAscend Canada entered into a loan financing agreement with Canopy Growth in the amount of \$58.6 million pursuant to a secured debenture. In connection with the funding of the loan, TerrAscend had issued 17,808,975 TerrAscend Share purchase warrants to Canopy Growth. The secured debenture bears interest at a rate of 6.10% per annum, with an effective interest rate of 11.9% and matures on March 10, 2030. The debenture is secured by the assets of TerrAscend Canada, is not convertible and is not guaranteed by TerrAscend. The warrants are comprised of 15,656,242 TerrAscend Share purchase warrants entitling Canopy Growth to acquire one TerrAscend Share at an exercise price of C\$5.14 per share, expiring on March 10, 2030, and 2,152,733 TerrAscend Share purchase warrants entitling Canopy Growth to acquire one common share of TerrAscend at an exercise price of C\$3.74 per share, expiring on March 10, 2031. All warrants will be exercisable following changes in US federal laws permitting the cultivation, distribution, and possession of cannabis or to remove the regulation of such activities from the federal laws of the US. The warrants were issued such that they can be exercised upon maturity of the loan payable by offsetting the principal value of the loan payable. The fair value of the debt was calculated using the effective interest rate method, with the residual value allocated to contributed surplus. In accordance with the terms of the loan financing agreement, the funds cannot be used, directly or indirectly, in connection with or for any cannabis or cannabis-related operations in the US, unless and until such operations are permitted by the federal and applicable state laws of the US. Of the total proceeds received from Canopy Growth, \$48.2 million was used to fully pay off the outstanding principal and interest amounts under the JW Credit Facility.
- 2020 Private Placement.* During the second quarter of 2020 TerrAscend closed a non-brokered private placement to issue 18,679 units for gross proceeds of approximately \$37 million. Each unit was issued at a price of \$2,000 per unit and is comprised of one TerrAscend Preferred Share and one TerrAscend Preferred Share purchase warrant. Each warrant entitles the holder to purchase one TerrAscend Preferred Share at a price of \$3,000 per share and expires 36 months from the date of issuance. Each TerrAscend Preferred Share converts to 1,000 TerrAscend Shares (for non-US investors) and the economic equivalent in TerrAscend Proportionate Voting Shares (for US investors), at the option of the holder, subject to customary anti-dilution provisions.
- Arise Loan Financing Agreement.* On December 10, 2020, Arise entered into a loan financing agreement with Canopy Growth for \$20 million pursuant to a secured debenture. The secured debenture bears interest at a rate of 6.10% per annum commencing four years from the effective date, with an effective interest rate of 12.76% and matures on December 9, 2030. The debenture is secured by the assets of Arise, is not convertible and is not guaranteed by TerrAscend. In connection with the funding of the loan, TerrAscend issued 2,105,718 TerrAscend Share purchase warrants to Canopy Growth. The warrants are comprised of 1,926,983 TerrAscend Share purchase warrants entitling Canopy Growth to acquire one common share of TerrAscend at an exercise price of C\$15.28 per share, expiring on December

9, 2030, and 178,735 TerrAscend Share purchase warrants entitling Canopy Growth to acquire one TerrAscend Share at an exercise price of C\$17.19 per share, expiring on December 9, 2030.

- *Ilera Debt Financing.* On December 18, 2020, Ilera entered into a senior secured term loan with a syndicate of lenders in the amount of \$120 million. The term loan bears interest at 12.875% per annum and matures on December 17, 2024. The loan is secured by the assets of TerrAscend's Pennsylvania business.
- *Non-Brokered Private Placement.* On January 12, 2021, TerrAscend announced an over subscribed, non-brokered private placement. This placement was closed on January 28, 2021 and a total 18,115,656 TerrAscend Shares in the capital of TerrAscend were issued at the price of US\$9.66 per TerrAscend Share, raising gross proceeds of \$175 million with 80% coming from four large US institutional investors.

Operational Matters

The following operational changes have taken place since January 1, 2018:

- *OTCQX® Best Market.* On October 22, 2018, TerrAscend announced that TerrAscend Shares were approved for trading in the United States on the OTCQX® Best Market tier of the electronic over-the-counter marketplace operated by OTC Markets Group, Inc. under the trading symbol "TRSSF".
- *ATC Permit in New Jersey.* On December 18, 2018, TerrAscend NJ was awarded the right to apply for one of six permits to operate as an alternative treatment center. Under New Jersey law, alternative treatment centers are vertically integrated and are able to cultivate and process medical cannabis, and operate up to three dispensaries.
- *Good Manufacturing Practices License.* On May 2, 2019, TerrAscend announced that its manufacturing facility in Mississauga, Ontario, Canada has been issued a Good Manufacturing Practices certificate in accordance with the rules governing medicinal products in the European Union.
- *Mississauga Facility Expansion.* On October 7, 2019, TerrAscend received approval from Health Canada to increase licensed space at its Mississauga Facility from 17,800 sq. ft. to 51,800 sq. ft., which includes additional cultivation capacity, a commercial kitchen, formulation rooms and increased primary and secondary packaging capacity to allow for new product formats and extracts. A strategic decision was made to cease the growing and cultivation of cannabis in Canada in order to focus on more profitable distribution opportunities. The final harvest from its manufacturing facility occurred in September 2020.
- *Receipt of Permit to Cultivate and Process in New Jersey.* On January 16, 2020, TerrAscend NJ was issued a permit by the NJ DOH to cultivate and process cannabis at its Boonton facility.
- *Second Apothecarium Dispensary in Pennsylvania.* On March 30, 2020, TerrAscend announced the opening of a second retail dispensary location in Pennsylvania, located in Lancaster. Additionally, TerrAscend announced that it is converting its existing Ilera dispensary in Plymouth Meeting to an Apothecarium branded dispensary.
- *Third Apothecarium Dispensary in Pennsylvania.* On June 30, 2020, TerrAscend announced the opening of a third retail dispensary location in Pennsylvania, located in Thorndale.
- *Fourth Apothecarium Dispensary in California.* On July 31, 2020, TerrAscend announced its seventh retail dispensary location nationwide and fourth in California, located in Berkeley.

- *Approval to Begin Cultivation in New Jersey.* On August 4, 2020, TerrAscend announced that its Boonton facility was approved by the NJ DOH to begin cultivating cannabis.
- *Expansion of State Flower Cultivation Facility.* On October 6, 2020 TerrAscend announced that it had commenced sales from its expanded State Flower cultivation facility located in San Francisco. The expansion increased the square footage from 5,000 to 20,000 square feet while also implementing automation to improve the facilities annual production of premium craft flower, resulting in a 500% increase in total output.
- *Fifth Apothecarium Dispensary in California.* On November 11, 2020 TerrAscend announced its eight retail dispensary nationwide and fifth in California, located in Capitola.
- *First Apothecarium Dispensary in New Jersey.* On November 24, 2020, TerrAscend received a final permit to dispense medical cannabis by the NJ DOH at its ninth retail dispensary nationwide and first dispensary in New Jersey, located in Phillipsburg.
- *Completion of Second Phase of New Jersey Cultivation and Manufacturing Facility.* On January 11, 2021, TerrAscend completed the second phase of construction at its cultivation and manufacturing facility located in Boonton, New Jersey. The phase of construction added approximately 80,000 square feet of indoor cultivation to the existing on-site greenhouse and post-harvest manufacturing facilities, bringing the Boonton facility's total footprint to approximately 140,000 square feet.
- *Receipt of Permit to Process Cannabis in New Jersey.* On March 18, 2021, TerrAscend announced it had been issued a permit by the NJ DOH to process cannabis in New Jersey. The permit allows TerrAscend NJ to engage in the extraction, processing and manufacturing of a wide range of branded form factors.
- *Keystone Canna Remedies Acquisition.* On April 20, 2021, TerrAscend announced it entered into a definitive agreement to acquire KCR. This transaction closed on May 3, 2021, for an implied enterprise value of \$69.8 million, doubling TerrAscend's existing dispensary presence in Pennsylvania from three to six.
- *Opening of Largest Apothecarium on the East Coast.* On May 7, 2021, TerrAscend announced the opening of its thirteenth dispensary nationwide and second in New Jersey, in the town of Maplewood.
- *Launch of Kind Tree Branded Portfolio in Maryland.* On June 15, 2021, TerrAscend announced its launch of a portfolio of Kind Tree branded products in Maryland produced from its recently acquired HMS Health facility.
- *Strategic Alternatives for Arise.* In August 2021, TerrAscend disclosed that it has made the decision to undertake a strategic review process to explore, review, and evaluate potential alternatives for its Arise business, focused on maximizing shareholder value.
- *Exclusive Agreement to Supply Cookies.* On August 18, 2021, TerrAscend NJ signed an exclusive agreement to supply Cookies licensed product to the New Jersey market and to bring Cookies Corners to its three dispensaries in New Jersey.
- *Third Apothecarium dispensary in New Jersey.* On August 19, 2021, TerrAscend announced the planned opening of its fourteenth dispensary nationwide and third in New Jersey, in the town of Lodi. The Lodi dispensary is planned to open during the fourth quarter of 2021.
- *Increased Ownership of New Jersey Partnership.* On August 20, 2021, TerrAscend announced it completed an acquisition of an additional 12.5% of the issued and outstanding equity of

TerrAscend NJ, for an initial cash payment of \$25 million with an additional \$25 million payment comprised of a combination of cash and TerrAscend Shares to be paid on or before December 31, 2021. Following the acquisition, TerrAscend's ownership in TerrAscend NJ increased to 87.5%.

- *Launch of Premium California Edibles Brand in New Jersey.* On September 2, 2021, TerrAscend announced an east coast launch of its premium edibles brand, Valhalla Confections, into the New Jersey market.

Organizational Changes

The following material organizational changes have taken place since January 1, 2018:

- *Appointment of Craig A. Collard* to the board of directors. Effective December 6, 2018, Craig A. Collard was appointed to the TerrAscend Board and Basem Hanna resigned from the Board of Directors.
- *Appointment of Lisa Swartzman to the board of directors.* Effective April 29, 2019, Lisa Swartzman was appointed to the TerrAscend Board and Gopal Bhatnagar resigned from the Board of Directors.
- *Appointment of Jason Ackerman* to the board of directors. Effective November 4, 2019, Jason Ackerman was appointed to the TerrAscend Board and named Executive Chairman.
- *Appointment of Jason Ackerman as Interim CEO.* Effective January 28, 2020, Jason Ackerman was named interim Chief Executive Officer.
- *Appointment of Jason Ackerman as CEO.* Effective April 14, 2020, Jason Ackerman was appointed as the Chief Executive Officer. In addition, TerrAscend announced its plans to relocate its financial operations to the US headquarters of New York City and as part of the move Toronto-based Adam Kozak resigned as the Chief Financial Officer.
- *Appointment of Keith Stauffer.* On April 27, 2020, Keith Stauffer was appointed as Chief Financial Officer.
- *Appointment of Jason Marks.* On August 5, 2020, Jason Marks was appointed as Chief Legal Officer.
- *Appointment of Ed Schutter to the TerrAscend Board of Directors.* Effective November 2, 2020, Ed Schutter was appointed to the TerrAscend Board.
- *Departure of Dr. Nashat.* Effective February 1, 2021, Dr. Michael Nashat stepped down from the TerrAscend Board.
- *Departure of Jason Ackerman.* On March 23, 2021, Jason Ackerman stepped down from his role as CEO and Executive Chairman of the TerrAscend Board. Jason Wild, Chairman of the TerrAscend Board, assumed position of Executive Chairman.
- *Departure of Jason Marks.* On August 18, 2021, Jason Marks stepped down from his role as Chief Legal Officer with TerrAscend.

DIVIDENDS AND DISTRIBUTIONS

No dividends or distributions have ever been paid on any TerrAscend Shares. TerrAscend intends to retain its earnings to finance its growth and development of its business, and therefore it is not expected that

dividends will be paid on TerrAscend Shares in the immediate or foreseeable future. Any decision to pay dividends on its TerrAscend Shares in the future will be at the discretion of TerrAscend's Board and will depend on, among other things, TerrAscend's results of operations, current and anticipated cash requirements and surplus, financial condition, any future contractual restrictions and financing agreement covenants, solvency tests imposed by corporate law and other factors that the TerrAscend Board may deem relevant.

MARKET FOR SECURITIES

Trading Price and Volume

TerrAscend Shares trade on the CSE under the symbol "TER". The following table sets out trading information and price range for TerrAscend Shares on a monthly basis for the periods indicated:

Period	High C\$	Low C\$	Volume
October 2020	8.08	5.52	4,145,180
November 2020	13	7.8	6,595,330
December 2020	13.94	11.06	4,892,156
January 2021	18.99	12.16	6,781,969
February 2021	20.5	15.19	8,607,952
March 2021	18.24	11.27	8,827,654
April 2021	14.29	11.8	3,149,748
May 2021	14.5	12.94	2,591,703
June 2021	14.25	11.5	2,324,260
July 2021	14.25	10.05	2,903,658
August 2021	11.4	8.58	2,600,410
September 2021	9.38	8.21	3,537,390
October 1, 2021 ⁽¹⁾	9.05	8.82	67,757

(1) The last trading day prior to the date of this Circular.

Prior Sales

The following table sets out details of all TerrAscend Shares issued within the twelve months prior to the date of this Circular.

Date of Issuance	Number of Securities Issued	Purpose of the Issuance	Issue Price C\$
January 1, 2021	18,115,656	Private placement	12.35
April 30, 2021	3,464,870	Acquisition consideration	12.76
June 30, 2021	5,000	Debt settlement	14.25
August 24, 2021	2,000	Debt settlement	9.43
September 15, 2021	1,000	Debt settlement	8.33

The following table sets out details of securities convertible into TerrAscend Shares, issued within the twelve months prior to the date of this Circular.

Date of Issuance	Number of Securities Issued	Purpose of the Issuance	Issue or Exercise Price C\$
October 28, 2020	2,488	RSU award	7.46
November 23, 2020	15,975	RSU award	9.8
December 4, 2020	17,775	RSU award	12.94
December 11, 2020	1,926,983	Warrant issued in relation to Canopy loan financing agreement	15.28
December 11, 2020	178,735	Warrant issued in relation to Canopy loan financing agreement	17.19
December 14, 2020	88,578	RSU award	11.81
December 14, 2020	15,000	Option grant	5.7
December 14, 2020	20,000	Option grant	5.75
December 14, 2020	100,000	Option grant	5.77
December 14, 2020	20,000	Option grant	6.08
December 14, 2020	10,000	Option grant	6.57
December 14, 2020	75,000	Option grant	7.38
December 14, 2020	25,000	Option grant	7.45
December 14, 2020	375,000	Option grant	7.97
December 14, 2020	17,000	Option grant	8.41
December 14, 2020	15,000	Option grant	8.95
December 14, 2020	320,000	Option grant	9.8
March 25, 2021	25,000	Option grant	7.38
March 25, 2021	20,000	Option grant	12.38
March 25, 2021	75,000	Option grant	12.81
March 25, 2021	55,000	Option grant	12.87
March 25, 2021	25,000	Option grant	13.25
March 25, 2021	20,000	Option grant	13.49
March 25, 2021	50,000	Option grant	13.53
March 25, 2021	1,345,000	Option grant	13.6
March 25, 2021	50,000	Option grant	14.1
March 25, 2021	10,000	Option grant	15.56
March 25, 2021	150,000	Option grant	15.86
March 25, 2021	200,000	Option grant	16.16
March 25, 2021	150,000	Option grant	17.25
March 25, 2021	10,000	Option grant	19.68

Date of Issuance	Number of Securities Issued	Purpose of the Issuance	Issue or Exercise Price C\$
March 25, 2021	174,408	RSU award	13.6

The following table sets out details of TerrAscend Shares issued in relation to stock options exercised for TerrAscend Shares, within the twelve months prior to the date of this Circular.

Date of Issuance	Number of Securities Issued	Purpose of the Issuance	Exercise Price C\$
November 12, 2020	6,666	Option exercise	5.96
November 17, 2020	3,333	Option exercise	4.59
November 23, 2020	25,000	Option exercise	6.00
December 7, 2020	33,333	Option exercise	7.39
November 23, 2020	1,666	Option exercise	4.26
November 23, 2020	3,333	Option exercise	7.06
November 23, 2020	1,666	Option exercise	6.41
November 24, 2020	3,333	Option exercise	5.98
November 24, 2020	1,666	Option exercise	7.87
November 24, 2020	3,333	Option exercise	4.96
November 30, 2020	55,000	Option exercise	5.20
November 26, 2020	1,666	Option exercise	7.75
November 23, 2020	1,666	Option exercise	4.80
November 24, 2020	3,333	Option exercise	5.98
November 24, 2020	1,666	Option exercise	6.00
November 30, 2020	13,334	Option exercise	7.65
November 30, 2020	11,666	Option exercise	7.65
November 26, 2020	1,666	Option exercise	8.06
November 23, 2020	500	Option exercise	6.28
November 26, 2020	1,500	Option exercise	6.28
December 3, 2020	1,333	Option exercise	6.28
December 2, 2020	1,666	Option exercise	8.06
November 23, 2020	1,666	Option exercise	6.30
December 1, 2020	6,166	Option exercise	4.75
November 24, 2020	10,000	Option exercise	7.53
December 3, 2020	1,600	Option exercise	8.35
November 23, 2020	100	Option exercise	5.27
November 26, 2020	400	Option exercise	5.27

Date of Issuance	Number of Securities Issued	Purpose of the Issuance	Exercise Price C\$
November 26, 2020	1,500	Option exercise	5.27
December 3, 2020	1,333	Option exercise	5.27
November 25, 2020	1,666	Option exercise	6.35
November 27, 2020	2,333	Option exercise	6.41
November 25, 2020	1,666	Option exercise	6.41
November 25, 2020	1,666	Option exercise	4.80
November 23, 2020	6,666	Option exercise	5.20
November 24, 2020	3,000	Option exercise	6.35
November 25, 2020	333	Option exercise	6.35
November 25, 2020	1,666	Option exercise	6.67
November 23, 2020	3,333	Option exercise	4.80
November 24, 2020	1,000	Option exercise	6.28
November 25, 2020	1,500	Option exercise	6.28
November 27, 2020	500	Option exercise	6.28
December 4, 2020	1,000	Option exercise	6.28
November 25, 2020	20,000	Option exercise	5.44
November 25, 2020	3,500	Option exercise	3.14
November 26, 2020	3,333	Option exercise	5.25
November 27, 2020	1,666	Option exercise	7.75
November 25, 2020	1,666	Option exercise	7.00
November 23, 2020	3,000	Option exercise	7.00
November 25, 2020	333	Option exercise	7.00
November 25, 2020	6,666	Option exercise	5.30
November 26, 2020	1,666	Option exercise	6.41
December 3, 2020	1,666	Option exercise	8.05
November 27, 2020	30,000	Option exercise	0.90
December 3, 2020	55,417	Option exercise	0.90
November 18, 2020	20,000	Option exercise	7.00
November 18, 2020	10,000	Option exercise	7.00
November 18, 2020	5,554	Option exercise	7.00
November 23, 2020	25,000	Option exercise	6.35
November 23, 2020	50,000	Option exercise	3.21
December 7, 2020	45,000	Option exercise	7.39
December 7, 2020	8,333	Option exercise	7.39

Date of Issuance	Number of Securities Issued	Purpose of the Issuance	Exercise Price C\$
December 7, 2020	1,666	Option exercise	7.00
December 10, 2020	2,500	Option exercise	7.39
December 10, 2020	3,000	Option exercise	3.20
December 10, 2020	500	Option exercise	6.28
December 9, 2020	1,666	Option exercise	6.61
December 10, 2020	166,666	Option exercise	3.40
December 17, 2020	44,930	Option exercise	2.96
December 18, 2020	15,000	Option exercise	6.90
December 17, 2020	1,666	Option exercise	7.01
December 14, 2020	500	Option exercise	6.28
December 15, 2020	750	Option exercise	6.28
December 16, 2020	500	Option exercise	6.28
December 16, 2020	250	Option exercise	6.28
December 17, 2020	500	Option exercise	6.28
December 17, 2020	500	Option exercise	6.28
December 18, 2020	500	Option exercise	6.28
December 21, 2020	250	Option exercise	6.28
December 21, 2020	25,000	Option exercise	7.39
December 22, 2020	30,000	Option exercise	6.53
December 22, 2020	100,000	Option exercise	0.60
December 22, 2020	125,000	Option exercise	0.60
December 22, 2020	66	Option exercise	8.35
December 22, 2020	1,000	Option exercise	3.20
December 22, 2020	2,500	Option exercise	0.85
December 22, 2020	250	Option exercise	6.28
December 22, 2020	1,333	Option exercise	7.00
December 22, 2020	25,000	Option exercise	6.35
December 22, 2020	33,333	Option exercise	6.28
December 22, 2020	125,000	Option exercise	0.60
December 23, 2020	1,000	Option exercise	3.14
December 23, 2020	31,666	Option exercise	7.39
December 24, 2020	3,333	Option exercise	7.00
December 24, 2020	750	Option exercise	6.28
December 24, 2020	1,500	Option exercise	7.00

Date of Issuance	Number of Securities Issued	Purpose of the Issuance	Exercise Price C\$
December 24, 2020	500	Option exercise	7.00
December 29, 2020	500	Option exercise	6.28
December 29, 2020	250	Option exercise	6.28
December 30, 2020	25,000	Option exercise	4.10
January 4, 2021	16,900	Option exercise	8.09
January 5, 2021	25,000	Option exercise	4.10
January 6, 2021	39,999	Option exercise	7.65
January 6, 2021	15,000	Option exercise	7.65
January 6, 2021	30,000	Option exercise	4.10
January 6, 2021	30,000	Option exercise	4.10
January 7, 2021	10,000	Option exercise	4.10
January 8, 2021	7,500	Option exercise	4.10
January 11, 2021	10,000	Option exercise	4.10
January 11, 2021	10,000	Option exercise	4.10
January 11, 2021	10,000	Option exercise	4.10
January 12, 2021	5,000	Option exercise	4.10
January 12, 2021	5,000	Option exercise	4.10
January 13, 2021	5,000	Option exercise	4.10
January 13, 2021	10,000	Option exercise	4.10
January 15, 2021	5,000	Option exercise	4.10
January 18, 2021	16,666	Option exercise	5.02
February 11, 2021	25,000	Option exercise	4.20
February 12, 2021	10,000	Option exercise	3.21
February 12, 2021	30,000	Option exercise	4.10
March 3, 2021	33,333	Option exercise	6.28
March 9, 2021	1,666	Option exercise	4.96
March 29, 2021	2,000	Option exercise	3.20
March 29, 2021	2,500	Option exercise	0.85
March 31, 2021	1,006	Option exercise	6.67
April 12, 2021	2,000	Option exercise	6.67
April 19, 2021	3,000	Option exercise	6.67
April 27, 2021	4,000	Option exercise	6.67
April 29, 2021	11,858	Option exercise	6.67
May 4, 2021	2,166	Option exercise	3.14

Date of Issuance	Number of Securities Issued	Purpose of the Issuance	Exercise Price C\$
May 26, 2021	10,000	Option exercise	4.35
May 27, 2021	16,666	Option exercise	8.01
May 27, 2021	3,333	Option exercise	6.35
May 27, 2021	1,667	Option exercise	7.87
May 27, 2021	18,333	Option exercise	6.90
May 27, 2021	1,667	Option exercise	8.06
June 8, 2021	1,666	Option exercise	7.39
June 7, 2021	1,667	Option exercise	7.75
June 4, 2021	10,000	Option exercise	2.96
June 21, 2021	1,667	Option exercise	7.39
June 21, 2021	15,000	Option exercise	8.09
June 22, 2021	25,000	Option exercise	6.00
June 22, 2021	1,667	Option exercise	7.01
June 29, 2021	22,000	Option exercise	7.39
June 30, 2021	66,666	Option exercise	8.29
June 30, 2021	3,333	Option exercise	7.06
June 30, 2021	1,667	Option exercise	6.30
June 29, 2021	1,667	Option exercise	8.35
June 28, 2021	3,000	Option exercise	3.20
June 29, 2021	1,667	Option exercise	6.61
June 29, 2021	1,667	Option exercise	7.75
June 25, 2021	3,000	Option exercise	8.52
June 28, 2021	5,000	Option exercise	8.52
June 28, 2021	1,500	Option exercise	8.52
June 28, 2021	1,500	Option exercise	8.52
June 29, 2021	666	Option exercise	8.52
June 24, 2021	30,000	Option exercise	4.10
June 25, 2021	2,500	Option exercise	4.10
June 30, 2021	33,333	Option exercise	7.39
June 30, 2021	6,666	Option exercise	7.39
July 2, 2021	1,500	Option exercise	5.96
July 2, 2021	2,500	Option exercise	3.49
July 5, 2021	3,333	Option exercise	2.96
September 10, 2021	66,666	Option exercise	2.96

Date of Issuance	Number of Securities Issued	Purpose of the Issuance	Exercise Price C\$
September 10, 2021	17,600	Option exercise	5.02
September 13, 2021	25,733	Option exercise	5.02
September 14, 2021	3,334	Option exercise	5.20
September 16, 2021	1,667	Option exercise	6.67

The following table sets out details of TerrAscend Shares issued in relation to the settlement of RSUs for TerrAscend Shares, within the twelve months prior to the date of this Circular.

Date of Issuance	Number of Securities Issued	Purpose of the Issuance	Exercise Price C\$
November 23, 2020	14,218	RSU settlement	2.96
November 23, 2020	132,320	RSU settlement	3.06
November 25, 2020	5,850	RSU settlement	9.80
December 21, 2020	2,700	RSU settlement	9.80
December 21, 2020	2,700	RSU settlement	12.94
March 29, 2021	2,488	RSU settlement	7.46
March 29, 2021	4,275	RSU settlement	12.94
March 29, 2021	1,575	RSU settlement	9.80
June 7, 2021	225	RSU settlement	3.06
June 7, 2021	10,095	RSU settlement	12.94
June 7, 2021	225	RSU settlement	9.80
June 25, 2021	675	RSU settlement	12.94
September 22, 2021	225	RSU settlement	12.94
September 22, 2021	450	RSU settlement	9.80

The following table sets out details of TerrAscend Shares issued in relation to the conversion of Warrants for TerrAscend Shares, within the twelve months prior to the date of this Circular.

Date of Issuance	Number of Securities Issued	Purpose of the Issuance	Issue Price C\$
November 2, 2020	10,000	Warrant conversion	3.25
December 2, 2020	29,970	Warrant conversion	3.25
December 4, 2020	200,000	Warrant conversion	3.25
December 14, 2020	10,000	Warrant conversion	3.25
January 12, 2021	10,000	Warrant conversion	3.25
January 14, 2021	10,000	Warrant conversion	3.25
January 15, 2021	11,000	Warrant conversion	3.25
January 20, 2021	353,699	Warrant conversion	3.25
January 20, 2021	150,325	Warrant conversion	3.25
January 27, 2021	3,000	Warrant conversion	3.25
February 25, 2021	35,000	Warrant conversion	4.25
February 9, 2021	132,071	Warrant conversion	3.25
February 24, 2021	132,429	Warrant conversion	3.25
February 16, 2021	100,622	Warrant conversion	3.25
March 31, 2021	530,929	Warrant conversion	3.25
March 8, 2021	17,000	Warrant conversion	3.25
April 7, 2021	83,300	Warrant conversion	3.25
April 7, 2021	16,700	Warrant conversion	3.25
April 29, 2021	13,800	Warrant conversion	3.25
April 29, 2021	165,500	Warrant conversion	3.25
April 29, 2021	41,400	Warrant conversion	3.25
May 4, 2021	469,000	Warrant conversion	3.25
May 10, 2021	314,403	Warrant conversion	3.25
July 7, 2021	3,613	Warrant conversion	3.25

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

None.

CORPORATE GOVERNANCE

Board of Directors

The TerrAscend Board currently consists of five persons: Mr. Jason Wild, Mr. Craig Collard, Mr. Richard Mavrinac, Ms. Lisa Swartzman and Mr. Ed Schutter. Mr. Collard and Mr. Mavrinac are believed to be independent based upon the tests for independence set forth in NI 52-110. Mr. Jason Wild is not an independent director as he serves as an executive officer of TerrAscend, Ms. Lisa Swartzman is not an independent director as she has accepted a consulting, advisory or other compensatory fee from TerrAscend, other than as remuneration for acting in her capacity as a member of the TerrAscend Board; and Mr. Ed Schutter is not an independent director as he is the former Chief Executive Officer of Arbor Pharmaceuticals, LLC, a privately held company in respect of which Mr. Wild was also a director and served as a member of the Arbor compensation committee (although this is no longer the case given the recent sale of Arbor Pharmaceuticals, LLC in September 2021, Mr. Wild and Mr. Schutter are no longer involved with Arbor). NP 58-201 – *Corporate Governance Guidelines* suggests that the board of directors of reporting issuers should be constituted with a majority of individuals who qualify as “independent” directors. An “independent” director is a director who has no direct or indirect material relationship with the relevant company. A material relationship is a relationship that could, in the view of the board of directors of a company, reasonably interfere with the exercise of a director’s independent judgment. TerrAscend has appointed Mr. Craig Collard as the Lead Independent director, and is considering adding additional independent directors to the TerrAscend Board.

The TerrAscend Board facilitates independent supervision of management of TerrAscend through meetings of the TerrAscend Board and through frequent informal discussions among independent members of the TerrAscend Board and management. In addition, the TerrAscend Board has access to TerrAscend’s external auditors, legal counsel and to any of TerrAscend’s officers. The TerrAscend Board has a stewardship responsibility to supervise the management of, and to oversee the conduct of the business of, TerrAscend, to provide leadership and direction to management, to evaluate management, to set policies appropriate for the business of TerrAscend and approve corporate strategies and goals.

The day-to-day management of the business and affairs of TerrAscend is delegated by the TerrAscend Board to the senior officers of TerrAscend. The TerrAscend Board will give direction and guidance through the Chief Executive Officer of TerrAscend, or a person performing a similar function to that role, and will keep management informed of its evaluation of the senior officers in achieving and complying with goals and policies established by the TerrAscend Board.

The TerrAscend Board recommends nominees to the TerrAscend Shareholders for election as directors, and immediately following each annual general meeting of TerrAscend, appoints an audit committee (the “**TerrAscend Audit Committee**”).

The TerrAscend Board exercises its independent supervision over management by way of its policies that (a) periodic meetings of the TerrAscend Board be held to obtain an update on significant corporate activities and plans and (b) all material transactions of TerrAscend are subject to prior approval of the TerrAscend Board. To facilitate open and candid discussion among its independent directors, such directors are encouraged to communicate with each other directly to discuss ongoing issues pertaining to TerrAscend.

Other Public Company Directorships

In addition to acting as a director of TerrAscend, the following current members of the TerrAscend Board hold a directorship in the other reporting issuers (or equivalent in other jurisdictions) set forth below:

Name of Director	Name of Issuer	Market
Craig Collard	Opiant Pharmaceuticals, Inc. Sierra Oncology	Nasdaq Stock Market Nasdaq Stock Market
Richard Mavrinac	Roots Corporation RIV Capital Inc. Gage Growth Corp.	Toronto Stock Exchange Canadian Securities Exchange Canadian Securities Exchange
Ed Schutter	Establishment Labs	Nasdaq Stock Market
Lisa Swartzman	Sol Cuisine	TSX Venture Exchange

Orientation and Continuing Education

While TerrAscend does not have formal orientation and training programs, orientation of new TerrAscend Board members is conducted by informal meetings with members of the TerrAscend Board, briefings by management, and the provision of copies of or access to TerrAscend's documents.

TerrAscend has not adopted formal policies respecting continuing education for members of the TerrAscend Board. However, members of the TerrAscend Board are encouraged to communicate with TerrAscend's management, legal counsel, external auditors and consultants to keep themselves current on industry trends and developments and changes in legislation (with management's assistance), and to attend related industry seminars and to visit TerrAscend's operations. Members of the TerrAscend Board have full access to TerrAscend's records.

Ethical Business Conduct

TerrAscend has not yet adopted a formal written code of business conduct and ethics, as the size of its operations and the small number of officers and consultants of TerrAscend allow it to monitor the activities of management on an ongoing basis and to ensure that the highest standard of ethical conduct is maintained. The TerrAscend Board has also found that the fiduciary duties placed on individual directors by governing corporate legislation and the common law, and the restrictions placed by the OBCA on an individual director's participation in decisions of the TerrAscend Board in which the director has an interest, have helped to ensure that the TerrAscend Board operates independently of management and in the best interests of TerrAscend.

Under the OBCA, a director is required to act honestly and in good faith with a view to the best interests of TerrAscend and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, directors must comply with the conflict of interest provisions of the OBCA, as well as the relevant securities regulatory instruments, in order to ensure the director exercises independent judgment in considering transactions and agreements in respect of which the director or an officer has a material interest. Any interested director would be required to declare the nature and extent of their interest and would not be entitled to vote at meetings of directors that evoke such a conflict.

Nomination of Directors

TerrAscend does not have a stand-alone nomination committee. The TerrAscend Board is responsible for identifying potential TerrAscend Board candidates. The TerrAscend Board assesses potential TerrAscend Board candidates to fill perceived needs of the TerrAscend Board for required skills, expertise, independence and other factors. TerrAscend Board members and representatives of the industry are consulted for possible TerrAscend Board candidates.

Compensation

The compensation committee of TerrAscend was formed in March 2021 and will conduct reviews with respect to director and officer compensation at least once a year (the “**TerrAscend Compensation Committee**”). The TerrAscend Compensation Committee is currently comprised of Mr. Schutter, Mr. Collard and Mr. Mavrinac.

Other TerrAscend Board Committees

As TerrAscend grows, and its operations and management structure became more complex, TerrAscend expects to appoint additional standing committees, including a corporate governance committee and a nominating committee, and will ensure that such committees are governed by written charters and are composed of at least a majority of independent directors.

Assessments

The TerrAscend Board monitors the adequacy of information given to directors, communications between the TerrAscend Board and management and the strategic direction and processes of the TerrAscend Board and the committees of the TerrAscend Board. On an annual basis, the TerrAscend Board assesses the performance of the TerrAscend Board as a whole, each of the individual directors and each committee of the TerrAscend Board in order to satisfy itself that each is functioning effectively.

AUDIT COMMITTEE

For information concerning TerrAscend’s audit committee (the “**TerrAscend Audit Committee**”) see TerrAscend’s Management Information Circular dated May 21, 2021, which is incorporated by reference herein, including the Audit Committee’s charter that is attached thereto Schedule “A”.

DIRECTORS AND OFFICERS

Name and Occupation

The following table and notes thereto sets forth, as at the date hereof, the name of each director and executive officer of TerrAscend, the province and country in which he or she is ordinarily resident, all offices of TerrAscend now held by such person, their respective principal occupations and the time period for which they have been a director or officer of TerrAscend. The term of each of the directors listed below will expire at the next TerrAscend annual general meeting.

Name, Province and Country of Residence	Principal Occupation	Date First Became an Officer or Director of TerrAscend
Craig Collard North Carolina, United States	CEO, Veloxis Pharmaceuticals	December 6, 2018
Richard Mavrinac Ontario, Canada	Director	March 7, 2017
Ed Schutter Georgia, United States	Director	November 2, 2020
Lisa Swartzman Ontario, Canada	Director	April 29, 2019
Jason Wild New York, United States	President and Chief Investment Officer, JW Asset Management, LLC	December 8, 2017

Name, Province and Country of Residence	Principal Occupation	Date First Became an Officer or Director of TerrAscend
Keith Stauffer New Jersey, United States	Chief Financial Officer, TerrAscend	April 27, 2020

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES AND SANCTIONS

Cease Trade Orders

To the knowledge of TerrAscend, no director of TerrAscend is, or within the ten years before the date of this Circular, has been, a director or officer of any company that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while the director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued after the director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Bankruptcies

To the knowledge of TerrAscend, no director of TerrAscend is, or within ten years before the date of this Circular, has been, a director or an executive officer of any company that, while the person was acting in that capacity, or within a year of that person ceasing to act in the capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets or made a proposal under any legislation relating to bankruptcies or insolvency.

To the knowledge of TerrAscend, no director of TerrAscend has, within the ten years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director.

Penalties and Sanctions

To the knowledge of TerrAscend, no director of TerrAscend has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a director.

Executive Compensation

For information concerning TerrAscend's executive compensation, see TerrAscend's Management Information Circular dated May 21, 2021, which is incorporated by reference herein.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

From time to time, TerrAscend may be involved in litigation relating to claims arising out of operations in the normal course of business.

On October 15, 2018, TerrAscend's wholly owned subsidiary TerrAscend Canada entered into a multi-year cultivation agreement (the "**PharmHouse Agreement**") with PharmHouse Inc. ("**PharmHouse**"), a joint venture between Canopy Rivers Inc. and 2615975 Ontario Inc., the operators of a leading North American greenhouse produce company ("**261**"). Under the terms of the PharmHouse Agreement, it was expected that PharmHouse would grow and supply cannabis to TerrAscend Canada from its existing 1.3 million square foot greenhouse located in Leamington, Ontario. Once fully licensed, the production of flower, trim and clones from up to 20% of the dedicated flowering space planted at the greenhouse was expected to be made available to TerrAscend Canada. To date, PharmHouse has not yet delivered product in accordance with the terms of the PharmHouse Agreement. On September 11, 2020, TerrAscend and TerrAscend Canada were informed that a statement of claim was issued on August 31, 2020 in the Ontario Superior Court of Justice by 261 against Canopy Rivers, Canopy Growth Corporation, TerrAscend and TerrAscend Canada (the "**261 Claim**"). In the 261 Claim, 261 seeks damages from the defendants in the amount of \$500 million and alleges certain causes of action, including bad faith, fraud, civil conspiracy, breach of the duty of honesty and good faith in contractual relations and breach of fiduciary duty. The 261 Claim, as against TerrAscend and TerrAscend Canada, is completely baseless and without merit, and TerrAscend will vigorously defend itself, if necessary, in the appropriate forum. On September 16, 2020, PharmHouse obtained an order from the Ontario Superior Court of Justice granting PharmHouse creditor protection under the Companies' Creditors Arrangement Act ("**CCAA**"). Pursuant to the CCAA order, the 261 Claim has been stayed. During a CCAA hearing in November, 261 objected to the stay of the 261 Claim. The judge presiding over the CCAA process agreed to allow 261 to discontinue the 261 Claim against the defendants 'without prejudice' to its right to recommence the 261 Claim against all parties except PharmHouse Inc., provided that such recommenced claim can only be brought after January 1, 2021. This does not affect any of the defendants' ability to move for a stay of the recommenced 261 Claim. On February 10, 2021, 261 served the Issuer and TerrAscend Canada with the recommenced 261 Claim. On March 11, 2021, the Ontario Superior Court of Justice approved a settlement agreement (the "**216 Settlement Agreement**") between TerrAscend, TerrAscend Canada and PharmHouse. The 216 Settlement Agreement provides that TerrAscend make a one-time purchase of a specific quantity of cannabis that was grown under the PharmHouse Agreement for a set price per gram, and for a one-time cash payment to PharmHouse for full and final satisfaction of any claims or obligations between TerrAscend, TerrAscend Canada and PharmHouse. Both payments are immaterial to TerrAscend and TerrAscend plans to monetize the purchased cannabis. The 216 Settlement Agreement does not affect the recommenced 261 Claim issued on February 10, 2021, which TerrAscend believes is completely baseless and without merit.

Securities Regulatory Actions

There have not been any penalties or sanctions imposed against TerrAscend by a court relating to provincial or territorial securities legislation or by a securities regulatory authority, nor have there been any other penalties or sanctions imposed by a court or regulatory body against TerrAscend, and TerrAscend has not entered into any settlement agreements before a court relating to provincial or territorial securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed in the documents incorporated by reference herein, or as otherwise disclosed in this Appendix, TerrAscend is not aware of any material interest of any director or executive officer, any person that beneficially owns, or controls or directs, directly or indirectly, more than 10% of TerrAscend Shares, or any associate or affiliate of the foregoing persons, in any transaction within the three years before the date hereof that has materially affected, or is reasonably expected to materially affect, TerrAscend.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course, and in addition to the material contracts of TerrAscend disclosed in the documents incorporated by reference herein, the following are the only material contracts entered into by TerrAscend before the date of this Circular, that are still in effect:

- I. Arrangement Agreement – for a description of the material terms and conditions of the Arrangement Agreement, please see the Circular of which this Appendix “F” forms a part under the heading *The Arrangement Agreement*.
- II. Arrangement Agreement between TerrAscend, Canopy Growth, Canopy Rivers, JW Opportunities Master Fund, Ltd., JW Partners, LP and Pharmaceutical Opportunities Fund, LP dated October 8, 2018, pursuant to which, among other things, TerrAscend agreed to reorganize its capital under the TerrAscend Reorganization and obtained waivers of certain contractual covenants restricting TerrAscend from operating in the United States. During the year ended December 31, 2020, Canopy Growth acquired TerrAscend Share purchase warrants previously issued to Canopy Rivers as well as the loan payable outstanding balance.
- III. Debenture Agreement by and between Canopy Growth and TerrAscend Canada dated March 10, 2020, pursuant to which Canopy Growth loaned TerrAscend Canada \$58.6 million and in connection TerrAscend Canada issued an aggregate of 17,808,975 TerrAscend Share purchase warrants to Canopy Growth.
- IV. Senior secured term loan agreement dated December 18, 2020 secured by Ilera for \$120 million. The term loan will bear interest of 12.875% per annum with four year maturity and is callable any time.
- V. Licence awarded by Health Canada to TerrAscend Canada under the Cannabis Act for standard cultivation, standard processing and sale for medical purposes, effective until June 25, 2024
- VI. Permit awarded by the NJ DOH to TerrAscend NJ for the cultivation and processing of medical marijuana, effective until December 31, 2021.
- VII. Permit awarded by the Pennsylvania Department of Health to Ilera for the operation of a medical marijuana grower processor facility, effective until June 20, 2022.

INTERESTS OF EXPERTS

Names of Experts

The following are the persons or companies who were named as having prepared or certified a statement, report or valuation in this Appendix “F” either directly or in a document incorporated by reference and whose profession or business gives authority to the statement, report or valuation made by the person or company:

MNP LLP, TerrAscend’s independent auditors, has prepared an independent audit report dated March 22, 2021 in respect of TerrAscend’s audited consolidated financial statements for the years ended December 31, 2020 and December 31, 2019.

Interests of Experts

MNP LLP, auditors of TerrAscend, have confirmed that they are independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

RISK FACTORS

The following risks should be carefully considered when deciding whether to make an investment in TerrAscend and TerrAscend Shares. Some of the following factors are interrelated and, consequently, investors and readers should treat such risk factors as a whole. These risks and uncertainties are not the only ones that could affect TerrAscend and TerrAscend Shares, and additional risks and uncertainties not currently known to TerrAscend, or that it currently considers not to be material, may also impair the business, financial condition and results of operations of TerrAscend and/or the value of TerrAscend Shares. If any of the following risks or other risks occur, they could have a material adverse effect on TerrAscend business, financial condition and results of operations and/or the value of TerrAscend Shares. There is no assurance that any risk management steps taken by TerrAscend will avoid future loss due to the occurrence of the risks described below or other unforeseen risks. In addition, if the Arrangement is completed, Gage will be a wholly-owned subsidiary of TerrAscend, and the risk factors applicable to Gage will continue to be applicable. See “*Risk Factors*” in Appendix “H” of the Circular for a description of the risk factors applicable to Gage.

Changes in Laws, Regulations and Guidelines

In the US, the operations of TerrAscend and its subsidiaries are subject to a variety of laws, including, among other things, state and local regulations and guidelines relating to the cultivation, manufacture, management, transportation, distribution, sale, storage and disposal of cannabis. Changes to such laws, regulations and guidelines due to matters beyond the control of TerrAscend may cause adverse effects to TerrAscend’s business, financial condition and result of operations. Local, state and federal laws and regulations governing cannabis for medicinal and recreational purposes are broad in scope and are subject to evolving interpretations, which could require TerrAscend to incur substantial costs associated with bringing TerrAscend’s operations into compliance. In addition, violations of these laws, or allegations of such violations, could disrupt TerrAscend’s operations and result in a material adverse effect on its financial performance. It is beyond TerrAscend’s scope to predict the nature of any future change to the existing laws, regulations, policies, interpretations or applications, nor can TerrAscend determine what effect such changes, when and if promulgated, could have on TerrAscend’s business.

The Cannabis Act came into force in Canada on October 17, 2018 along with various related regulations. The cultivation, processing, distribution and sale of cannabis, among other things, remains subject to extensive regulatory oversight under the Cannabis Act, as it was prior to its implementation. It is possible that these statutory requirements, including any new regulations that are subsequently issued, could significantly and adversely affect the business, financial condition and results of operations of TerrAscend.

While the foregoing activities in respect of cannabis are under the regulatory oversight of the Government of Canada, the distribution of recreational use cannabis is the responsibility of the respective provincial and territorial governments. These jurisdictions have chosen varying retail frameworks with private, public and hybrid models being implemented. There is no guarantee that provincial and territorial legislation regulating the distribution and sale of cannabis for recreational purposes will be continued according to their current terms, that they will not be materially amended or that such regimes will create the growth opportunities that TerrAscend currently anticipates.

In addition, government policy changes or public opinion may also result in a significant influence over the regulation of the cannabis industry in Canada, the US or elsewhere. A negative shift in the public’s perception of medical or recreational cannabis in Canada, the US or any other applicable jurisdiction could affect future legislation or regulation. Among other things, a shift could cause state and local jurisdictions to abandon initiatives or proposals to legalize medical or recreational cannabis, thereby limiting the number of new state jurisdictions into which TerrAscend could expand. Any inability to fully implement TerrAscend’s expansion strategy may have a material adverse effect on TerrAscend’s business, financial condition and results of operations.

Regulatory Risks

Achievement of TerrAscend's business objectives is contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. TerrAscend cannot predict the impact of the compliance regime, the applicable regulatory bodies in the US and Canada are implementing that effect the business of TerrAscend. Similarly, TerrAscend cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. The impact of governmental compliance regimes, any delays in obtaining, or failure to obtain regulatory approvals may significantly delay or impact the development of markets, products and sales initiatives and could have a material adverse effect on the business, results of operations and financial condition of TerrAscend.

TerrAscend will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties or restrictions on TerrAscend's operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to TerrAscend's operations, result in increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of TerrAscend.

The cannabis industry is subject to extensive controls and regulations, which may significantly affect the financial condition of market participants. The marketability of any product may be affected by numerous factors that are beyond the control of TerrAscend and which cannot be predicted, such as changes to government regulations, including those relating to taxes and other government levies which may be imposed. Changes in government levies, including taxes, could reduce TerrAscend's earnings and could make future capital investments or TerrAscend's operations uneconomic. The industry is also subject to numerous legal challenges, which may significantly affect the financial condition of market participants and which cannot be reliably predicted.

Reliance on Licenses

TerrAscend's ability to grow, store and sell medical and adult-use cannabis and cannabis oil in Canada and certain US states is dependent on TerrAscend maintaining licenses with applicable regulators for both oil and dried cannabis production and the sale of dried cannabis. Failure to comply with the requirements of its licenses or any failure to maintain its licenses would have a material adverse impact on the business, financial condition and operating results of TerrAscend.

TerrAscend and its subsidiaries, as applicable, will apply for, as the need arises, all necessary licenses and permits to carry on the activities it expects to conduct in the future. However, the ability of TerrAscend or its subsidiaries to obtain, maintain or renew any such licenses and permits on acceptable terms is subject to changes in regulations and policies and to the discretion of the applicable authorities or other governmental agencies in foreign jurisdictions.

In certain states, the cannabis laws and regulations limit, not only the number of cannabis licenses issued, but also the number of cannabis licenses that one person may own. TerrAscend believes that, where such restrictions apply, it may still capture significant share of revenue in the market through wholesale sales, exclusive marketing relations, provision of management or support services, franchising and similar arrangement with other operators. Nevertheless, such limitations on the acquisition of ownership of additional licenses within certain states or enforcement by regulators in certain States against such services arrangements may limit TerrAscend's ability to grow organically or to increase its market share in such states.

Tax Risk

Tax risk is the risk of changes in the tax environment that would have a material adverse effect on TerrAscend's business, results of operations, and financial condition. Currently, state licensed marijuana

businesses are assessed a comparatively high effective federal tax rate due to section 280E, which prohibits businesses from deducting certain expenses associated with trafficking controlled substances (within the meaning of Schedule I and II of the CSA). The IRS has invoked Section 280E in tax audits against various cannabis businesses in the US that are permitted under applicable state laws. Although the IRS issued a clarification allowing the deduction of certain expenses, the scope of such items is interpreted very narrowly, and the bulk of operating costs and general administrative costs are not permitted to be deducted. While there are currently several pending cases before various administrative and federal courts challenging these restrictions, there is no guarantee that these courts will issue an interpretation of Section 280E favorable to cannabis businesses. Given these facts, the impact of any such challenge cannot be reliably estimated; however, it may be significant to the financial condition and/or the overall operations of TerrAscend.

US Specific Regulatory Risk

While some states in the US have authorized the use and sale of cannabis in some form, it remains illegal under US federal law. On January 4, 2018, US Attorney General Jeff Sessions issued a memorandum to US Attorneys which rescinded previous guidance from the US Department of Justice specific to cannabis enforcement in the US, including the Cole Memorandum, which stated that the US Department of Justice would not prioritize the prosecution of cannabis-related violations of US federal law in jurisdictions that had enacted laws legalizing medical cannabis in some form and had implemented strong and effective regulatory and enforcement systems. With the Cole Memorandum rescinded, US federal prosecutors have greater discretion in determining whether to prosecute medical cannabis-related violations of US federal law; there was never such a policy statement in relation to US state and territories with adult use cannabis programs. Because TerrAscend engages in cannabis-related activities in the US, an increase in federal enforcement efforts with respect to current US federal laws applicable to cannabis could cause financial damage to TerrAscend. In addition, TerrAscend is at risk of being prosecuted under US federal law and having its assets seized. See “Appendix “I” US Cannabis Regulatory Regime”.

TerrAscend’s exposure to US marijuana related activities for the year ended December 31, 2020 and December 31, 2019 is as follows:

	At December 31, 2020	At December 31, 2019
Current assets	\$ 84,623	24,546
Non-current assets	303,173	237,640
Current liabilities	82,090	100,694
Non-current liabilities	168,048	168,931

	At December 31, 2020	At December 31, 2019
Sales, net	\$ 125,207	26,684
Gross profit (loss)	109,926	13,939
Income (loss) from operations	75,296	(3,010)
Net income (loss) attributable to controlling interest	22,721	(116,663)

Enforcement of the US Federal Law is a Significant Risk

Violations of any US federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the US federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities, civil forfeiture or divestiture. This could have a material adverse effect on TerrAscend, including its reputation and ability to conduct business, the listing of its securities on various stock exchanges, its financial position, operating results, profitability or liquidity or the market price of its publicly traded shares. In addition, it is difficult for TerrAscend to estimate the time or resources that would

be needed for the investigation of any such matters or its final resolution because, in part, the time and resources that may be needed are dependent on the nature and extent of any information requested by the applicable authorities involved, and such time or resources could be substantial.

Unlike in Canada which has federal legislation uniformly governing the cultivation, distribution, sale and possession of cannabis under the Cannabis Act, investors are cautioned that in the US, cannabis is largely regulated at the state level. Notwithstanding the permissive regulatory environment of cannabis at the state level, cannabis continues to be categorized as a controlled substance under the CSA in the US and as such, is in violation of federal law in the US.

Further, there can be no assurance that state laws legalizing and regulating the sale and use of cannabis will not be repealed or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. It is also important to note that local and city ordinances may strictly limit and/or restrict the distribution of cannabis in a manner that will make it extremely difficult or impossible to transact business in the cannabis industry.

As stated above, the US Congress has passed appropriations bills each of the last several years, since 2014, to prevent the federal government from using congressionally appropriated funds to enforce federal marijuana laws against regulated medical marijuana actors operating in compliance with state and local law. Most recently, on October 1, 2020, President Trump signed a short-term continuing resolution to extend current appropriations through December 11, 2020. The continuing resolution contains, among other things, the Rohrabacher Blumenauer Amendment (the “**RBA**”), which prevents the federal government from using congressionally appropriated funds to enforce federal marijuana laws against regulated medical marijuana actors operating in compliance with state medical cannabis laws.

One US federal appellate court construed these appropriations bills to prevent the federal government from prosecuting individuals when those individuals comply with state medical cannabis laws, vacated numerous convictions and sent the cases back to the trial courts for further determination. However, because this conduct continues to violate federal law, American courts have observed that should Congress at any time choose to appropriate funds to fully prosecute the CSA, any individual or business—even those that have fully complied with state law—could be prosecuted for violations of federal law. If Congress restores funding, for example by declining to include the RBA in a budget resolution, or by failing to pass necessary budget legislation and causing another government shutdown, the government will have the authority to prosecute individuals for violations of the law before it lacked funding under the five-year statute of limitations applicable to non-capital CSA violations. Additionally, it is important to note that the appropriations protections only apply to medical cannabis operations and provide no protection against businesses operating in compliance with a state’s recreational cannabis laws.

Although the 2018 Farm Bill, among other things, generally removes hemp from the controlled substances list under the CSA, it does not legalize CBD generally. In particular, the 2018 Farm Bill preserves the FDA’s authority to regulate products containing cannabis or cannabis-derived compounds. Pursuant to a statement released December 20, 2018, Frequently Asked Questions on the FDA’s website, and numerous public statements, the FDA has taken the position that all CBD is a drug ingredient and therefore illegal to add to food or health products without its approval or further action by the FDA. The FDA considers products containing CBD or other cannabis-derived compounds the same as any other FDA-regulated products and takes the position that they are subject to the same authorities and requirements as similarly regulated products, including but not limited to required approvals for food ingredients and dietary supplements based on safety standards. Importantly, the FDA has taken the position that it is unlawful under the FDCA to introduce food containing added CBD into interstate commerce, or to market CBD products as, or in, food or dietary supplements, regardless of whether the substances are hemp derived. The FDA has however indicated that it will work towards providing ways for companies to seek approval from the FDA to market CBD products. Further, many state criminal laws and food and drug laws prohibit or restrict the production and/or sale of hemp-derived CBD products. TerrAscend’s US hemp operations will be subject to FDA oversight. There is no guarantee that TerrAscend will be able to obtain necessary approval from regulatory authorities for its products in the US.

TerrAscend's activities and operations in the US are, and will continue to be, subject to evolving regulation by governmental authorities. The approach to the enforcement of cannabis laws may be subject to change or may not proceed as previously outlined. The USDA will promulgate additional rules governing the production of hemp in the US, with many states in the process of amending state laws to regulate hemp production and the sale of hemp-derived products within their borders. In addition, the FDA is expected to make determinations as to how CBD products will be regulated and is expected to issue a substantial change in its regulation of dietary supplements generally. Accordingly, there are significant changes in both federal and state law that may materially impact TerrAscend's operations.

Challenges to Access Public and Private Capital Markets

Since the use of cannabis is currently illegal under US federal law, and in light of considerations related to money laundering and other federal financial crime related to cannabis in the US banking industry, US banks have been reluctant to accept or deposit funds from businesses involved with the cannabis industry. Consequently, businesses involved in the cannabis industry often have difficulty finding a bank willing to accept its business. Likewise, cannabis businesses have limited access, if any, to credit card processing services. As a result, cannabis businesses in the US are largely cash-based. This complicates the implementation of financial controls and increases security issues.

While TerrAscend is not able to obtain financing in the US from banks or other US federally regulated entities, TerrAscend has been able to access equity financing through private markets in both Canada and the US. Commercial banks, private equity firms, and venture capital firms have approached the cannabis industry cautiously to date. However, there are increasing numbers of high-net-worth individuals and family offices that have made meaningful investments in companies and businesses similar to TerrAscend. Although there has been an increase in the amount of private funding available over the last several years to companies that are active in the cannabis industry in North America, there is neither a broad nor deep pool of institutional capital that is available to cannabis license holders and license applicants. There can be no assurance that additional financing, if raised privately, will be available to TerrAscend when needed or on terms which are acceptable to TerrAscend. TerrAscend's inability to raise financing to fund its capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon future profitability.

Challenges to Access Financial Services

Under the federal money laundering statutes, unlicensed money transmitter statute and the Bank Secrecy Act, financial transactions in the US involving proceeds generated by cannabis-related conduct can form the basis for prosecution. The FinCEN division of the US Department of Treasury has provided guidance for how financial institutions can provide services to the cannabis-related businesses consistent with the obligations under the Bank Secrecy Act.

Previously, the US Department of Justice ("DOJ") directed its federal prosecutors to consider the federal enforcement priorities enumerated in the Cole Memo when determining whether to charge institutions or individuals with any of the financial crimes described above based upon cannabis-related activity. In January 2019, the DOJ revoked the Cole Memo and related memorandum. While the impact remains unclear, the revocation has created uncertainty. For instance, federal prosecutors may increase enforcement activities against institutions or individuals who are engaged in financial transactions related to cannabis activities, or there may be a negative impact to the continuation of financial services in the US with regard to cannabis-related activities. Consequently, businesses involved in the regulated medical-use cannabis industry may experience difficulties establishing banking relationships, and such difficulties may increase over time. If TerrAscend were to experience any inability to access financial services in the US, including its current bank accounts, this would have a direct impact on the ability for TerrAscend to operate its businesses. This impact would increase TerrAscend's operating costs, and pose additional operational, logistical, and security challenges that could impede its inability to implement its business plans.

Risks Related to Operating in a Highly Regulated Industry

Given the complexity of the US regulation of the cannabis industry, certain requirements may prove to be excessively onerous or otherwise impractical for TerrAscend to comply with. This may result in the exclusion of certain business opportunities from the list of possible transactions that TerrAscend would otherwise consider.

Further, US laws and regulations at the local, state, and federal levels which apply to the cannabis industry are continually changing, and it is difficult to determine if future changes could detrimentally affect the operations of TerrAscend. Given the broad scope of cannabis laws and regulations, these are subject to evolving interpretations. This continued evolution could require TerrAscend to incur substantial costs associated with compliance or alter its business plan. In addition, violations of these laws, or allegations of such violations, could disrupt TerrAscend's businesses and result in a material adverse effect on its operations.

TerrAscend's continued compliance with regulatory requirements enacted by government authorities and obtaining all regulatory approvals, where necessary, for the sale of its products, including maintain and renewing all applicable licenses, is crucial to the successful execution of TerrAscend's strategies. The commercial cannabis industry is an emerging industry in the US, and TerrAscend cannot forecast the impact of the compliance regime to which they will be subject. Similarly, TerrAscend cannot predict its ability to secure all appropriate regulatory approvals for any of its products, or the extent of testing or related documentation that may be required by governmental authorities. Delays in obtaining, or failure to obtain, regulatory approvals may significantly delay or impact the development of markets, products and sales initiatives and could have adverse effect on the business, financial condition, and operating results of TerrAscend. Without limiting the foregoing, TerrAscend's failure to comply with the requirements of any underlying licenses or any failure to maintain any underlying licenses would have a material adverse impact on its business, financial condition, and operating results. It is uncertain whether any required licenses for the operation of TerrAscend's business will be extended or renewed in a timely manner, if at all, or that if they are extended or renewed, that the licenses will be extended or renewed on the same or similar terms.

Risks Concerning Banking and Anti-Money Laundering Laws and Regulations

The US federal prohibitions on the sale of marijuana may result in TerrAscend and its partners being restricted from accessing the US banking system and they may be unable to deposit funds in federally insured and licensed banking institutions. Banking restrictions could be imposed due to TerrAscend's banking institutions not accepting payments and deposits. TerrAscend is at risk that any bank accounts it has could be closed at any time. Such risks increase costs to TerrAscend.

TerrAscend's activities in the US, and any proceeds thereof, may be considered proceeds of crime due to the fact that cannabis remains federally illegal in the US. This may restrict the ability of TerrAscend to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada. Furthermore, while TerrAscend has no current intention to declare or pay dividends on its TerrAscend Shares in the foreseeable future, TerrAscend may decide or be required to suspend declaring or paying dividends without advance notice and for an indefinite period of time.

The guidance provided in the FinCEN memorandum as described above may change depending on the position of the US government administration at any given time and is subject to revision or retraction in the future, which may restrict TerrAscend's access to banking services.

Litigation

TerrAscend may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which TerrAscend becomes involved be determined against TerrAscend, such a decision could adversely affect TerrAscend's ability to continue operating and

the market price for TerrAscend Shares. Even if TerrAscend is involved in litigation and wins, litigation can redirect significant resources.

Product Recalls

TerrAscend's products may be subject to recall or return for a variety of reasons, including product defects such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of TerrAscend's products are recalled due to an alleged product defect or for any other reason, TerrAscend could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection therewith. TerrAscend may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although TerrAscend has detailed procedures in place for testing its products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of the products produced by TerrAscend were subject to recall, the image of that product and TerrAscend could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for TerrAscend's products and could have a material adverse effect on the results of operations and financial condition of TerrAscend. Additionally, product recalls may lead to increased scrutiny of TerrAscend's operations by Health Canada and other regulatory agencies, requiring further management attention and potential legal fees and other expenses.

Product Liability Claims

As a manufacturer of products designed to be ingested by humans, TerrAscend faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacturing and sale of cannabis and other products involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of cannabis products alone or in combination with other medications or substances could occur. TerrAscend may be subject to various product liability claims, including, among others, that the products produced by TerrAscend caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances.

A product liability claim or regulatory action against TerrAscend could result in increased costs, could adversely affect TerrAscend's reputation with its clients and consumers generally, and could have a material adverse effect on the results of operations and financial condition of TerrAscend.

Consumer-Protection Liability

TerrAscend's products may be considered misbranded or adulterated, or otherwise unlawful under federal and state food and drug laws and could subject TerrAscend to local, federal, or state enforcement or private litigation. Some states permit advertising, labeling laws, false and deceptive trade practices, and other consumer-protection laws to be enforced by state attorney generals, who may seek relief for consumers, class action certifications, class wide damages and product recalls of products sold by TerrAscend. Private litigations may also seek relief for consumers, class action certifications, class wide damages and product recalls of products sold by TerrAscend in any of the markets in which it operates. Any actions against TerrAscend by governmental authorities or private litigants could have a material adverse effect on TerrAscend's business, financial condition and results of operations.

Environmental and Employee Health and Safety Regulations

TerrAscend's operations are subject to environmental and safety laws and regulations concerning, among other things, emissions and discharges to water, air and land, the handling and disposal of hazardous and non-hazardous materials and wastes, and employee health and safety. Changes in environmental, employee health and safety or other laws, more vigorous enforcement thereof or other unanticipated events

could require extensive changes to TerrAscend's operations or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of TerrAscend.

Competition in the Cannabis Industry

The introduction of an adult-use model for cannabis production and distribution may impact the medical cannabis market. The impact of this potential development may be negative for TerrAscend and could result in increased levels of competition in its existing medical market and/or the entry of new competitors in the overall cannabis market in which TerrAscend operates.

There is potential that TerrAscend will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience than TerrAscend. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of TerrAscend.

If the number of users of medical cannabis in North America increases, the demand for products will increase and TerrAscend expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products. To remain competitive, TerrAscend will require a continued high level of investment in research and development, marketing, sales and client support. TerrAscend may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis, which could materially and adversely affect the business, financial condition and results of operations of TerrAscend.

As well, the legal landscape for medical and recreational cannabis is changing internationally. More countries have passed laws that allow for the production and distribution of medical cannabis in some form or another. Increased international competition might lower the demand for TerrAscend's products on a global scale.

Reliance on and Retention of Qualified Personnel

The success of TerrAscend is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management, which are key personnel. Moreover, TerrAscend's future success depends on its continuing ability to attract, develop, motivate and retain highly qualified and skilled employees. Qualified individuals are in high demand, and TerrAscend may incur significant costs to attract and retain them. The loss of the services of such key personnel, or an inability to attract other suitably qualified persons when needed, could have a material adverse effect on TerrAscend's ability to execute on its business plan and strategy, and TerrAscend may be unable to find adequate replacements on a timely basis, or at all. While employment agreements are customarily used as a primary method of retaining the services of such key personnel these agreements cannot assure the continued services of such employees.

There is no assurance that any of TerrAscend's existing personnel who presently or may in the future require a security clearance will be able to obtain or renew such clearances or that new personnel who require a security clearance will be able to obtain one. A failure by such key personnel to maintain or renew their security clearance would result in a material adverse effect on TerrAscend's business, financial condition and results of operations. In addition, if any key personnel leave TerrAscend, and TerrAscend is unable to find a suitable replacement that has a security clearance in a timely manner, or at all, it could have a material adverse effect on TerrAscend's business, financial condition and results of operations.

Risks Related to Integration of Acquired Businesses

TerrAscend may not be able to successfully integrate and combine the operations, personnel and technology infrastructure of any such acquired company with its existing operations. If integration is not managed successfully by TerrAscend's management, TerrAscend may experience interruptions to its business activities, deterioration in its employee and customer relationships, increased costs of integration

and harm to its reputation, all of which could have a material adverse effect on TerrAscend's business, financial condition and results of operations. TerrAscend may experience difficulties in combining corporate cultures, maintaining employee morale and retaining key employees. The integration of any such acquired companies may also impose substantial demands on management. There is no assurance that these acquisitions will be successfully integrated in a timely manner.

Privacy and Cyber Security

If there was a breach in security systems and TerrAscend becomes victim to a robbery or theft, the loss of cannabis plants, cannabis oils, cannabis flowers and cultivation and processing equipment or if there was a failure of information systems or a component of information systems, it could, depending on the nature of any such breach or failure, adversely impact TerrAscend's reputation, business continuity and results of operations. A security breach at one of TerrAscend's facilities could expose TerrAscend to additional liability and to potentially costly litigation, increase expenses relating to the resolution and future prevention of these breaches and may deter potential customers from choosing TerrAscend's products. Given the nature of TerrAscend's products and its lack of legal availability outside of channels approved by the government of the US, as well as the concentration of inventory in its facilities, there remains a risk of shrinkage as well as theft.

TerrAscend also collects and stores personal information about its patients and is responsible for protecting that information from privacy breaches. A privacy breach may occur through procedural or process failure, information technology malfunction, or deliberate unauthorized intrusions.

Furthermore, Internet websites are visible by people everywhere, not just in jurisdictions where the activities described therein are considered legal. As a result, to the extent that TerrAscend sells services or products via web-based links targeting only jurisdictions in which such sales or services are compliant with state law, TerrAscend may face legal action in other jurisdictions which are not the intended object of any of TerrAscend's marketing efforts for engaging in any web-based activity that results in sales into such jurisdictions deemed illegal under applicable laws.

TerrAscend has entered into agreements with third parties for hardware, software, telecommunications and other information technology (or "IT") services in connection with its operations. TerrAscend's operations depend, in part, on how well it and its suppliers protect networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, intentional damage and destruction, fire, power loss, hacking, computer viruses, vandalism and theft. TerrAscend's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact TerrAscend's reputation and results of operations.

Theft of data for competitive purposes is an ongoing risk whether perpetrated via employee collusion or negligence or through deliberate cyber-attack. Any such theft or privacy breach would have a material adverse effect on TerrAscend's business, financial condition and results of operations. In addition, there are a number of federal, state, and provincial laws protecting the confidentiality of certain patient health information, including patient records, and restricting the use and disclosure of that protected information. If TerrAscend was found to be in violation of the applicable laws protecting the confidentiality of patient health information, it could be subject to sanctions and civil or criminal penalties, which could increase its liabilities, harm its reputation and have a material adverse effect on the business, results of operations and financial condition of TerrAscend.

Fraudulent or Illegal Activity by Employees, Contractors and Consultants

TerrAscend is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or

negligent conduct or disclosure of unauthorized activities to TerrAscend that violates: (i) government regulations; (ii) manufacturing standards; (iii) federal and provincial healthcare fraud and abuse laws and regulations; or (iv) laws that require the true, complete and accurate reporting of financial information or data. It may not always be possible for TerrAscend to identify and deter misconduct by its employees and other third parties, and the precautions taken by TerrAscend to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting TerrAscend from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against TerrAscend, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on TerrAscend's business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of TerrAscend's operations, any of which could have a material adverse effect on TerrAscend's business, financial condition, results of operations or prospects.

Insurance Coverage and Uninsured Risks

TerrAscend's business is subject to a number of risks and hazards generally, including adverse environmental conditions, accidents, disputes and changes in the regulatory environment. Such occurrences could result in damage to assets, personal injury or death, environmental damage, delays in operations, monetary losses and possible legal liability.

Although TerrAscend maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance does not cover all the potential risks associated with its operations. TerrAscend may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards encountered in the operations of TerrAscend is not generally available on acceptable terms. Losses from these events may cause TerrAscend to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Regulatory Approval and Permits

TerrAscend may be required to obtain and maintain certain permits, licenses and approvals in the jurisdictions where its products are manufactured and/or sold. There can be no assurance that TerrAscend will be able to obtain or maintain any necessary licenses, permits or approvals. Any material delay or inability to receive these items is likely to delay and/or inhibit TerrAscend's ability to conduct its business, and would have an adverse effect on its business, financial condition and results of operations.

Unfavorable Publicity or Consumer Perception

TerrAscend believes the cannabis industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the cannabis distributed to such consumers. Consumer perception of TerrAscend's products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of medical cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the medical cannabis market or any particular product, or consistent with earlier publicity.

Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for TerrAscend's products and the business, results of operations, financial condition of TerrAscend. In particular, adverse publicity reports or other media attention regarding the safety, efficacy and quality of medical cannabis in general, or TerrAscend's products specifically, or associating the consumption of medical cannabis with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to

consume such products appropriately or as directed. For instance, the vape crisis that began in the summer of 2019 was ultimately linked to cutting agents almost exclusively found in the illicit market. Regardless, several states moved to ban the sale of vape products in legal markets, severely impacting entire revenue streams.

Although TerrAscend believes that it takes care in protecting its image and reputation, TerrAscend does not ultimately have direct control over how it is perceived by others. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to TerrAscend's overall ability to advance its business, thereby having a material adverse impact on the financial condition and results of operations of TerrAscend.

Constraints on Marketing Products

The development of TerrAscend's business and results of operations may be hindered by applicable regulatory restrictions on sales and marketing activities. For example, the regulatory environment in Canada limits TerrAscend's ability to compete for market share in a manner similar to other industries. If TerrAscend is unable to effectively market its products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for TerrAscend's products, TerrAscend's sales and results of operations could be adversely affected.

Customer and Patient Acquisitions

TerrAscend's success depends on its ability to attract and retain customers and patients. There are many factors which could impact TerrAscend's ability to attract and retain customers and patients, including but not limited to TerrAscend's ability to continually produce desirable and effective products and, the successful implementation of a customer and patient-acquisition plan. TerrAscend's failure to acquire and retain customers and patients would have a material adverse effect on TerrAscend's business, operating results and financial condition.

Dependence on Suppliers

The ability of TerrAscend to compete and grow will be dependent on it having access, at a reasonable cost and in a timely manner, to equipment, parts and components. No assurances can be given that TerrAscend will be successful in maintaining its required supply of equipment, parts and components. It is also possible that the final costs of the major equipment contemplated by TerrAscend's capital expenditure plans may be significantly greater than anticipated by TerrAscend's management and may be greater than funds available to TerrAscend, in which circumstance TerrAscend may curtail, or extend the timeframes for completing, its capital expenditure plans. This could have an adverse effect on the business, financial condition, results of operations or prospects of TerrAscend.

Reliance on Inputs

The cannabis business is dependent on a number of key inputs and their related costs including raw materials and supplies related to growing operations, as well as electricity, water and other local utilities. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the business, financial condition, results of operations or prospects of TerrAscend. In addition, any restrictions on the ability to secure required supplies or utility services or to do so on commercially acceptable terms could have a materially adverse impact on the business, financial condition and operating results. Some of these inputs may only be available from a single supplier or a limited group of suppliers. If a sole source supplier was to go out of business, TerrAscend might be unable to find a replacement for such source in a timely manner or at all. If a sole source supplier were to be acquired by a competitor, that competitor may elect not to sell to TerrAscend in the future. Any inability to secure required supplies and services or to do so on appropriate terms and/or agreeable terms could have a materially adverse impact on the business, financial condition, results of operations or prospects of TerrAscend.

Vulnerability to Rising Energy Costs

TerrAscend's cannabis growing and manufacturing operations consume considerable energy, which make TerrAscend vulnerable to rising energy costs. Accordingly, rising or volatile energy costs may adversely impact the business of TerrAscend and its ability to operate profitably.

Early Stage of the Cannabis Industry

TerrAscend is operating its business in a relatively new industry and market. Competitive conditions, consumer preferences, patient requirements and spending patterns in this new industry and market are relatively unknown and may have unique circumstances that differ from existing industries and markets.

Accordingly, there are no assurances that this industry and market will continue to exist or grow as currently estimated or anticipated, or function and evolve in a manner consistent with management's expectations and assumptions. Any event or circumstance that affects the medical cannabis industry and market could have a material adverse effect on TerrAscend's business, financial condition and results of operations.

Production Capacity and Management of Growth

TerrAscend may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of TerrAscend to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of TerrAscend to deal with this growth may have a material adverse effect on TerrAscend's business, financial condition, results of operations and prospects.

Market Development

TerrAscend's success in North America is dependent on the market building out direct to consumer channels including but not limited to retail outlets. There are many factors which could impact TerrAscend's ability to gain market share and distribute its products, including but not limited to the continued growth and expansion of retail outlets in the North American adult use market which may have a material adverse effect on TerrAscend's business, operating results and financial condition.

TerrAscend's ability to continue to grow, process, store and sell medical cannabis and participate in the adult-use cannabis markets is dependent on the maintenance and validity of TerrAscend's licenses from regulatory authorities.

The cannabis industry and markets are relatively new in North America and in other jurisdictions, and this industry and market may not continue to exist or grow as anticipated or TerrAscend may ultimately be unable to succeed in this industry and market.

History of Net Losses

TerrAscend started sales in April 2018 and historically has had negative cash flow from operating activities. TerrAscend may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. In addition, TerrAscend expects to continue to increase operating expenses as it implements initiatives to continue to grow its business. If TerrAscend's sales do not increase to offset these expected increases in costs and operating expenses, TerrAscend will not be profitable.

Continued losses may have the following consequences:

- increasing TerrAscend's vulnerability to general adverse economic and industry conditions;
- limiting TerrAscend's ability to obtain additional financing to fund future working capital, capital expenditures, operating costs and other general corporate requirements; and

- limiting TerrAscend's flexibility in planning for, or reacting to, changes in its business and the industry.

Limited Operating History of TerrAscend

TerrAscend has a limited operating history and, accordingly, potential investors will have a limited basis on which to evaluate its ability to achieve its business objectives. The future success of TerrAscend is dependent on management's ability to implement its strategy, there is no certainty that anticipated outcomes and sustainable revenue streams will be achieved and there is no certainty that TerrAscend will successfully produce commercial medical cannabis, establish a market for and sell its product, maintain its licenses or obtain other necessary licenses and/or approvals.

TerrAscend faces risks frequently encountered by early-stage companies. In particular, its future growth and prospects will depend on its ability to expand its operation and gain additional revenue streams while at the same time maintaining effective cost controls. Any failure to expand is likely to have a material adverse effect on TerrAscend's business, financial condition and results. As such, there is no assurance that TerrAscend will be successful in achieving a return on TerrAscend Shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

Intellectual Property

The ownership and protection of trademarks, patents, trade secrets and intellectual property rights are significant aspects of TerrAscend's future success. TerrAscend has no patented technology or trademarked business methods at this time, nor has it registered any patents. TerrAscend has filed trademark applications in Canada and the US. Even if TerrAscend moves to protect its technology with trademarks, patents, copyrights or by other means, TerrAscend is not assured that competitors will not develop similar technology, business methods or that TerrAscend will be able to exercise its legal rights. Other countries may not protect intellectual property rights to the same standards as does Canada or the US. Actions taken to protect or preserve intellectual property rights may require significant financial and other resources which may have a significant impact on TerrAscend's ability to successfully grow the business.

In addition, other parties may claim that TerrAscend's products infringe on their proprietary and perhaps patent protected rights. Such claims, whether or not meritorious, may result in TerrAscend's expenditure of significant financial and managerial resources, legal fees, result in injunctions, temporary restraining orders and/or require the payment of damages.

Research and Development and Product Obsolescence

The introduction of new products embodying new technologies, including new manufacturing processes, and the emergence of new industry standards may render TerrAscend's products obsolete, less competitive or less marketable. The process of developing TerrAscend's products is complex and requires significant continuing costs, development efforts and third-party commitments. TerrAscend's failure to develop new technologies and products and the obsolescence of existing technologies could adversely affect the business, financial condition and operating results of TerrAscend. TerrAscend may be unable to anticipate changes in its potential customer requirements that could make TerrAscend's existing technology obsolete.

The development of TerrAscend's proprietary technology entails significant technical and business risks. TerrAscend may not be successful in using its new technologies or exploiting its niche markets effectively or adapting its businesses to evolving customer or medical requirements or preferences or emerging industry standards.

Enforcement of Legal Rights

In the event of a dispute arising from TerrAscend's US operations, TerrAscend may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the

jurisdictions of courts in Canada. Similarly, to the extent that TerrAscend's assets are located outside of Canada, investors may have difficulty collecting from TerrAscend any judgments obtained in the Canadian courts and predicated on the civil liability provisions of securities provisions. TerrAscend may also be hindered or prevented from enforcing its rights with respect to a governmental entity or instrumentality because of the doctrine of sovereign immunity.

Enforceability of Contracts

It is a fundamental principle of law that a contract will not be enforced if it involves a violation of law or public policy. Because cannabis remains illegal at a federal level, judges may refuse to enforce contracts in connection with activities that violate US federal law, even if there is no violation of state law. There remains doubt and uncertainty that TerrAscend will be able to legally enforce contracts it enters into if necessary. TerrAscend cannot be assured that it will have a remedy for breach of contract, the lack of which may have a material adverse effect on TerrAscend's business, revenues, operating results, financial condition or prospects.

Risks Associated with Joint Venture Investments and Partnerships

TerrAscend currently operates parts of its business through joint ventures with other companies, and it may enter into additional joint ventures in the future. Joint venture investments and partnerships may involve risks not otherwise present for investments made solely by TerrAscend, including: (i) TerrAscend may not control the joint ventures; (ii) TerrAscend's joint venture partners may not agree to distributions that it believe are appropriate; (iii) where TerrAscend does not have substantial decision-making authority, it may experience impasses or disputes with TerrAscend's joint venture partners on certain decisions, which could require it to expend additional resources to resolve such impasses or disputes, including litigation or arbitration; (iv) TerrAscend's joint venture partners may become insolvent or bankrupt, fail to fund their share of required capital contributions or fail to fulfil their obligations as a joint venture partner; (v) the arrangements governing TerrAscend's joint ventures may contain certain conditions or milestone events that may never be satisfied or achieved; (vi) TerrAscend's joint venture partners may have business or economic interests that are inconsistent with TerrAscend's and may take actions contrary to TerrAscend's interests; (vii) TerrAscend may suffer losses as a result of actions taken by TerrAscend's joint venture partners with respect to TerrAscend's joint venture investments; and (viii) it may be difficult for TerrAscend to exit a joint venture if an impasse arises or if TerrAscend desires to sell its interest for any reason. Any of the foregoing risks could have a material adverse effect on TerrAscend's business, financial condition and results of operations. In addition, TerrAscend may, in certain circumstances, be liable for the actions of its joint venture partners.

Risks Associated with Strategic Alliances

TerrAscend currently has, and may in the future, enter into strategic alliances with third parties that it believes will complement or augment its existing business. TerrAscend's ability to complete strategic alliances is dependent upon, and may be limited by, the availability of suitable candidates and capital. In addition, strategic alliances could present unforeseen integration obstacles or costs, may not enhance TerrAscend's business, and may involve risks that could adversely affect TerrAscend, including significant amounts of management time that may be diverted from operations in order to pursue and complete such transactions or maintain such strategic alliances. Future strategic alliances could result in the incurrence of additional debt, costs and contingent liabilities, and there can be no assurance that future strategic alliances will achieve, or that TerrAscend's existing strategic alliances will continue to achieve, the expected benefits to TerrAscend's business or that TerrAscend will be able to consummate future strategic alliances on satisfactory terms, or at all. Any of the foregoing could have a material adverse effect on TerrAscend's business, financial condition and results of operations.

Risks Inherent in an Agricultural Business

TerrAscend's business involves the cultivation of the cannabis plant. The cultivation of this plant is subject to agricultural risks related to insects, plant diseases, unstable growing conditions, water and electricity

availability and cost, and force majeure events. Although TerrAscend cultivates its cannabis plants in indoor, climate controlled rooms staffed by trained personnel and in the future plans to cultivate cannabis plants in greenhouses, there can be no assurance that agricultural risks will not have a material adverse effect on the cultivation of its cannabis. TerrAscend may in the future cultivate cannabis plants outdoors, which would also subject it to related agricultural risks.

Risk of Heightened Scrutiny by Regulatory Authorities in Canada

TerrAscend's future investments, joint ventures and operations in the US may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada. As a result, TerrAscend may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on TerrAscend's ability to invest in the US or any other jurisdiction, in addition to those described herein.

Although a memorandum of understanding signed by the Canadian Depository for Securities ("CDS") and the Canadian recognized exchanges (Aequitas NEO Exchange Inc., the CSE, the Toronto Stock Exchange and the TSX Venture Exchange) dated February 8, 2018, confirms that CDS relies on the exchanges to review the conduct of listed issuers, and therefore there is currently no CDS ban on the clearing of securities of issuers with cannabis-related activities in the US, there can be no guarantee that this approach to regulation will continue in the future. If such a ban were to be implemented, it would have a material adverse effect on the ability of holders of TerrAscend's Shares to make and settle trades. In particular, TerrAscend's Shares would become highly illiquid as and until an alternative was implemented, investors would have no ability to affect a trade of TerrAscend's Shares through the facilities of a stock exchange.

US Border Officials Could Deny Entry into the US to Management, Employees and/or Investors in Companies with Cannabis Operations in the US

Because cannabis remains illegal under US federal law, those employed at or investing in legal and licensed Canadian cannabis companies could face detention, denial of entry or lifetime bans from the US for their business associations with US cannabis businesses. Entry happens at the sole discretion of the US Customs and Border Protection officers on duty, and these officers have wide latitude to ask questions to determine the admissibility of a foreign national. The Government of Canada has started warning travelers on its website that previous use of cannabis, or any substance prohibited by US federal laws, could mean denial of entry to the US Business or financial involvement in the legal cannabis industry in Canada or in the US could also be reason enough for US border guards to deny entry.

Reputational Risk

Damage to TerrAscend's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish, and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views in regards to TerrAscend and its activities, whether true or not. Although TerrAscend believes that it operates in a manner that is respectful to all shareholders and that it takes care in protecting its image and reputation, TerrAscend does not ultimately have direct control over how it is perceived by others. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations, and an impediment to TerrAscend's overall ability to advance its projects, thereby having a material adverse impact on financial performance, financial condition, cash flows, and growth prospects. Further, the parties with which TerrAscend does business may perceive that they are exposed to reputational risk as a result of TerrAscend's cannabis business activities. Failure to establish or maintain business relationships could have a material adverse effect on TerrAscend.

Conflicts of Interest

Certain of the directors and officers of TerrAscend are also directors and officers of other companies or are engaged and will continue to be engaged in activities that may put them in conflict with the business strategy of TerrAscend. Consequently, there exists the possibility for such directors and officers to be in a position of conflict.

In particular, TerrAscend may also become involved in other transactions which conflict with the interests of its directors and officers, who may from time to time deal with persons, firms, institutions or companies with which TerrAscend may be dealing, or which may be seeking investments similar to those desired by it. All decisions to be made by directors and officers of TerrAscend are required to be made in accordance with their duties and obligations to act honestly and in good faith with a view to the best interests of TerrAscend. In addition, the directors and officers are required to declare their interests in, and such directors are required to refrain from voting on, any matter in which they may have a material conflict of interest.

Substantial Influence of Significant Shareholder

Mr. Jason Wild, TerrAscend's Executive Chairman and Chairman of the TerrAscend Board, owns, directly or indirectly, or exercises control or direction over shares representing approximately 39.6% of TerrAscend Shares. As a result, he exerts significant control over matters that may be put forth for the consideration of all TerrAscend Shareholders, including for example, the approval of a potential business combination or consolidation, a liquidation or sale of all or substantially all of TerrAscend's assets, electing members to TerrAscend's Board, and adopting amendments to TerrAscend's constating documents, including its articles of incorporation and by-laws.

COVID-19

On March 12, 2020, the World Health Organization ("WHO") declared a global pandemic known as COVID-19. The impacts on global commerce are expected to be far reaching. This will likely impact demand for TerrAscend's products in the near term and will also likely impact TerrAscend's supply chains. It may also impact expected credit losses on TerrAscend's trade receivables and may cause staff shortages and increased government regulations or interventions, which may negatively impact the financial condition or results of TerrAscend. The production and sale of cannabis have been recognized as essential services across Canada and the US and TerrAscend has not experienced production delays or prolonged retail closures to date as a result.

Due to the continued uncertainty surrounding COVID-19, it is not possible to predict the impact that COVID-19 will have on TerrAscend's business, financial position and operating results in the future. In addition, it is possible that estimates in TerrAscend's financial statements will change in the near term as a result of COVID-19 and the effect of any such changes could be material, which could result in, among other things, impairment of long-lived assets including intangibles and goodwill. An impairment test was performed as of December 31, 2020 for TerrAscend's goodwill and intangible assets. Management is closely monitoring the impact of the pandemic on all aspects of its business. As at December 31, 2020 has not observed any material impairments of TerrAscend's assets or a significant change in the fair value of assets due to the COVID-19 pandemic.

Risks related to the loss of Foreign Private Issuer status and becoming a US reporting company

The Corporation has determined that it no longer meets the definition of a Foreign Private Issuer ("FPI") as at the applicable reference date. As a public issuer, the Corporation is currently subject to the reporting requirements and rules and regulations under the applicable Canadian securities laws and rules of any stock exchange on which the Corporation's securities may be listed from time to time. Effective January 1, 2022, due to the loss of FPI status, the Corporation will become subject to the reporting requirements of the United States Securities Exchange Act of 1934, as amended, and the regulations promulgated

thereunder. Additional or new regulatory requirements may be adopted in the future. The loss of FPI status may have adverse consequences on the Corporation's ability to issue its securities to acquire companies and its ability to raise capital in private placements or prospectus offerings. In addition, the requirements of existing and potential future rules and regulations will increase the Corporation's legal, audit, accounting and financial compliance costs, make some activities more difficult, time consuming or costly and may also place undue strain on our personnel, systems and resources, including the transition of the Corporation's financial reporting from IFRS to US GAAP, which could adversely affect our business, financial condition, and results of operations. Further, should the Corporation seek to list on a securities exchange in the US, the loss of Foreign Private Issuer status may increase the cost and time required for such a listing.

Specific Risks Related to TerrAscend's Shares

Limited Market for Securities

TerrAscend's Shares are listed on the CSE and also trade over the counter in the US on the OTCQX® Best Market, however, there can be no assurance that an active and/or liquid market for TerrAscend's Shares will develop or be maintained and an investor may find it difficult to resell any securities of TerrAscend.

Share Price and Cannabis Price Volatility

The market price of TerrAscend Shares may be subject to wide price fluctuations, and the price of TerrAscend's shares and its financial results may be significantly and adversely affected by a decline in the price of cannabis. There is currently no established market price for cannabis and the price of cannabis is affected by several factors beyond TerrAscend's control. For example, price fluctuations may be in response to many factors, including variations in the operating results of TerrAscend and its subsidiaries, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for TerrAscend and its subsidiaries, general economic conditions, legislative changes, community support for the medical cannabis industry and other events and factors outside of TerrAscend's control. In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for TerrAscend's Shares.

Risks Related to Dilution

TerrAscend may issue additional common shares in the future, which may dilute a TerrAscend Shareholder's holdings in TerrAscend. TerrAscend's articles permit the issuance of an unlimited number of common shares, and TerrAscend Shareholders will have no pre-emptive rights in connection with such further issuance. The directors of TerrAscend have discretion to determine the price and the terms of issue of further issuances. Moreover, additional common shares will be issued by TerrAscend on the exercise of options under TerrAscend's stock option plan and upon the exercise of outstanding warrants.

Future sales of TerrAscend Shares by existing TerrAscend Shareholders

Sales of a substantial number of TerrAscend Shares in the public market could occur at any time. These sales, or the market perception that the holders of a large number of TerrAscend Shares intend to sell Shares, could reduce the market price of TerrAscend Shares.

Potential Disqualification of Equity Holders

An individual with an ownership interest in TerrAscend could become disqualified from having such ownership interest in TerrAscend under a US state cannabis agency's interpretation of the relevant state laws and regulations if such owner is convicted of a certain type of felony or fails to meet the residency requirements, if any, for owning equity in a company like TerrAscend. The loss of such equity holder could potentially have a material adverse effect on TerrAscend.

Access to Capital and Funding

The building and operation of TerrAscend's business, including its facilities, are capital intensive. In order to execute the anticipated growth strategy, TerrAscend may require additional equity and/or debt financing to support on-going operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to TerrAscend when needed or on terms which are acceptable. TerrAscend's inability to raise financing to support on-going operations or to fund capital expenditures or acquisitions could limit TerrAscend's growth and may have a material adverse effect upon future profitability.

TerrAscend may require additional financing to fund its operations to the point where it is generating positive cash flows. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for TerrAscend to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Dividends

TerrAscend's policy is to retain earnings to finance the development and enhancement of its products and to otherwise reinvest in TerrAscend's businesses. Therefore, TerrAscend does not anticipate paying cash dividends on TerrAscend Shares in the foreseeable future. Any decision to declare and pay dividends in the future will be made at the discretion of TerrAscend Board and will depend on, among other things, financial results, cash requirements, contractual restrictions and other factors that TerrAscend Board may deem relevant. As a result, investors may not receive any return on investment in TerrAscend Shares unless they sell them for a share price that is greater than that at which such investors purchased them.

Limited Market Data and Difficulty to Forecast

As a result of recent and ongoing regulatory and policy changes in the medical and adult-use cannabis industry, the market data available is limited and unreliable. Federal and state laws prevent widespread participation and hinder market research. Therefore, TerrAscend must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the industry. Market research and projections by TerrAscend of estimated total retail sales, demographics, demand, and similar consumer research are based on assumptions from limited and unreliable market data, and generally represent the personal opinions of TerrAscend's management team as of the date of this Circular. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations, financial condition or prospects of TerrAscend.

APPENDIX G

INFORMATION CONCERNING GAGE

The following information, including information contained in documents incorporated by reference herein, contains forward-looking information about Gage, including information following completion of the Transaction.

The following information was prepared and provided by Gage for inclusion in this Circular and Gage is responsible for its completeness and accuracy. The information contained in this Appendix “G”, unless otherwise indicated, is given as of the date of this Circular and should be read in conjunction with the information about Gage contained elsewhere or incorporated by reference in this Circular.

Upon completion of the Transaction: (i) each Gage Shareholder will become a TerrAscend Shareholder, other than those Gage Shareholders who exercise his, her or its dissenting rights, and (ii) Gage will become a wholly-owned subsidiary of TerrAscend.

The following information concerning Gage (before completion of the Arrangement) should be read in conjunction with the information described below under “Documents Incorporated by Reference”. Unless the context indicates otherwise, capitalized terms which are used in this Appendix “G” and are not otherwise defined herein have the meanings given to such terms under the heading “Defined Terms” in this Circular. Unless otherwise indicated, all references to dollar amounts are to the currency of the United States, and references to “Canadian dollars” and “C\$” are to the currency of Canada.

Forward-Looking Statements

The information in this Appendix contains “forward-looking statements” within the meaning of applicable securities laws. Forward-looking statements contained herein may be identified by the use of words such as, “may”, “would”, “should”, “could”, “will”, “likely”, “expect”, “anticipate”, “believe”, “intend”, “plan”, “forecast”, “project”, “estimate”, “outlook” and other similar expressions intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These statements reflect Gage management’s current beliefs with respect to future events and are based on information currently available to management. Forward-looking statements contained herein include, but are not limited to: (a) beliefs and plans about Gage’s operations and business, (b) plans related to future dividends and distributions, and (c) intentions relating to the opening of a Cookies-branded store in Ontario and the timing thereof. Forward-looking statements are not a guarantee of future outcomes or 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. The forward-looking statements contained herein are based on certain key expectations and assumptions, relating to:

- the ability of Gage to generate cash flow from operations and obtain necessary financing on acceptable terms;
- Gage’s expectations regarding its consolidated sales, expenses and operations;
- Gage’s plans for developing its business and its operations;
- expectations with respect to future production costs and capacity;
- the general economic, financial market, regulatory and political conditions in which Gage operates;
- the timely receipt of any required regulatory approvals for the conduct of Gage’s businesses from the applicable authorities;

- the ability of Gage to obtain qualified staff, equipment and services in a timely and cost-efficient manner; and
- the ability of Gage to conduct its operations in a safe, efficient and effective manner.

Although Gage 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 they 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: current and future market conditions; 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 US; and the risk factors set out below under the section entitled “Risk Factors” in this Appendix “G” and other filings with the Canadian securities regulators available under Gage’s profile on SEDAR at www.sedar.com.

Caution Regarding Cannabis Operators in the United States

Investors should note that there are significant legal restrictions and regulations that govern the cannabis industry in the US. Cannabis remains a Schedule I drug under the CSA, making it illegal under federal law in the US to, among other things, cultivate, distribute or possess cannabis in the US. Financial transactions involving proceeds generated by, or intended to promote, cannabis-related business activities in the US 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 US 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 Gage of liability under US federal law, nor will it provide a defense to any federal proceeding which may be brought against Gage. The enforcement of federal laws in the US is a significant risk to the business of Gage and any proceedings brought against Gage thereunder may adversely affect Gage’s operations and financial performance.

Certain Additional Information

No securities regulatory authority has expressed an opinion about the Gage Shares and it is an offence to claim otherwise.

As at the date of this Circular, Gage does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a US marketplace, or a marketplace outside Canada and the US other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

Documents Incorporated by Reference

Information has been incorporated by reference in this Appendix “G” to this Circular from documents filed by Gage with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from Gage by phone at 1-(833)-455-4243 or by email at IR@gageusa.com, and are also available electronically through Gage’s profile on SEDAR at www.sedar.com.

The following documents of Gage, which have been filed with the applicable securities commissions or other similar regulatory bodies in Canada, are specifically incorporated by reference into and form an integral part of this Appendix “G”:

- (a) the management information circular of Gage dated as of May 13, 2021 in connection with the annual general meeting of Gage Shareholders held on June 16, 2021 (the “**Gage AGM Circular**”);
- (b) the management information circular of Gage dated October 11, 2021, prepared in connection with a special of shareholders to be held on November 11, 2021 (the “**Gage Arrangement Circular**”);
- (c) the audited annual consolidated financial statements of Gage for the years ended December 31, 2020 and December 31, 2019, together with the notes thereto and the independent auditor’s report thereon;
- (d) the management’s discussion and analysis of financial conditions and results of operation for the years ended December 31, 2020 and December 31, 2019 (the “**Gage Annual MD&A**”);
- (e) the interim unaudited condensed consolidated financial statements of Gage for the three and six month periods ended June 30, 2021 and 2020;
- (f) the management’s discussion and analysis of financial conditions and results of operation for the three and six months ended June 30, 2021 and 2020 (the “**Gage Interim MD&A**”);
- (g) the material change report of Gage filed September 10, 2021 related to the Arrangement; and
- (h) the (final) long-form prospectus of Gage dated March 26, 2021 (the “**Gage Prospectus**”).

Any document of the type required by National Instrument 41-101 – *General Prospectus Requirements* to be incorporated by reference in a long form prospectus, including any annual information forms, annual consolidated financial statements and the auditor’s reports thereon, interim unaudited condensed consolidated financial statements, management’s discussion and analysis of financial condition and results of operations, material change reports (except confidential material change reports), business acquisition reports, and information circulars filed by Gage with applicable securities commissions or similar authorities in Canada under Gage’s issuer profile on SEDAR at www.sedar.com after the date of this Circular and before the date of the Meeting will be deemed to be incorporated by reference into this Appendix “G”.

Any statement contained in this Appendix “G” or a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for the purposes of this Appendix “G” to the extent that a statement contained herein, or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this Appendix “G”.

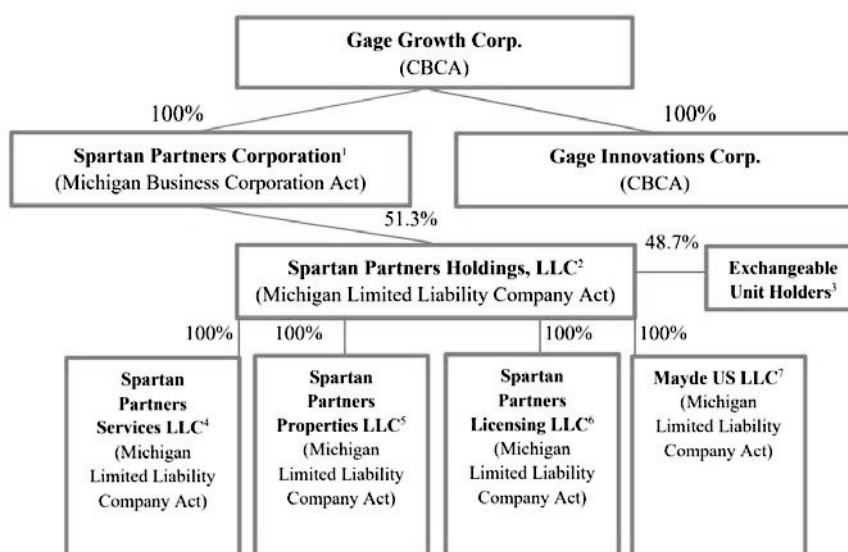
References to Gage’s website in documents incorporated by reference herein do not incorporate by reference the information on such website, and Gage disclaims any such incorporation by reference.

Corporate Structure

On November 22, 2017, Gage was incorporated under the CBCA as “Wolverine Partners Corp.” Gage’s registered and head office is located at 77 King Street West, Suite 400, Toronto-Dominion Centre Toronto, ON M5K 0A1 Canada. On March 11, 2019, Gage filed articles of amendment to: (i) create an unlimited number of shares of a class designated as Gage Subordinate Voting Shares, (ii) create an unlimited number of shares of a class designated as Gage Proportionate Voting Shares, (iii) create an unlimited number of shares of a class designated as Gage Super Voting Shares, and (iv) redesignate the existing class of common shares as Gage Subordinate Voting Shares, and to delete all the rights, privileges, restrictions and conditions attaching to the common shares. See “*Description of Securities*”. On October 8, 2020, Gage filed articles of amendment to change its name to “Gage Growth Corp.” and to remove the restrictions on transfer and the limitations relating to the number of directors.

Intercorporate Relationships

As of the date of this Circular, Gage is comprised of the following material entities:



Notes:

- (1) The directors of Spartan Partners Corporation (“**Spartan Corporation**”) are Fabian Monaco, Michael Finos and Adel Fakhouri. The officers of Spartan Corporation are as follows: Michael Finos, President; Dave Watza, Chief Financial Officer; and Adel Fakhouri, Secretary.
- (2) Spartan Corporation is the sole manager of Spartan Partners Holdings, LLC (“**Spartan LLC**”). The officers of Spartan LLC are as follows: Michael Finos, President; Dave Watza, Chief Financial Officer; and Adel Fakhouri, Secretary.
- (3) The holders of the Gage Exchangeable Units, being Michael Hermiz and Mayde Inc. (a company controlled by Rami Reda), hold the remaining 48.7% of Spartan LLC, assuming the conversion of all of the Mayde Exchangeable Shares.
- (4) Spartan Corporation is the sole manager of Spartan Partners Services LLC (“**Spartan Services**”). The officers of Spartan Services are as follows: Michael Finos, President; Dave Watza, Chief Financial Officer; and Adel Fakhouri, Secretary. Spartan Services has entered into a series of agreements with AEY Capital, AEY Holdings, AEY Thirve, 3 State Park, Thrive Enterprises and RKD (each as defined below) as more particularly described in *Description of the Business* in this Appendix “G”.
- (5) Spartan Corporation is the sole manager of Spartan Partners Properties LLC (“**Spartan Properties**”). The officers of Spartan Properties are as follows: Michael Finos, President; Dave Watza, Chief Financial Officer; and Adel Fakhouri, Secretary. Spartan Properties, through separate lease agreements, leases facilities owned or leased by Spartan Properties to AEY Capital, AEY Holdings, AEY Thirve, 3 State Park, Thrive Enterprises and RKD as more particularly described in *Description of the Business – Subsidiaries*.
- (6) Spartan Corporation is the sole manager of Spartan Partners Licensing LLC (“**Spartan Licensing**”). The officers of Spartan Licensing are as follows: Michael Finos, President; Dave Watza, Chief Financial Officer; and Adel Fakhouri, Secretary.
- (7) Spartan Corporation is the sole manager of Mayde US LLC (“**Mayde**”). The officers of Mayde are as follows: Michael Finos, President; Dave Watza, Chief Financial Officer; and Adel Fakhouri, Secretary.

General Development of the Business

Business of Gage

Overview of Gage

Gage provides support services to licensed Gage-branded cannabis cultivators, processors, and provisioning centers, and Cookies-branded provisioning centers, in the State of Michigan. Services provided by Gage include: management, consulting, HR, financing, intellectual property, licensing and real estate support. Additionally, Gage has built strategic partnerships, and will continue to build strategic partnerships with leading cannabis brands in the US. Gage is focused on continuing to build a diverse portfolio of branded cannabis assets and business arrangements through investments, strategic business relationships and the pursuit of licenses in attractive retail locations in Michigan.

As of June 30, 2020, the date of Gage's most recently filed financial statements, 100% of Gage's business was directly derived from US cannabis-related activities. As such, Gage's balance sheet and operating statement exposure to US cannabis activities is 100%.

Subsidiaries

Gage formed Spartan Corporation, a Michigan corporation, as a wholly-owned subsidiary of Gage on March 14, 2018. Spartan Corporation is a US "blocker" corporation.¹

Spartan LLC, a Michigan limited liability company, is a 51.3% owned subsidiary of Spartan Corporation as of the date of this Circular (assuming the conversion of all Mayde Exchangeable Shares into Gage Exchangeable Units). Spartan LLC's wholly-owned subsidiaries have entered into business relationships with a number of licensed and provisionally-licensed processors, distributors, dispensaries and retailers in the State of Michigan.

Pursuant to management services agreements between Spartan Services, a wholly-owned subsidiary of Spartan LLC, and various license holders in the state of Michigan, Spartan Services provides management, consulting services and other support to such license holders.

Spartan Properties, a Michigan limited liability company, was formed as a wholly-owned subsidiary of Spartan LLC on December 20, 2018. Through separate lease agreements, Spartan Properties leases facilities owned or leased by Spartan Properties to: AEY Holdings LLC ("**AEY Holdings**"), AEY Capital ("**AEY Capital**"), 3 State Park LLC ("**3 State Park**"), Thrive Enterprises, LLC ("**Thrive Enterprises**") and RKD Ventures LLC ("**RKD**").

Spartan Licensing, a Michigan limited liability company, was formed as a wholly-owned subsidiary of Spartan LLC on February 20, 2019. Spartan Licensing is the legal and beneficial owner of certain financial, engineering, business, planning, research, operations, services, products, technical information and/or know-how, proprietary information, goodwill, stratagems, standard operating procedures, genetics, genetic material, organization charts, business plans, prototypes, formulas, production, marketing, pricing, sales, profit, personnel, customer, prospective customer, supplier, or other information and all papers, data, records, processes, techniques, systems, models, samples, devices, equipment, recipes and customer lists related to the cultivation, processing and dispensing of cannabis.

¹A blocker corporation is a type of corporation in the US that is used by tax-exempt individuals and foreign investors to protect their investments from US trade or income tax (although such investors are still subject to tax in their own countries on any dividends received).

Mayde, a Michigan limited liability company, was formed as a wholly-owned subsidiary of Mayde Blocker LLC ("**Mayde Blocker**") on June 7, 2019. Mayde Blocker was subsequently merged into Spartan Corporation on August 23, 2019, thus making Mayde a wholly-owned subsidiary of Spartan Corporation.

Gage Innovations Corp. ("**Innovations**") is also a wholly owned subsidiary of Gage.

History of Gage

Fiscal 2018

On January 30, 2018, Gage completed a non-brokered private placement of 6,000,000 common shares at a price per common share of \$0.10 for aggregate gross proceeds of \$600,000.

On July 18, 2018, Gage completed a non-brokered private placement of 9,150,000 common shares at a price per common share of \$0.35 for aggregate gross proceeds of \$3,202,500.

On November 23, 2018, Gage completed a non-brokered private placement of 11,981,198 common shares at a price per common share of \$0.75 for aggregate gross proceeds of \$8,985,898.50.

Fiscal 2019

On March 11, 2019, Gage filed articles of amendment to: (i) create an unlimited number of shares of a class designated as Gage Subordinate Voting Shares, (ii) create an unlimited number of shares of a class designated as Gage Proportionate Voting Shares, (iii) create an unlimited number of shares of a class designated as Gage Super Voting Shares, and (iv) redesignate the existing class of common shares as Gage Subordinate Voting Shares, and to delete all the rights, privileges, restrictions and conditions attaching to the common shares.

On March 11, 2019, pursuant to certain agreements in connection with the acquisition of equity interests in Terra Capital Holdings, LLC, Spartan LLC issued 900,000 Gage Exchangeable Units and 900,000 Gage Super Voting Shares at \$0.0001 per share to a director of Gage (the "**Terra Transaction**"). The Gage Exchangeable Units are exchangeable for 45,000,000 Gage Subordinate Voting Shares or 900,000 Gage Proportionate Voting Shares, or a combination thereof, and following such exchange, the Gage Super Voting Shares are redeemable by Gage for \$0.001 per share.

On March 19, 2019, Gage completed a non-brokered private placement of 19,000,000 Gage Subordinate Voting Shares at a price per Gage Subordinate Voting Share of \$1.50 for aggregate gross proceeds of \$28,500,000.

On April 25, 2019, Spartan LLC entered into a license and packaging agreement, a retail license agreement and a support agreement with Cookies Creative Consulting & Promotions, LLC ("**Cookies**"), pursuant to which Spartan LLC has licensed certain intellectual property related to the Cookies brand and certain genetics owned by Cookies for use in manufacturing, cultivation and retail activities in the State of Michigan. On September 10, 2019, Gage entered into a retail license agreement and a support agreement with Cookies, pursuant to which Gage has the right to open Cookies-branded retail stores in the Province of Ontario, subject to applicable law. Such agreement was subsequently assigned to Cookies Retail Canada Corp. ("**Cookies Canada**"), a corporation which Gage holds an 80% interest, on September 27, 2020.

On August 23, 2019, Spartan Corporation entered into a merger with Mayde Blocker, a Michigan limited liability company, wherein Mayde Blocker merged into Spartan Corporation in exchange for 6,000 Mayde Exchangeable Shares and 600,000 Gage Super Voting Shares ("**Mayde Transaction**"). The Mayde Exchangeable Shares are exchangeable for 600,000 Gage Exchangeable Units which are, in turn, exchangeable into 30,000,000 Gage Subordinate Voting Shares or 600,000 Gage Proportionate Voting Shares, or a combination thereof, and following such exchange, the Gage Super Voting Shares are redeemable by Gage for \$0.001 per share.

On September 16, 2019, Gage entered into an asset purchase agreement (the “**Gage Asset Purchase Agreement**”) with Noya Holdings Inc. (formerly known as Radicle Cannabis Holdings Inc.) (“**Radicle**”) and Gage Co. Inc., pursuant to which Gage purchased the trademarks and goodwill of the Gage brand (the “**Gage Brand**”) then owned by Radicle. In consideration of the acquisition of the Gage Brand, Gage paid Radicle \$250,000 in cash and agreed to issue 250,000 Gage Subordinate Voting Shares to Radicle upon the successful registration of the “Gage” trademark in Canada and the US Gage also granted Radicle a non-exclusive, non-transferable license to use the Gage Brand in Canada for a period of five years by way of a license agreement dated September 16, 2019 (the “**Radicle License Agreement**”).

On October 8, 2019, Gage entered into an acquisition agreement (the “**Innovations Acquisition Agreement**”) with 11650157 Canada Corp., Rivers Innovations Inc. and certain shareholders of Innovations, pursuant to which Gage, through 11650157 Canada Corp., agreed to purchase all of the issued and outstanding shares of Innovations in exchange for Gage Subordinate Voting Shares in Gage by way of a three-cornered amalgamation (the “**Innovations Acquisition**”). In connection with the Innovations Acquisition Agreement, Gage issued 34,491,601 Gage Subordinate Voting Shares at a value of US\$1.04 per Gage Subordinate Voting Share in exchange for 78,000,000 common shares in the capital of Innovations. On November 11, 2019, Rivers Innovations Inc. amalgamated with 11650157 Canada Corp. to form Innovations, a wholly owned subsidiary of Gage, and the Innovations Acquisition closed. In connection with the closing of the Innovations Acquisition, Bruce Linton was appointed Chairman of Gage. In connection with the closing of the Innovations Acquisition, Gage also issued 88,440 Gage Options at an exercise price of US\$1.14 per Common Stock Option and 4,422,000 Gage Warrants to replace options and share purchase warrants of Innovations.

Fiscal 2020

On January 31, 2020, Gage opened its first Cookies-branded provisioning center in Detroit, Michigan. The medical provisioning center is located on historic 8 Mile Road, is 3,500 square feet and is the only Cookies-branded provisioning center in the state. Gage opened its second Cookies-branded store in February 2021 in Kalamazoo, Michigan.

Effective July 16, 2020, David Watza was appointed Chief Financial Officer of Gage.

On August 31, 2020, Rami Reda resigned as a director of Gage. On September 1, 2020, Gage appointed Dr. Rana Harb and Michael Finos as directors of Gage.

On September 30, 2020, Gage completed a non-brokered private placement of (i) 2,300 Canadian denominated debenture units of Gage for aggregate gross proceeds of C\$2,300,000, and (ii) 750 US denominated debenture units of Gage for aggregate gross proceeds of US\$750,000. Each Canadian debenture unit of Gage was comprised of one (1) 13.5% unsecured C\$1,000 principal amount debenture of Gage (the “**Gage Canadian Debentures**”) and 67 Gage Warrants exercisable at a price of C\$1.50 until September 26, 2022. Each US debenture unit of Gage was comprised of one (1) 13.5% unsecured US\$1,000 principal amount debenture of Gage (the “**Gage US Debentures**”, together with the Gage Canadian Debentures, the “**Gage Debentures**”) and 87 Gage Warrants exercisable at a price of US\$1.15 until September 26, 2022. Mr. Linton, the Chairman and a director of Gage, purchased 1,400 Gage Canadian Debentures.

On October 8, 2020, Gage amended its articles to change the name of Gage to “Gage Growth Corp.” and to remove certain restrictions on transfer of securities and the limitations relating to the number of directors.

Recent Developments

On January 13, 2021, Richard Mavrinac was appointed as a director of Gage.

On January 27, 2021, Gage completed its offering (the “**Reg A Offering**”) of Gage Subordinate Voting Shares pursuant to Regulation A, Tier 2, of the US Securities Act. Pursuant to the Reg A Offering, Gage

issued an aggregate of 28,571,400 Gage Subordinate Voting Shares at a price of US\$1.75 per share for aggregate gross proceeds of US\$49,999,950. In connection with the Reg A Offering, Gage entered into a subscription commitment (the “**Subscription Commitment**”) with JW Asset Management, LLC (“**JWAM**”) pursuant to which JWAM, through certain of its affiliates or managed funds (the “**JWAM Investors**”), committed to purchase at least 11,427,571 Gage Subordinate Voting Shares in the Reg A Offering. Pursuant to the terms of the Reg A Offering and the Subscription Commitment, the JWAM Investors purchased an aggregate of 23,757,145 Gage Subordinate Voting Shares and were also issued an aggregate of 23,757,145 Gage Warrants. Each such Gage Warrant is exercisable for one Gage Subordinate Voting Share at a price of US\$2.60 for a period of three years.

Effective February 11, 2021, Spartan Services terminated its services agreement, its license agreement and its membership interest transfer restriction and succession agreement with Buena Vista Real Estate LLC (“**Buena Vista**”). At the time of such termination, Buena Vista held a local permit for a non-operational provisioning center in Buena Vista, Michigan.

On February 23, 2021, Gage entered into an amending agreement to the Radicle License Agreement (“**Radicle Amending Agreement**”) pursuant to which Radicle agreed to pay Gage a royalty on all “Gage” branded products sold by Radicle in Canada.

Effective March 1, 2021, Fabian Monaco was appointed as Chief Executive Officer of Gage.

On April 6, 2021, Gage commenced trading on the CSE under the symbol “GAGE”.

On July 26, 2021, Gage announced that it intends to open Cookies-branded stores in Canada through Cookies Canada and a partnership with NOYA Cannabis Inc. The first Cookies-branded store in Ontario is scheduled to open by the end of 2021.

On August 25, 2021, Gage announced an amendment to its license and packaging agreement and retail license agreement with Cookies. Such amendment extended Gage’s exclusive partnership with Cookies in the State of Michigan from 2024 to 2026.

On September 1, 2021, Gage and TerrAscend announced the execution of the Arrangement Agreement providing for a business combination transaction pursuant to which TerrAscend would, inter alia, acquire all of the issued and outstanding Gage Subordinate Voting Shares (or equivalent).

Licensed Operations

Cultivation Facilities

As a licensed cannabis cultivator, AEY Capital engages in growing, harvesting, and packaging medical and adult-use cannabis pursuant to Michigan law, and derives its revenue from the sale of harvested cannabis plant material to licensed cannabis facilities. Substantially all of AEY Capital’s harvested cannabis plant material is supplied to its own licensed cannabis facilities. Presently, AEY Capital has four (4) fully licensed medical “Class C Grow” facilities under Michigan’s Medical Marihuana Facilities Licensing Act, as amended, MCL 333.27101 et seq. (the “**MMFLA**”) and one (1) fully licensed adult-use “Class C Grow” facility under the Michigan Regulation and Taxation of Marihuana Act, MCL 333.27951 et seq. (the “**MRTMA**”).

A medical Class C Grow license permits the license holder to grow up to 1,500 cannabis plants at a time. Multiple medical Class C Grow licenses may be “stacked” at a single facility location to expand such facility’s permitted growing capacity. Among the four (4) facilities that are licensed for medical cultivation, AEY Capital holds seven (7) Class C Grow Licenses (an aggregate permitted capacity of 10,500 plants). An additional eleven (11) Class C Grow licenses are provisionally approved and may be incrementally activated by AEY Capital consistent with applicable market factors and facility development requirements.

An adult-use Class C Grow license permits the license holder to grow up to 2,000 cannabis plants at a time. Multiple adult-use Class C Grow licenses may be “stacked” at a single facility location to expand such facility’s permitted growing capacity. Among the two (2) facilities that are located in municipalities that permit adult-use cultivation, AEY Capital holds five (5) adult-use Class C Grow licenses (an aggregate permitted capacity of 10,000 plants). An additional five (5) Class C Grow licenses are provisionally approved and may be incrementally activated by AEY Capital consistent with applicable market factors and facility development requirements. The remaining two (2) facilities are located in a municipality that does not currently provide for adult-use facilities.

AEY Capital also holds one (1) adult-use Excess Marihuana Grow license. Adult-use Excess Marihuana Grow licenses are issued by the MRA when a licensee wishes to obtain an additional adult-use Class C Grow license, but already holds five (5) Class C Grow licenses under the MRTMA and at least two (2) Class C Grow licenses under the MMFLA. An adult-use Excess Marijuana Grow license permits the holder to grow up to 2,000 cannabis plants at a time for adult-use purposes.

In addition, AEY Capital has entered into eleven (11) contract grow agreements (the “**Grow Agreements**”) with ten (10) third party Michigan cannabis license holders (“**Contract Growers**”) pursuant to which each Contract Grower will cultivate certain products, including “Gage” and “Cookies” branded products (as well as future brands at AEY Capital’s discretion). According to the Grow Agreements, AEY Capital will provide certain cannabis genetics, and advise on cannabis grow processes and quality control standards, and each Contract Grower will be responsible for its own facility and cultivation processes.

Processing Facilities

As a licensed cannabis processor, AEY Capital may obtain harvested cannabis plant material from its affiliated licensed cultivators, as well as other cultivation facilities in Michigan, convert that harvested cannabis plant material into cannabis extract by physical or chemical means, and formulate those extracts into manufactured cannabis products, potentially including edibles, tinctures, and topicals permitted under the MMFLA or MRTMA. Presently, AEY Capital has one (1) fully licensed medical and adult-use processing facility, one (1) facility that has received temporary permits from the local municipality to operate under the MMFLA and MRTMA, and one (1) processing facility that has received a temporary permit from the local municipality to operate under the MMFLA.

AEY Capital anticipates distribution to be made, and revenue to be derived, primarily through its licensed affiliated provisioning centers and retailers. As AEY Capital is vertically integrated under both the MMFLA and the MRTMA, AEY Capital’s processor operations will predominately secure harvested cannabis plant material from its own cultivator operations. AEY Capital’s processor operations may also obtain harvested cannabis plant material from non-affiliated licensed cultivators and may sell manufactured cannabis products to non-affiliated provisioning centers.

Provisioning Centers

As an operator of licensed cannabis medical provisioning centers and adult-use retailers, AEY Capital, RKD, AEY Holdings and Thrive Enterprise market and derive revenue from the retail sale of medical and adult-use cannabis and cannabis products to qualifying Michigan medical cannabis patients and adult use cannabis consumers. As licensed provisioning centers, the retail level operations secure cannabis and cannabis products from AEY Capital’s own cultivator and processor operations, and also obtains other non-Gage branded cannabis and cannabis products from non-affiliated licensed cultivators and processors.

AEY Capital, AEY Holdings, RKD and Thrive Enterprises presently operate eight locations in Adrian, Ferndale, Grand Rapids, Lansing, Battle Creek, Jackson, Burton and Traverse City, Michigan, respectively, under the Gage brand. AEY Capital presently operates two locations under the Cookies brand in Detroit and in Kalamazoo. In addition to the ten locations presently operating, AEY Capital, AEY Holdings and associated entity Pure Relief SP Drive LLC (“**Pure Relief**”) have received local permits to operate in six (6) additional locations in: Bay City, Center Line, Kalamazoo, Mt. Morris, Owosso and Lenox Township.

Agreements with the Licensed Operators

Gage, through its subsidiary, Spartan Services, entered into the following series of agreements with AEY Capital on January 31, 2019:

1. a services agreement effective January 31, 2019 whereby Spartan Services provides business consulting, accounting, administrative, human resources/personnel services, equipment, technological, financial, construction and related service to AEY Capital in exchange for a fee, which is adjustable per location that is open and operational (the “**AEY Capital Services Agreement**”). The AEY Capital Services Agreement has a term of 20 years, unless terminated early by Spartan Services on the occurrence of certain events. The AEY Capital Services Agreement may not be terminated by AEY Capital, without the consent of Spartan Services.
2. a license agreement effective January 31, 2019 between AEY Capital and Spartan Services under which Spartan Services provides a license to use certain licensed materials to AEY Capital in exchange for a monthly license fee (the “**AEY Capital License Agreement**”). The AEY Capital License Agreement is coterminous with the AEY Capital Services Agreement. The AEY Capital Services Agreement may not be terminated by AEY Capital, without the consent of Spartan Services.
3. a membership interest transfer restriction and succession agreement effective January 31, 2019 between AEY Capital, David Malinoski, the sole member of AEY Capital (“**AEY Capital Member**”), and Spartan Services, AEY Capital and the AEY Capital Member agreed to restrict the transferability of AEY Capital's membership interests (“**AEY Capital Membership Interest Transfer Restriction and Succession Agreement**”). The AEY Capital Membership Interest Transfer Restriction and Succession Agreement gives Spartan Services the right, subject to regulatory approval, at any time on the occurrence of certain prescribed events to transfer ownership of the AEY Holdings Member to a designee of Spartan Services for nominal consideration of \$1.00. The AEY Capital Membership Interest Transfer Restriction and Succession Agreement shall automatically terminate upon: (i) the written agreement of Spartan Services, AEY Capital and the AEY Capital Member; (ii) the AEY Capital Member transferring all of its interest to a designated transferee of Spartan Services; and (iii) the twenty-one year anniversary of the death of the last survivor of the AEY Capital Member.
4. a credit and security agreement whereby Spartan Services may advance funds, at its sole discretion, to AEY Capital to finance capital expenditures and other costs and expenses not in excess of US\$20,000,000 on a secured basis (the “**AEY Capital Credit and Security Agreement**”). Interest shall accrue on advances by Spartan Services under the AEY Capital Credit and Security Agreement at the prime interest rate as stated in the Wall Street Journal, subject to increase in the event of a default. The AEY Capital Credit and Security Agreement is coterminous with the AEY Capital Services Agreement.
5. a convertible promissory note whereby AEY Capital (the “**AEY Capital Borrower**”) promises to pay to Spartan Service the aggregate unpaid principal amount of all advances made by Spartan Service to or on behalf of the AEY Capital Borrower from time to time pursuant to the AEY Capital Credit and Security Agreement (the “**AEY Capital Convertible Promissory Note**”).

Gage, through its subsidiary, Spartan Services, entered into the following series of agreements with AEY Holdings on January 31, 2019:

1. a services agreement effective January 31, 2019 whereby Spartan Services provides business consulting, accounting, administrative, human resources/personnel services, equipment, technological, financial, construction and related service to AEY Holdings in exchange for a fee, which is adjustable per location that is open and operational (the “**AEY Holdings Service Agreement**”). The AEY Holdings Services Agreement has a term of 20 years, unless terminated

early by Spartan Services on the occurrence of certain events. The AEY Holdings Services Agreement may not be terminated by AEY Holdings, without the consent of Spartan Services.

2. a license agreement effective January 31, 2019 between AEY Holdings and Spartan Services under which Spartan Services provides a license to use certain licensed materials to AEY Holdings in exchange for a monthly license fee (the “**AEY Holdings License Agreement**”). The AEY Holdings License Agreement is coterminous with the AEY Holdings Services Agreement. The AEY Holdings Services Agreement may not be terminated by AEY Holdings, without the consent of Spartan Services.
3. a membership interest transfer restriction and succession agreement effective January 31, 2019 between AEY Holdings, David Malinoski, the sole member of AEY Holdings (the “**AEY Holdings Member**”), and Spartan Services, whereby AEY Holdings and the AEY Holdings Member agreed to restrict the transferability of AEY Holdings’ membership interests (the “**AEY Holdings Membership Interest Transfer Restriction and Succession Agreement**”). The AEY Holdings Membership Interest Transfer Restriction and Succession Agreement gives Spartan Services the right, subject to regulatory approval, at any time on the occurrence of certain prescribed events to transfer ownership of the AEY Holdings Member to a designee of Spartan Services for nominal consideration of \$1.00. The AEY Holdings Membership Interest Transfer Restriction Agreement shall automatically terminate upon: (i) the written agreement of Spartan Services, AEY Holdings and the AEY Holdings Member; (ii) the AEY Holdings Member transferring all of its interest to a designated transferee of Spartan Services; and (iii) the twenty-one year anniversary of the death of the last survivor of the AEY Holdings Member.

Gage, through its subsidiary, Spartan Services, entered into the following series of agreements with 3 State Park on January 31, 2019:

1. a services agreement effective January 31, 2019 whereby Spartan Services provides business consulting, accounting, administrative, human resources/personnel services, equipment, technological, financial, construction and related service to 3 State Park in exchange for a fee which is adjustable per location that is open and operational (the “**3 State Park Services Agreement**”). The 3 State Park Services Agreement has a term of 20 years, unless terminated early by Spartan Services on the occurrence of certain events. The 3 State Park Services Agreement may not be terminated by 3 State Park, without the consent of Spartan Services.
2. a license agreement effective January 31, 2019 between 3 State Park and Spartan Services under which Spartan Services provides a license to use certain licensed materials to 3 State Park in exchange for a monthly license fee (the “**3 State Park License Agreement**”). The 3 State Park License Agreement is coterminous with the 3 State Park Services Agreement. The 3 State Park Services Agreement may not be terminated by 3 State Park, without the consent of Spartan Services.
3. a membership interest transfer restriction and succession agreement effective January 31, 2019 between 3 State Park, David Malinoski, the sole member of 3 State Park (the “**3 State Park Member**”), and Spartan Services, whereby 3 State Park and the 3 State Park Member agreed to restrict the transferability of 3 State Park’s membership interests (the “**3 State Park Membership Interest Transfer Restriction and Succession Agreement**”). The 3 State Park Membership Interest Transfer Restriction and Succession Agreement gives Spartan Services the right, subject to regulatory approval, at any time on the occurrence of certain prescribed events to transfer ownership of the 3 State Park Member to a designee of Spartan Services for nominal consideration of \$1.00. The 3 State Park Membership Interest Transfer Restriction and Succession Agreement shall automatically terminate upon: (i) the written agreement of Spartan Services, 3 State Park and the 3 State Park Member; (ii) the 3 State Park Member transferring all of its interest to a designated transferee of Spartan Services; and (iii) the twenty-one year anniversary of the death of the last survivor of the 3 State Park Member.

Gage, through its subsidiary, Spartan Services, entered into the following series of agreements with RKD on June 28, 2021:

1. a services agreement effective June 28, 2021 whereby Spartan Services provides business consulting, accounting, administrative, human resources/personnel services, equipment, technological, financial, construction and related service to RKD in exchange for a fee which is adjustable per location that is open and operational (the “**RKD Services Agreement**”). The RKD Services Agreement has a term of 20 years, unless terminated early by Spartan Services on the occurrence of certain events. The RKD Services Agreement may not be terminated by RKD, without the consent of Spartan Services.
2. a license agreement effective June 28, 2021 between RKD and Spartan Services under which Spartan Services provides a license to use certain licensed materials to RKD in exchange for a monthly license fee (the “**RKD Park License Agreement**”). The RKD Park License Agreement is coterminous with the RKD Services Agreement. The RKD Services Agreement may not be terminated by RKD, without the consent of Spartan Services.

Gage, through its subsidiary, Spartan Services, entered into a services agreement effective June 22, 2020 whereby Spartan Services provides business consulting, accounting, administrative, human resources/personnel services, equipment, technological, financial, construction and related service to Thrive Enterprises in exchange for a fee which is adjustable per location that is open and operational (the “**Thrive Services Agreement**”). The Thrive Services Agreement has a term of 20 years, unless terminated early by Spartan Services on the occurrence of certain events. The Thrive Services Agreement may not be terminated by Thrive Enterprises, without the consent of Spartan Services.

Neither Gage, nor its affiliates, hold direct ownership interests in AEY Capital, AEY Holdings, 3 State Park, Thrive Enterprises and RKD.

Proposed Canadian Operators

On July 26, 2021, Gage announced that it intends to open Cookies-branded stores in Canada through Cookies Canada and a partnership with NOYA Cannabis Inc. The first Cookies-branded store in Ontario is scheduled to open by the end of 2021. As of the date of this Circular, Cookies Canada, through its wholly-owned subsidiaries, has been issued two (2) retail store authorizations and one (1) retail operator license by the Alcohol and Gaming Commission of Ontario.

Strategic Partners

Cookies

On April 25, 2019, and as amended and restated in January 2020, Gage, through Spartan LLC, entered into a license and packaging agreement, a retail license agreement and a support agreement with Cookies pursuant to which Gage has licensed certain intellectual property related to the Cookies brand and other brands in the Cookies’ portfolio including Runtz, Grandiflora, and Minntz, for use in manufacturing, cultivation and retail activities in the State of Michigan. Cookies’ Lemonnade brand was also included in this arrangement through a separate license and packaging agreement dated June 14, 2019. On September 10, 2019, Gage entered into a retail license agreement and a support agreement with Cookies (the “**Ontario Cookies Agreements**”), pursuant to which Gage has the right to open Cookies-branded retail stores in the Canadian Province of Ontario, subject to applicable law. On September 27, 2020, Gage and Cookies Canada entered into an assignment agreement pursuant to which Gage assigned all of its obligations, rights, title and interest in and to the Ontario Cookies Agreements to Cookies in exchange for 4,000,000 common shares of Cookies Canada and certain rights to maintain an 80% equity ownership interest in Cookies Canada.

Cookies is a California-based cannabis company and culture and lifestyle brand. Founded in 2012, the company built its identity by seamlessly combining new, top-tier genetics, the internet, and music. Today, Cookies is a leading cannabis brand in the US. The company and its products are recognized globally and offer a stable of over 50 cannabis varieties and product lines including indoor, outdoor and sun grown flower, pre-rolls, gel caps and vapes. In addition to its selection of curated cannabis products, the company also sells apparel and accessories for both men and women.

Cookies License and Packing Agreement

Cookies is the owner or exclusive licensee, throughout the world, of certain trademarks and related design marks and trade dress, as well as the common law owner or permitted licensee of any other common law trademarks, service marks, trade names, and related designs, and all applications and common law rights related to said trademarks (collectively, the “**Cookies Marks**”), and various copyright protected documents, designs, and marketing materials related to the Cookies Marks, as well as the secret and proprietary know-how (“**Cookies Know-How**”) relating to the cultivation and manufacturing methods, processes, and procedures for the cultivation of cannabis and the manufacture of cannabis products that is offered, advertised, or sold under the Cookies Marks (collectively, the “**Cookies Intellectual Property**”). Cookies is also the owner or exclusive licensee of the cannabis plant genetics containing the Cookies Know-How, whether in seed or clone form (“**Cookies Genetics**”). Pursuant to an amended and restated license and packaging agreement effective January 22, 2020, as amended from time to time, with Cookies, Cookies granted to Spartan Licensing an exclusive, non-transferable, non-sublicensable license to use the Cookies Intellectual Property and Cookies Genetics to produce certain licensed products (“**Cookies-Licensed Products**”), and to sell the Cookies -Licensed Products to and in various retail outlets in the distribution territory during the term of the agreement.

Cookies Retail License Agreement

Cookies and Spartan Licensing entered into an amended and restated retail license agreement January 24, 2020, as amended from time to time, with Cookies, whereby Cookies granted to Spartan Licensing an exclusive license within the defined territory to: (a) utilize certain trademarks, service marks, trade names, design marks and commercial symbols; such other common law trademarks, service marks, trade names, design marks and commercial symbols owned by Cookies and which have become associated with Cookies or its business; all copyright protected documents, designs, and marketing materials related thereto; all applications and common law rights related the foregoing in connection with the establishment, development and operation of Cookies -branded retail stores in authorized locations; and (b) to advertise, publicize, market and sell Cookies-Licensed Products and/or affiliate products to customers through each authorized location.

Cookies Support Agreement

Cookies and Spartan Licensing further entered into an amended and restated support agreement on January 24, 2020 with Cookies, whereby Cookies agreed to perform certain services, including personal appearances by rapper-owner Berner, social media support, event collaborations, and marketing materials.

SLANG

On May 17, 2020, Gage announced a strategic partnership with SLANG Worldwide Inc. (“**SLANG**”), a cannabis consumer packaged goods company, to introduce new cannabis brands in the state of Michigan. Pursuant to the partnership and pending regulatory approval, Gage has been granted an exclusive license to produce and distribute the SLANG product suite in Michigan, including its category-leading products O.penVAPE, Pressies, District Edibles, and Bakked. SLANG will also provide sales consulting services and will receive payments for each branded product sold in the state.

SLANG Distribution Agreement

On May 13, 2020, Gage, through Spartan Licensing, entered into a distribution agreement with National Concessions Group, Inc., a Colorado corporation and wholly-owned subsidiary of SLANG (“**NCG**”) to produce and distribute certain SLANG products (the “**SLANG Distribution Agreement**”). NCG possesses certain intellectual property rights relating to products, procedures and devices facilitating the intake or inhalation of vapor from botanical oil extractions, including, without limitation, oils extracted from marijuana, and the marketing and sale of such products and devices, including product and device packaging.

Under the terms of the SLANG Distribution Agreement, NCG granted Spartan Licensing an exclusive license, solely in Michigan, to perform or assist with the legal production, marketing, sale and distribution of NCG products in NCG packaging made in connection with NCG technology solely in connection with Gage’s affiliated cannabis cultivation businesses and/or manufacturing businesses, and to convey to Gage’s affiliated retail operations the rights to sell the NCG products to and in various retail outlets in Michigan.

On May 13, 2020, NCG also granted Spartan Licensing an exclusive license, solely in Michigan, to use the NCG trademarks in connection with the marketing, distribution, and sale of the NCG products provided through an affiliated cannabis retailer, and the rights to sell the NCG products to and in various retail outlets in Michigan.

SLANG Consulting Agreement

NCG and Spartan Licensing simultaneously entered into a consulting agreement, wherein NCG agreed to provide certain consulting services to Spartan Licensing and its affiliated licensed cannabis entities.

OG Raskal

On August 8, 2020, Gage, through Spartan Licensing, entered into an exclusive (in the State of Michigan), five (5) year license agreement with OG Raskal Genetics, LLC (“**OG Raskal**”) for certain intellectual property license and packaging rights for OG Raskal brand cannabis products (the “**OG Raskal License Agreement**”). Under the OG Raskal License Agreement, OG Raskal granted to Spartan Licensing an exclusive license within Michigan to utilize certain trademarks, service marks, trade names, design marks and commercial symbols, such other common law trademarks, service marks, trade names, design marks and commercial symbols owned by OG Raskal, all copyright protected documents, designs, and marketing materials related to such marks and all applications and common law rights related the foregoing.

KKE

On July 1, 2021, Gage, through Spartan Licensing, entered into an intellectual property license agreement (the “**KKE Agreement**”) with KKE Licensing MI, LLC (“**KKE**”) which provides a license for use certain intellectual property of KKE and to produce and sell KKE branded products in Michigan. The initial term of the KKE Agreement is five years on an exclusive basis.

Pure Beauty

On July 1, 2021, Gage, through Spartan Licensing, entered into a license and packaging agreement with Pure Beauty which provides a license for use certain intellectual property of Pure Beauty and to produce and sell Pure Beauty branded products in Michigan. The initial term of the such agreement is five years on an exclusive basis.

Competitive Conditions

Gage operates in a highly dynamic market that is characterized by a growing number of new market entrants competing in the same product categories as Gage. As such, there is considerable competition in the marketplace.

The industry is also entering a period of significant consolidation, creating larger companies that may have increased geographic scope and other economies of scale. Increased competition by larger, better-financed competitors with geographic or other structural advantages could materially and adversely affect the business, financial condition and results of operations of Gage. See “*Risk Factors*” in this Appendix “G”.

To remain competitive, Gage will require a continued level of investment in research and development, marketing, sales and client support. Gage may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of Gage. See “*Risk Factors*” in this Appendix “G”.

Principal Markets

Gage operates in the legally licensed US state of Michigan.

Specialized Skills and Knowledge

Gage believes that its success is dependent on the performance of its management, employees and partners. The Gage Board and management of Gage all have significant experience in business and the cannabis industry generally. Gage believes it has adequate personnel with the specialized skills required to successfully carry out its operations.

Employees

As at the date of this Circular, Gage has 403 employees and 8 independent contractors.

Intangible Properties

Licenses, Permits and Approvals

Please see “*Description of the Business*” in this Appendix “G” for a description of the licenses, permits and approvals issued to the licensed operators with whom Gage has entered into commercial arrangements.

Trademarks

In efforts to protect and expand Gage’s brand, Gage has applied for Canadian trademark protection for:

- (a) the word mark “GAGE”;
- (b) the word mark “GAGE LIFE”;
- (c) the word mark “THE ART OF CRAFT CANNABIS”;
- (d) the word mark “SMALL BATCH HIGH EXPECTATIONS”; and
- (e) the word mark “THE CRAFT PACK”.

Gage has also applied for trademark protection in relation to its business in the US with respect to the word mark “GAGE”.

A third party has filed an opposition to Gage’s application for the trademark “GAGE” in the US. At this time, Gage is unable to determine whether it will be successful with respect to the opposition. See “*Risk Factors*” in this Appendix “G”.

Cycles

The products and services that comprise Gage’s business are not considered to be cyclical or seasonal.

Reorganizations

Since incorporation, Gage has not completed any material reorganization. No material reorganization is currently proposed for the current financial year.

Bankruptcy and Similar Procedures

There are no bankruptcies, receiverships or similar proceedings against Gage nor is Gage aware of any such pending or threatened proceedings. There has not been any voluntary bankruptcy, receivership or similar proceeding by Gage since its incorporation.

Regulatory Overview

Overview

Gage and its subsidiaries provide various management, consulting, HR, financing, intellectual property, licensing and real estate support services for certain business entities who are duly licensed in the State of Michigan to legally cultivate, process and distribute medical and/or adult-use cannabis and cannabis derivatives. However, the cannabis industry is illegal under US federal law and enforcement of relevant federal laws is a significant risk. None of Gage or its subsidiaries are directly engaged in the manufacture, importation, possession, sale or distribution of cannabis in the US. In addition, Gage has not applied and does not have any intention to apply for any retailer, grower, producer, dealer, processor or wholesaler licenses which would allow Gage to directly participate in the cannabis marketplace in certain US states which have legalized such activity. While Gage does not directly cultivate, distribute or dispense cannabis or any cannabis derivatives, Gage provides services and has entered into commercial arrangements with third parties who are involved in the US cannabis industry. As such, Gage considers itself a US Marijuana Issuer with materially ancillary involvement with the US cannabis industry, as defined in the Canadian Securities Administrators Staff Notice 51-352 (Revised) – Issuers with US Marijuana related Activities dated February 8, 2018.

Compliance

Gage monitors the applicable rules and regulations of the State of Michigan, where it provides support to the Licensed Operators. Gage maintains a database and tracks each license or permit held by its Licensed Operators, showing the renewal date, inspection schedules, and the results of any regulatory inspection reports. Gage will also monitor any action taken by its licensed operators in response to a change of governing regulations or suggestions from regulators. For certainty, Gage is not subject to any cannabis-specific licensing requirements or cannabis-specific regulatory frameworks in any US state.

Gage has employed an experienced team of professionals knowledgeable in regulatory and corporate compliance to oversee its activities. Gage has obtained legal advice from US legal counsel regarding: (a) compliance with applicable state regulatory frameworks; and (b) potential exposure and implications arising from US federal law, but does not have a formal legal opinion on such matters. Gage’s legal compliance team continually monitors and reviews correspondence and changes to, and updates of, rules or regulatory policies impacting the operation of the businesses carried on by its affiliated license-holders in each US state in which they have operations.

Gage's legal compliance team has also implemented internal policies and procedures at corporate and subsidiary levels designed to mitigate any lapses in its overall infrastructure, and facilitate compliance with relevant laws and regulations.

Dividends

As of the date of this Circular, Gage had not declared dividends on the Gage Shares and had no intention to declare dividends on the Gage Shares in the immediate or foreseeable future. There are no restrictions in Gage's articles or by-laws that prevent Gage from paying dividends. Any future dividends declared will be made at the discretion of the Gage Board and will depend on circumstances at the time of contemplation, including financial status of Gage, contractual or regulatory obligations, and other conditions existing at such future time.

Management's Discussion and Analysis

See the Gage Annual MD&A and the Gage Interim MD&A, which are incorporated by reference herein.

Description of Securities

As of the date of this Circular, the authorized share capital of Gage is divided into Gage Subordinate Voting Shares, Gage Proportionate Voting Shares and Gage Super Voting Shares of which 138,433,363 Gage Subordinate Voting Shares, no Gage Proportionate Voting Shares and 1,500,000 Gage Super Voting Shares are issued and outstanding. As of the date of this Circular, there were 1,500,000 Gage Exchangeable Units issued and outstanding. Such Gage Exchangeable Units are exchangeable for 75,000,000 Gage Subordinate Voting Shares, 1,500,000 Gage Proportionate Voting Shares, or a combination thereof.

The Gage Subordinate Voting Shares and the Gage Proportionate Voting Securities are "restricted securities" within the meaning of such term under applicable securities laws in Canada.

The Gage Subordinate Voting Shares and the Gage Proportionate Voting Shares have rights that are proportional in respect of each other. Gage Proportionate Voting Shares may at any time, at the option of the holder, be converted into Gage Subordinate Voting Shares at a ratio of 50 Gage Subordinate Voting Shares for each Gage Proportionate Voting Share. Prior to conversion, each Gage Proportionate Voting Share carries 50 votes per share (compared to 1 vote per Gage Subordinate Voting Share) and is entitled to dividends, when declared by the Gage Board, and liquidation distributions in an amount equal to 50 times the amount distributed in respect of each Gage Subordinate Voting Share. The Gage Proportionate Voting Shares were created in order for Gage to meet the definition of a "foreign private issuer", as such term is defined in Rule 405 of Regulation C under the US *Securities Exchange Act of 1934*.

The Gage Exchangeable Units (together with the Gage Super Voting Shares) have rights that are proportional in all respects to the rights of the Gage Subordinate Voting Shares, other than with respect to the return of the *de minimis* redemption value of the Gage Super Voting Shares equal to C\$0.0001 per Gage Super Voting Shares. Each Gage Super Voting Share carries 50 votes per share but is not entitled to dividends or liquidation distributions by Gage, except that the holders of Gage Super Voting Shares shall receive the issue price of the Gage Super Voting Shares on liquidation. Upon the occurrence of a redemption of any Gage Exchangeable Unit, then Gage shall have the right to redeem an equivalent number of Gage Super Voting Shares, by providing two (2) days prior written notice to the holder of such Gage Super Voting Shares for an amount equal to the issue price for each Gage Super Voting Share, payable in cash. Each Gage Exchangeable Unit is redeemable for 50 Gage Subordinate Voting Shares or one Gage Proportionate Voting Share.

As at the date of this Circular, the Gage Subordinate Voting Shares, Gage Super Voting Shares and Gage Proportionate Voting Shares represent approximately 98.93%, 1.07% and 0% of the total issued and

outstanding shares, respectively, and approximately 64.86%, 35.14% and 0% of the voting power attached to all of the issued and outstanding shares, respectively.

The rights attaching to the Gage Subordinate Voting Shares, Gage Super Voting Shares and Gage Proportionate Voting Shares are more fully set out below.

Gage Subordinate Voting Shares

Right to Notice and Vote	Holders of Gage Subordinate Voting Shares are entitled to notice of and to attend at any meeting of the shareholders of Gage, except a meeting of which only holders of another particular class or series of shares of Gage have the right to vote. At each such meeting, holders of Gage Subordinate Voting Shares are entitled to one vote in respect of each Gage Subordinate Voting Share held.
Class Rights	As long as any Gage Subordinate Voting Shares remain outstanding, Gage will not, without the consent of the holders of the Gage Subordinate Voting Shares by separate special resolution, prejudice or interfere with any right attached to the Gage Subordinate Voting Shares. The holders of Gage Subordinate Voting Shares are not entitled to a right of first refusal to subscribe for, purchase or receive any part of any issue of Gage Subordinate Voting Shares, or bonds, debentures or other securities of Gage now or in the future.
Dividends	Holders of Gage Subordinate Voting Shares are entitled to receive as and when declared by the directors of Gage, dividends in cash or property of Gage.
Participation	In the event of the liquidation, dissolution or winding-up of Gage, whether voluntary or involuntary, or in the event of any other distribution of assets of Gage among its shareholders for the purpose of winding up its affairs, the holders of Gage Subordinate Voting Shares will, subject to the prior rights of the holders of any shares of Gage ranking in priority to the Gage Subordinate Voting Shares (including, without restriction, the Gage Super Voting Shares), be entitled to participate rateably along with all other holders of Gage Subordinate Voting Shares and the Gage Proportionate Voting Shares (on an as-converted to Gage Subordinate Voting Share basis).
Changes	No subdivision or consolidation of the Gage Subordinate Voting Shares, Gage Proportionate Voting Shares or Gage Super Voting Shares shall occur unless, simultaneously, the Gage Subordinate Voting Shares, Gage Proportionate Voting Shares and Gage Super Voting Shares are subdivided or consolidated in the same manner, so as to maintain and preserve the relative rights of the holders of the shares of each of the said classes.

Gage Proportionate Voting Shares

Right to Vote	Holders of Gage Proportionate Voting Shares are entitled to notice of and to attend at any meeting of the shareholders of Gage, except a meeting of which only holders of another particular class or series of shares of Gage have the right to vote. At each such meeting, holders of Gage Proportionate Voting Shares are entitled to 50 votes in respect of each Gage Proportionate Voting Share held.
Class Rights	As long as any Gage Proportionate Voting Shares remain outstanding, Gage will not, without the consent of the holders of the Gage Proportionate Voting

Shares and the Gage Super Voting Shares by separate special resolution, prejudice or interfere with any right attached to the Gage Proportionate Voting Shares. Consent of the holders of a majority of the outstanding Gage Proportionate Voting Shares and Gage Super Voting Shares shall be required for any action that authorizes or creates shares of any class having preferences superior to or on a parity with the Gage Proportionate Voting Shares. In connection with the exercise of the voting rights in respect of any such approvals, each holder of Gage Proportionate Voting Shares will have one vote in respect of each Gage Proportionate Voting Share held. Holders of Gage Proportionate Voting Shares will not be entitled to a right of first refusal to subscribe for, purchase or receive any part of any issue of Gage Subordinate Voting Shares, or bonds, debentures or other securities of Gage.

Dividends

The holders of the Gage Proportionate Voting Shares are entitled to receive such dividends as may be declared and paid to holders of the Gage Subordinate Voting Shares in any financial year as the Gage Board may by resolution determine, on an as-converted to Gage Subordinate Voting Share basis. No dividend will be declared or paid on the Gage Proportionate Voting Shares unless Gage simultaneously declares or pays, as applicable, equivalent dividends (on an as-converted to Gage Subordinate Voting Share basis) on the Gage Subordinate Voting Shares.

Participation

In the event of the liquidation, dissolution or winding-up of Gage, whether voluntary or involuntary, or in the event of any other distribution of assets of Gage among its shareholders for the purpose of winding up its affairs, the holders of Gage Proportionate Voting Shares will, subject to the prior rights of the holders of any shares of Gage ranking in priority to the Gage Proportionate Voting Shares (including, without restriction, the Gage Super Voting Shares), be entitled to participate rateably along with all other holders of Gage Proportionate Voting Shares (on an as-converted to Gage Subordinate Voting Share basis) and the Gage Subordinate Voting Shares.

Conversion

The Gage Proportionate Voting Shares each have a restricted right to convert into 50 Gage Subordinate Voting Shares, subject to adjustments for certain customary corporate changes. The ability to convert the Gage Proportionate Voting Shares is subject to a restriction that the aggregate number of Gage Subordinate Voting Shares, Gage Proportionate Voting Shares and Gage Super Voting Shares held of record, directly or indirectly, by residents of the US (as determined in accordance with Rules 3b-4 and 12g3-2(a) under the *Securities Exchange Act of 1934*, as amended, may not exceed forty percent (40%) of the aggregate number of Gage Subordinate Voting Shares, Gage Proportionate Voting Shares and Gage Super Voting Shares issued and outstanding after giving effect to such conversions and to a restriction on beneficial ownership of Gage Subordinate Voting Shares exceeding certain levels.) In addition, the Gage Proportionate Voting Shares will be automatically converted into Gage Subordinate Voting Shares in certain circumstances, including upon the registration of the Gage Subordinate Voting Shares under the US *Securities Act of 1933*.

Gage Super Voting Shares

Right to Vote

Holders of Gage Super Voting Shares are entitled to notice of and to attend at any meeting of Gage Shareholders, except a meeting of which only holders of another particular class or series of shares of Gage have the right to vote. At

each such meeting, holders of Gage Super Voting Shares are entitled to 50 votes in respect of each Gage Super Voting Share held.

Class Rights	As long as any Gage Super Voting Shares remain outstanding, Gage will not, without the consent of the holders of the Gage Super Voting Shares by separate special resolution, prejudice or interfere with any right or special right attached to the Gage Super Voting Shares. Consent of the holders of a majority of the outstanding Gage Super Voting Shares will be required for any action that authorizes or creates shares of any class having preferences superior to or on a parity with the Gage Super Voting Shares. In connection with the exercise of the voting rights in respect of any such approvals, each holder of Gage Super Voting Shares will have one vote in respect of each Gage Super Voting Share held. The holders of Gage Super Voting Shares will not be entitled to a right of first refusal to subscribe for, purchase or receive any part of any issue of Gage Subordinate Voting Shares, bonds, debentures or other securities of Gage not convertible into Gage Super Voting Shares.
Dividends	The holders of the Gage Super Voting Shares are not entitled to receive dividends.
Participation	In the event of the liquidation, dissolution or winding-up of Gage, whether voluntary or involuntary, or in the event of any other distribution of assets of Gage among its shareholders for the purpose of winding up its affairs, Gage shall distribute its assets firstly and in priority to the rights of holders of any other class of shares of Gage (including the holders of Gage Subordinate Voting Shares and Gage Proportionate Voting Shares) to return the issue price of the Gage Super Voting Shares to the holders thereof. The holders of the Gage Super Voting Shares shall not be entitled to receive directly or indirectly as holders of Gage Super Voting Shares any other assets or property of Gage.
Changes	No subdivision or consolidation of the Gage Subordinate Voting Shares shall occur unless, simultaneously, the Gage Subordinate Voting Shares, Gage Proportionate Voting Shares and Gage Super Voting Shares are subdivided or consolidated in the same manner, so as to maintain and preserve the relative rights of the holders of the shares of each of the said classes.
Redemption Rights	Upon the occurrence of a redemption of any Gage Exchangeable Unit by the holder thereof, then Gage shall have the right to redeem an equivalent number of Gage Super Voting Shares, by providing two (2) days prior written notice to the holder of such Gage Super Voting Shares for an amount equal to the issue price for each Gage Super Voting Share, payable in cash.
Transfer Restrictions	No Gage Super Voting Share may be transferred by the holder thereof unless such transfer is to a permitted transferee.
Conversion	The Gage Super Voting Shares are not convertible into Gage Subordinate Voting Shares or Gage Proportionate Voting Shares.

Take-Over Bid Protection

Under applicable securities laws in Canada, an offer to purchase Gage Super Voting Shares, Gage Proportionate Voting Shares or Gage Exchangeable Units would not necessarily require that an offer be made to purchase Gage Subordinate Voting Shares. As such, Gage, the holders of the Gage Super Voting Shares, Gage Proportionate Voting Shares, Gage Exchangeable Units, Mayde Exchangeable Shares

(which are exchangeable for Gage Exchangeable Units) and a trustee for the benefit of the holders of Gage Subordinate Voting Shares have entered into a coattail agreement (the “**Coattail Agreement**”) designed to ensure that, in the event of a take-over bid, the holders of Gage Subordinate Voting Shares will be entitled to participate on an equal footing with holders of Gage Super Voting Shares, Gage Proportionate Voting Shares and Gage Exchangeable Units. The Coattail Agreement contains provisions customary for multi-class issuers to prevent transactions that otherwise would deprive the holders of Gage Subordinate Voting Shares of rights under applicable securities laws in Canada to which they would have been entitled if the Gage Proportionate Voting Shares, Gage Super Voting Shares or Gage Exchangeable Units had been Gage Subordinate Voting Shares.

The undertakings in the Coattail Agreement do not apply to prevent a sale by the holders of Gage Super Voting Shares, Gage Proportionate Voting Shares and Gage Exchangeable Units if concurrently an offer is made to purchase Gage Subordinate Voting Shares that:

- (a) offers a price per Gage Subordinate Voting Share at least as high as the highest price per share to be paid pursuant to the take-over bid for the Gage Super Voting Shares, Gage Proportionate Voting Shares or Gage Exchangeable Units (on an as exchanged or converted basis);
- (b) provides that the percentage of outstanding Gage Subordinate Voting Shares to be taken up (exclusive of shares owned immediately prior to the offer by the offeror or persons acting jointly or in concert with the offeror) is at least as high as the percentage of Gage Super Voting Shares, Gage Proportionate Voting Shares or Gage Exchangeable Units to be sold (exclusive of Gage Super Voting Shares, Gage Proportionate Voting Shares and Gage Exchangeable Units owned immediately prior to the offer by the offeror and persons acting jointly or in concert with the offeror);
- (c) has no condition attached other than the right not to take up and pay for Gage Subordinate Voting Shares tendered if no shares are purchased pursuant to the offer for Gage Super Voting Shares, Gage Proportionate Voting Shares or Gage Exchangeable Units; and
- (d) is in all other material respects identical to the offer for Gage Super Voting Shares, Gage Proportionate Voting Shares or Gage Exchangeable Units.

In addition, the Coattail Agreement does not prevent the transfer of Gage Super Voting Shares, Gage Proportionate Voting Shares and Gage Exchangeable Units to certain permitted holders, provided such transfer is not or would not have been subject to the requirements to make a take-over bid (if the vendor or transferee were in Canada) or constitutes or would be exempt from certain requirements applicable to take-over bids under applicable securities laws in Canada. The conversion of Gage Proportionate Voting Shares into Gage Subordinate Voting Shares or the exchange of Gage Exchangeable Units for Gage Subordinate Voting Shares, whether or not such Gage Subordinate Voting Shares are subsequently sold, would not constitute a disposition of Gage Proportionate Voting Shares or Gage Exchangeable Units for the purposes of the Coattail Agreement.

Under the Coattail Agreement, any sale of Gage Super Voting Shares, Gage Proportionate Voting Shares or Gage Exchangeable Units by a holder thereof must be conditional upon the transferee becoming a party to the Coattail Agreement.

The Coattail Agreement contains provisions for authorizing action by the trustee to enforce the rights under the Coattail Agreement on behalf of the holders of the Gage Subordinate Voting Shares. The obligation of the trustee to take such action is conditional on holders of the Gage Subordinate Voting Shares providing such funds and indemnity as the trustee may reasonably require. No holder of Gage Subordinate Voting Shares has the right, other than through the trustee, to institute any action or proceeding or to exercise any other remedy to enforce any rights arising under the Coattail Agreement unless the trustee fails to act on a request authorized by holders of not less than 10% of the outstanding Gage Subordinate Voting Shares and reasonable funds and indemnity have been provided to the trustee.

Other than in respect of non-material amendments and waivers that do not adversely affect the interests of holders of Gage Subordinate Voting Shares, the Coattail Agreement provides that, among other things, it may not be amended, and no provision thereof may be waived, unless, prior to giving effect to such amendment or waiver, the following have been obtained: (a) the consent of any applicable securities regulatory authority; and (b) the approval of at least two-thirds of the votes cast by holders of Gage Subordinate Voting Shares represented at a meeting duly called for the purpose of considering such amendment or waiver, excluding votes attached to Gage Subordinate Voting Shares held by the holders of Gage Proportionate Voting Shares or Gage Super Voting Shares or their affiliates and related parties and any persons who have an agreement to purchase Gage Proportionate Voting Shares or Gage Super Voting Shares on terms which would constitute a sale or disposition for purposes of the Coattail Agreement, other than as permitted thereby.

No provision of the Coattail Agreement limits the rights of any holders of Gage Subordinate Voting Shares under applicable law.

Consolidated Capitalization

The share and loan capital of Gage as at the date hereof are disclosed in the unaudited condensed interim financial statements of Gage as at and for the three and six months ended June 30, 2021, together with the notes thereto, which are incorporated by reference herein. There have been no material changes in the share and loan capital of Gage since the date of such interim financial statements.

Prior Sales

The following table summarizes the issuance by Gage of Gage securities during the twelve (12) month period preceding the date of this Circular.

Date of Issuance	Description of Transaction	Price/Exercise Price per Security	Number of Securities
October 1, 2020	Issuance of Gage Subordinate Voting Shares ⁽¹⁾	C\$1.50	100,000
October 27, 2020	Issuance of Gage Subordinate Voting Shares ⁽²⁾	US\$1.75	45,000
December 2, 2020	Issuance of Gage Subordinate Voting Shares ⁽³⁾	US\$1.75	925,000
December 14, 2020	Issuance of Gage Subordinate Voting Shares ⁽⁴⁾	US\$1.75	5,857,144
December 14, 2020	Issuance of Gage Warrants ⁽⁵⁾	US\$2.60	5,857,144
December 30, 2020	Issuance of Gage Subordinate Voting Shares ⁽⁶⁾	US\$1.75	18,100,001
December 30, 2020	Issuance of Gage Warrants ⁽⁷⁾	US\$2.60	17,900,001
January 27, 2021	Issuance of Gage Subordinate Voting Shares ⁽⁸⁾	US\$1.75	4,614,255
February 2, 2021	Grant of Gage Options ⁽⁹⁾	US\$1.75	1,088,900
February 2, 2021	Grant of Gage RSUs ⁽¹⁰⁾	US\$1.75	160,000
February 19, 2021	Issuance of Gage Subordinate Voting Shares ⁽¹¹⁾	US\$1.75	170,000
March 1, 2021	Grant of Gage Options ⁽¹²⁾	US\$1.75	860,000
March 4, 2021	Issuance of Gage Subordinate Voting Shares ⁽¹³⁾	C\$1.50	9,999
March 6, 2021	Issuance of Gage Subordinate Voting Shares ⁽¹³⁾	C\$1.50	233,333
March 8, 2021	Grant of Gage Options ⁽¹⁴⁾	US\$1.75	622,500
March 9, 2021	Issuance of Gage Subordinate Voting Shares ⁽¹⁵⁾	US\$1.75	355,000
March 24, 2021	Grant of Gage Options ⁽¹⁶⁾	US\$1.75	622,500
April 1, 2021	Issuance of Gage Subordinate Voting Shares ⁽¹⁷⁾	US\$1.75	1,000,000
April 9, 2021	Issuance of Gage Subordinate Voting Shares ⁽¹⁸⁾	US\$1.75	70,000
June 4, 2021	Issuance of Gage Subordinate Voting Shares ⁽¹³⁾	C\$1.50	33,333
June 29, 2021	Issuance of Gage Subordinate Voting Shares ⁽¹³⁾	C\$1.50	10,000

Date of Issuance	Description of Transaction	Price/Exercise Price per Security	Number of Securities
July 2, 2021	Issuance of Gage Subordinate Voting Shares ⁽¹³⁾	C\$1.50	12,500
July 2, 2021	Issuance of Gage Warrants ⁽¹⁹⁾	US\$2.10	780,727
July 5, 2021	Issuance of Gage Subordinate Voting Shares ⁽¹³⁾	C\$1.50	12,500
July 7, 2021	Issuance of Gage Subordinate Voting Shares ⁽¹³⁾	C\$1.50	12,500
July 9, 2021	Issuance of Gage Subordinate Voting Shares ⁽¹³⁾	C\$1.50	12,500
July 14, 2021	Issuance of Gage Subordinate Voting Shares ⁽¹³⁾	C\$1.50	12,500
July 20, 2021	Issuance of Gage Subordinate Voting Shares ⁽¹³⁾	C\$1.50	4,999
July 20, 2021	Issuance of Gage Subordinate Voting Shares ⁽²⁰⁾	US\$1.75	175,000
August 10, 2021	Issuance of Gage Subordinate Voting Shares ⁽¹³⁾	C\$1.50	15,000
August 23, 2021	Issuance of Gage Subordinate Voting Shares ⁽¹³⁾	C\$1.50	10,000
September 8, 2021	Issuance of Gage Options ⁽²¹⁾	C\$2.30	130,000
October 4, 2021	Issuance of Gage Subordinate Voting Shares ⁽¹³⁾	C\$1.50	20,000

Notes:

- (1) Issued pursuant to a mutual separation agreement entered into between Gage and Pascal D'Souza in consideration for services rendered by Mr. D'Souza.
- (2) Issued to a consultant of Gage in consideration for services rendered pursuant to a certain independent contractor agreement.
- (3) Issued to consultants of Gage in consideration for services rendered.
- (4) Issued in connection with the closing of the first tranche of the Reg A Offering.
- (5) Issued to funds advised by JW Asset Management, LLC in connection with such funds' investment in the first tranche of the Reg A Offering. Each warrant is exercisable for one Gage Subordinate Voting Share at an exercise price of US\$2.60 and expires December 14, 2023.
- (6) Issued in connection with the closing of the second tranche of the Reg A Offering.
- (7) Issued to funds advised by JW Asset Management, LLC in connection with such funds' investment in the second tranche of the Reg A Offering. Each warrant is exercisable for one Gage Subordinate Voting Share at an exercise price of US\$2.60 and expires December 30, 2023.
- (8) Issued in connection with the closing of the third tranche of the Reg A Offering.
- (9) Issued to certain employees, consultants, officers and directors of Gage or its subsidiaries. Each Gage Stock Option has an exercise price of US\$1.75 and expires on February 2, 2026.
- (10) Issued to certain directors of Gage. Each Gage RSU has a grant price of US\$1.75 and will vest in two equal installments on August 2, 2021 and February 2, 2022.
- (11) Issued to an employee of Gage pursuant to a certain employment agreement and to a consultant to Gage pursuant to a certain consulting agreement.
- (12) Issued to certain employees, consultants, officers and directors of Gage or its subsidiaries. Each Gage Stock Option has an exercise price of US\$1.75 and expires on March 1, 2026.
- (13) Issued in connection with the exercise of certain Gage Options.
- (14) Issued to certain employees, consultants, officers and directors of Gage or its subsidiaries. Each Gage Stock Option has an exercise price of US\$1.75 and expires on March 8, 2026.
- (15) Issued to consultants of Gage in consideration for services rendered.
- (16) Issued to a certain employee of Gage or its subsidiaries. Each Gage Stock Option has an exercise price of US\$1.75 and expires on March 24, 2026.
- (17) Issued to Giumar Capital, a party controlled by the Chief Executive Officer of Gage, Fabian Monaco, pursuant to a consulting share agreement. The shares were included in expense during the first quarter.
- (18) Issued to a consultant of Gage in consideration for services rendered.
- (19) Issued to KKE pursuant to the KKE Agreement. Of the 780,727 Gage Warrants, 390,364 Gage Warrants vested on the agreement date of July 2, 2021, and 390,363 Gage Warrants will vest on July 2, 2022.
- (20) Issued in connection with the acquisition of certain real estate assets and a service provider to Gage at a deemed issuance price of US\$1.75.
- (21) Issued to certain employees of Gage or its subsidiaries. Each Gage Stock Option has an exercise price of C\$2.30 and expires on September 8, 2026.

Trading Price and Volume

The Gage Subordinate Voting Shares commenced trading on the CSE under the trading symbol "GAGE" on April 6, 2021. The following table sets forth the high and low price range and total monthly trading

volume, on a combined basis, of the Gage Subordinate Voting Shares since the Gage Subordinate Voting Shares commenced trading on the CSE.

Month	High	Low	Total Monthly Volume
April 6, 2021 - April 30, 2021	C\$3.39	C\$1.95	10,537,138
May 2021	C\$2.82	C\$2.03	6,972,225
June 2021	C\$2.95	C\$2.40	4,181,713
July 2021	C\$2.85	C\$2.30	4,220,779
August 2021	C\$2.60	C\$2.11	4,458,568
September 2021	C\$2.60	C\$2.13	11,280,279
October 1 - 4, 2021	C\$2.37	C\$2.20	579,513

Source: TMX Money

On August 31, 2021, the last trading day prior to the public announcement of the Arrangement, the closing price of Gage Subordinate Voting Shares on the CSE was C\$2.26 per Gage Subordinate Voting Share. The closing price of Gage Subordinate Voting Shares on the CSE was on October 1, 2021, being the last trading day on which Gage Subordinate Voting Shares traded prior to the date of this Circular, was C\$2.35 per Gage Subordinate Voting Share. If the Arrangement is completed, all of the Gage Subordinate Voting Shares will be owned by TerrAscend and will be de-listed from the CSE, subject to the rules and policies of the CSE.

Escrowed Securities and Securities Subject to Contractual Restriction on Transfer

Except as set forth below, to Gage's knowledge, none of the securities of Gage are held in escrow or are subject to a contractual restriction on transfer as at the date hereof.

On March 30, 2021, Gage entered into voluntary lock-up agreements with certain Gage Shareholders who were founders, insiders, directors and officers of Gage. Pursuant to such lock-up agreements, such Gage Shareholders agreed not to sell, contract to sell or otherwise dispose of any of their Gage Securities, or enter into any transaction to such effect, directly or indirectly, in addition to other restrictions, without the consent of Gage, subject to customary exceptions. Until October 6, 2021, approximately 106,088,793 Gage Subordinate Voting Shares (on an as-exchanged basis), representing 49.7% of Gage Subordinate Voting Shares (on an as-exchanged basis) outstanding as at the date of this Circular, remain subject to lock-up restrictions pursuant to such lock-up agreements. After October 6, 2021, such Gage Subordinate Voting Shares shall no longer be subject to the lock-up restrictions described in this paragraph.

On August 31, 2021, concurrently with the execution of the Arrangement Agreement, the Supporting Gage Shareholders entered into the Voting Support and Lock-Up Agreements with TerrAscend pursuant to which, among other things, the Supporting Gage Shareholders agreed not to sell, contract to sell or otherwise dispose of any of their Gage Securities, or enter into any transaction to such effect, directly or indirectly, in addition to other restrictions, without the consent of TerrAscend, subject to customary exceptions. The Supporting Gage Shareholders, collectively as of the date of the Circular, beneficially own, or exercise control or direction over, directly or indirectly, 124,883,445 Gage Subordinate Voting Shares (on an as-exchanged basis), representing 58.5% of the Gage Subordinate Voting Shares (on an as-exchanged basis) outstanding as at the date of this Circular. The lock-up restrictions described in this paragraph automatically terminate upon the earliest of: (a) the mutual agreement in writing of the Supporting Gage Shareholder and TerrAscend; (b) 5:00 p.m. (Toronto time) on the date that the Arrangement Agreement is validly terminated in accordance with its terms; (c) the completion of the acquisition by TerrAscend of the Gage Securities; and (d) the Outside Date.

Principal Securityholders

The following table shows the name and information about the Gage Subordinate Voting Shares, Gage Proportionate Voting Shares and Gage Super Voting Shares owned by each person or company which, as at the date of this Circular, owned of record, or which, to Gage's knowledge, owned beneficially, directly or indirectly, more than 10% of the voting securities outstanding:

Name	Number and Type of Securities⁽¹⁾	Type of Ownership	Percentage of Class⁽⁷⁾
Jason Wild	34,879,145 Gage Subordinate Voting Shares ⁽²⁾	Beneficial and of record	25.20%
Michael Hermiz	900,000 Gage Super Voting Shares ⁽³⁾⁽⁴⁾	Beneficial and of record	60.00%
Mayde ⁽⁵⁾	600,000 Gage Super Voting Shares ⁽⁶⁾	Beneficial and of record	40.00%

Notes:

- (1) The information as to shares beneficially owned, controlled or directed, directly or indirectly, not being within the knowledge of Gage, has been derived from sources available to Gage.
- (2) Includes 30,179,145 Gage Subordinate Voting Shares held by funds advised by JWAM, an entity that Mr. Wild controls. Such funds also hold an aggregate of 23,757,145 Gage Warrants. Mr. Wild exercises control or direction over the Gage Subordinate Voting Shares and the Gage Warrants held by funds advised by JWAM.
- (3) Mr. Hermiz also holds 900,000 Gage Exchangeable Units. Such Gage Exchangeable Units are exchangeable for 45,000,000 Gage Subordinate Voting Shares (21.09% of the Gage Subordinate Voting Shares outstanding, assuming conversion of all Gage Exchangeable Units into Gage Subordinate Voting Shares) or 900,000 Gage Proportionate Voting Shares.
- (4) Mr. Hermiz also holds 2,800,000 Gage Options and 8,500,000 Gage Subordinate Voting Shares.
- (5) Mayde also holds the Mayde Exchangeable Shares. Such Mayde Exchangeable Shares are exchangeable for 30,000,000 Gage Subordinate Voting Shares (14.06% of the Gage Subordinate Voting Shares outstanding, assuming exchange of all Gage Exchangeable Units into Gage Subordinate Voting Shares) or 600,000 Gage Proportionate Voting Shares.
- (6) Mayde is beneficially owned by Rami Reda, a co-founder, consultant and former director of Gage.
- (7) Based on 138,433,363 Gage Subordinate Voting Shares and 1,500,000 Gage Super Voting Shares outstanding as of the date of this Circular.

Directors and Officers

The Gage Board currently comprises six (6) directors each of whom is elected at each annual meeting of shareholders to hold office for one year or until his or her successor is elected or appointed, unless he or she resigns or his or her office becomes vacant.

The following table sets out, for each of the directors and executive officers of Gage, the person's name, province or state and country of residence, position with Gage, principal occupation, and, if a director, the date on which the person became a director. Gage's directors are expected to hold office until the next annual general meeting of Gage Shareholders. Directors are elected annually and, unless re-elected, retire from office at the end of the next annual general meeting of Gage Shareholders.

Name, Province or State and Country of Residence	Position Held	Director/ Executive Officer Since	Principal Occupation at Present and for the 5 Preceding Years
Fabian Monaco ⁽²⁾ Ontario, Canada	Chief Executive Officer and Director	2017	Chief Executive Officer of Gage (<i>February 2021 to present</i>); President of Gage (<i>November 2017 to February 2021</i>); Director of XIB I Capital Corp. (<i>March 2018 to February 2021</i>); Director of investment banking at XIB Financial Inc. (<i>September 2017 to March 2020</i>); Associate at GMP Securities L.P. (<i>June 2015-September 2017</i>).
Michael Hermiz Michigan, United States	Director	2017	Owner of Terra Capital Industries LLC (<i>May 2017 to present</i>); Territory Manager of HydroKing Gardening LLC (<i>April 2014 to present</i>).
Bruce Linton ⁽¹⁾⁽²⁾ Ontario, Canada	Chairman and Director	2019	Chairman of Gage (<i>September 2019 to present</i>); Strategic advisor to Creso Pharma (<i>August 2020 to present</i>); Chair of the advisory board of Red Light Holland Corp. (<i>May 2020 to present</i>); Director of Martello Technologies Group Inc. (<i>December 2017 to present</i>); Director of the Canadian Olympic Foundation (<i>April 2019 to present</i>); Director, Chief Executive Officer & Chair of Canopy Growth Corporation (<i>December 2013 – July 2019</i>).
Richard Mavrinac ⁽¹⁾⁽²⁾ Ontario, Canada	Director	2021	Corporate Director (<i>March 2017 to present</i>); Retired (<i>May 2007 to March 2017</i>).
Michael Finos ⁽¹⁾ Michigan, United States	President and EVP of Operations (US) and Director	2020	President and EVP of Operations (US) of Gage (<i>March 2020 to present</i>); EVP of Operations at Gage (<i>June 2019 to March 2020</i>); Officially Semi-retired (<i>September 2018 to June 2019</i>); Vice President Global Operations and Manufacturing Strategy at Horizon Global Corp. (<i>September 2016 to September 2018</i>); Chief Operating Officer at Cequent Performance Products, Horizon Global Corp. (<i>April 2011 to September 2016</i>).
Dr. Rana Harb Ontario, Canada	Director	2020	Chief Regulatory & Compliance Officer and Director of Radicle Medical Marijuana Inc. (<i>April 2014 to present</i>); Vice President of Regulatory & Compliance Affairs of AutoPharma Inc. (<i>January 2012 to present</i>).
David Watza Michigan, United States	Chief Financial Officer	2020	Chief Financial Officer of Gage (<i>July 2020 to present</i>); President and Chief Executive Officer of Perceptron, Inc. (<i>November 2016 to November 2019</i>); Chief Financial Officer of Perceptron, Inc. (<i>October 2015 to November 2016</i>).

Notes:

- (1) Member of the Audit Committee. Mr. Mavrinac is the chair of the Audit Committee.
(2) Member of the Compensation Committee. Mr. Linton is the chair of the Compensation Committee.

As a group, the directors and executive officers beneficially own, or control or direct, directly or indirectly, a total of 15,004,300 Gage Subordinate Voting Shares and 900,000 Gage Super Voting Shares, representing 10.84% of the Gage Subordinate Voting Shares and 60% of the Gage Super Voting Shares outstanding. See “*Principal Shareholders*” for additional details regarding Michael Hermiz’s share ownership.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of Gage is, as at the date of this Circular, or was, within ten (10) years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including Gage), that was subject to a cease trade order, an order similar to a cease trade order, or an order that

denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than thirty (30) consecutive days:

- (a) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or
- (b) that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No director or executive officer of Gage, or a shareholder holding a sufficient number of securities of Gage to affect materially the control of Gage:

- (a) is, as at the date of the Circular, or has been within the ten (10) years before the date of the Circular, a director or executive officer of any company (including Gage) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact; or
- (b) has, within the ten (10) years before the date of the Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No director or executive officer of Gage, or a Gage Shareholder holding a sufficient number of securities of Gage to affect materially the control of Gage, has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Conflicts of interest may arise as a result of the directors, officers and promoters of Gage also holding positions as directors or officers of other companies. Such persons also invest and may invest in businesses, including in the cannabis sector, that compete directly or indirectly with Gage or act as customers or suppliers of Gage. Some of the individuals that are directors and officers of Gage have been and will continue to be engaged in the identification and evaluation of assets, businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers of Gage will be in direct competition with Gage. Conflicts, if any, will be subject to the procedures and remedies provided under applicable laws.

To the best of Gage's knowledge, there are no known existing or potential material conflicts of interest among Gage or a subsidiary of Gage and a director or officer of Gage or a subsidiary of Gage as a result of their outside business interests except that: (i) certain of Gage's or its subsidiaries' directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to Gage and their duties as a director or officer of such other companies, and (ii) certain of Gage's or its subsidiaries' directors and officers have portfolio investments consisting of minority stakes in businesses that may compete directly or indirectly with Gage or act as a customer of, or supplier to, Gage.

The following chart identifies each director and officer of Gage and their respective material conflict of interest:

Name of Director or Executive Officer	Description of Conflict(s) of Interest
Michael Hermiz, <i>Director</i>	Mr. Hermiz participated in the Terra Transaction Mr. Hermiz holds an approximately 19.4% ownership interest in Radicle on a fully diluted basis.
Richard Mavrinac, <i>Director</i>	Mr. Mavrinac is a director of TerrAscend, which is a party to the Arrangement Agreement.

Executive Compensation

For information concerning Gage’s executive compensation, see the Gage AGM Circular, which is incorporated by reference herein.

Indebtedness of Directors and Executive Officers

None of Gage’s directors or officers or any of their respective associates is indebted to Gage or has been subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by Gage.

Audit Committee

For information concerning Gage’s audit committee (the “**Gage Audit Committee**”) see the Gage AGM Circular, which is incorporated by reference herein, including the Gage Audit Committee charter that is attached thereto Appendix “A”.

Corporate Governance

National Policy 58-201 – *Corporate Governance Guidelines* (“**NP 58-201**”) establishes corporate governance guidelines which apply to all public companies. Gage has reviewed its own corporate governance practices in light of these guidelines. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices, which disclosure is set in the Gage AGM Circular, which is incorporated by reference herein.

Risk Factors

An investment in Gage Subordinate Voting Shares is subject to certain risks. Risk factors relating to the Arrangement are discussed in this Gage Arrangement Circular under the heading “Risk Factors Relating to the Arrangement”, and risks relating to the Gage Subordinate Voting Shares and the business of Gage are discussed in documents incorporated by reference in this Appendix “G”, including the Gage Interim MD&A.

These risk factors, together with all of the other information included or incorporated by reference herein, should be carefully reviewed and considered, and all statements concerning Gage’s business, operations and affairs should be considered in light of these risk factors. Any of the identified risks may adversely affect Gage and its business, financial position, results and operations, and any such adverse effect could be material to Gage and significant. Moreover, such risks are not the only risks and uncertainties faced by Gage.

Additional risks and uncertainties not currently known to Gage, or which Gage does not believe to be material, may also impair or otherwise adversely affect Gage and its business, financial position, results and operations.

Legal Proceedings and Regulatory Actions

Legal Proceedings

Gage is from time to time involved in legal proceedings of a nature considered normal to its business. Gage believes that none of the litigation disclosed herein or which it is currently involved, or has been involved, is material to its consolidated financial condition or results of operations or is expected to become material to the consolidated financial condition or results of operations of Gage. There are currently four legal proceedings against Gage, its subsidiaries.

In December 2020, Spartan Corporation and Shahin Haddad filed a reciprocal complaints against each other for breach of contract, unjust enrichment and other equitable and declaratory relief in the Macomb County Circuit Court. Spartan Corporation alleges that Haddad had breached its promise to sell real property located at 6030 E. Eight Mile Road, Detroit, Michigan (the “**Property**”). The Property is currently used as a licensed medical marijuana provisioning center, with AEY Capital as the operating tenant. Spartan Corporation and Haddad, under a subsequent court order, will attempt to mediate their dispute. Spartan Corporation also intends to file a motion for partial dismissal in respect of certain of the complaints made by Shahin Haddad. Gage believes that the claims made by Shahin Haddad are frivolous. In the event Haddad is successful in its claims, Haddad may be awarded monetary and other relief including possible equity in Spartan Corporation.

On December 11, 2020, Canopy Affairs Group, LLC filed a complaint in the Wayne County Circuit Court against Gage seeking monetary damages for alleged breach of contract and unjust enrichment. Gage has filed a motion for summary judgment and is awaiting adjudication on its motion.

Gage believes that each of the claims made against it are without merit and intends to rigorously defend the proceedings.

Regulatory Actions

There have not been any penalties or sanctions imposed against Gage by a court relating to provincial or territorial securities legislation or by a securities regulatory authority, nor have there been any other penalties or sanctions imposed by a court or regulatory body against Gage, and Gage has not entered into any settlement agreements before a court relating to provincial or territorial securities legislation or with a securities regulatory authority.

Interest of Management and Others in Material Transactions

Other than as set forth in the Gage Arrangement Circular, in this Appendix “G” or in the Gage Prospectus, no informed person of Gage, any proposed director of Gage, or any associate or affiliate of any informed person or proposed director has any material interest, direct or indirect, in any transaction or in any proposed transaction within the past three years from the date hereof which has materially affected or would materially affect Gage. An “informed person” means (i) a director or executive officer of a reporting issuer, (ii) a director or executive officer of a person or company that is itself an informed person or subsidiary of a reporting issuer, (iii) any person or company who beneficially owns, directly or indirectly, voting shares of a reporting issuer or who exercises control or direction over shares of the reporting issuer or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the reporting issuer and (iv) a reporting issuer that has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Promoters

Michael Hermiz, a co-founder and director of Gage and Mayde Inc., an entity that is wholly-owned by Rami Reda, a co-founder, consultant and former director of Gage, have been promoters of Gage since its incorporation.

As of the date of this Circular, Michael Hermiz beneficially owns, controls, or directs, directly or indirectly 8,500,000 Gage Subordinate Voting Shares and 900,000 Gage Super Voting Shares representing 25.07% of the voting control of Gage on a non-diluted basis. Mr. Hermiz also owns 900,000 Gage Exchangeable Units. Since the incorporation of Gage, Mr. Hermiz has received an aggregate sum of US\$300,000 in consulting fees. Gage has also acquired certain assets from Michael Hermiz pursuant to the Terra Transaction.

As of the date of this Circular, Mayde Inc. beneficially owns, controls, or directs, directly or indirectly, 600,000 Gage Super Voting Shares representing 14.06% of the voting control of Gage on a non-diluted basis. Mayde Inc. also own 6,000 Mayde Exchangeable Shares. Since the incorporation of Gage, Mayde Inc. has received an aggregate sum of US\$420,000 in consulting fees. Gage has also acquired certain assets from Mayde Inc. pursuant to the Mayde Transaction.

No promoter of Gage has, within ten (10) years prior to the date of this Circular, been a director, chief executive officer, or chief financial officer of any person or company, that was subject to an order that was issued while the promoter was acting in such capacity, or was subject to an order that was issued after the promoter ceased to act in such capacity and which resulted from an event that occurred while the promoter was acting in such capacity.

No promoter of Gage is, as at the date of this Circular, or has been within the ten (10) years prior to the date of this Circular, a director or executive officer of any person or company that, while the promoter was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No promoter of Gage has, within the ten (10) years prior to the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the promoter.

Experts and Interests of Experts

The following are the names of each person or company who has prepared or certified a report, valuation, statement or opinion in this Circular, either directly or in a document incorporated by reference, and whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company. No such person or company has received or shall receive a direct or indirect interest in the property of Gage or any associate or affiliate of Gage.

The auditor of Gage is MNP LLP, Chartered Professional Accountants, in Waterloo Ontario. MNP LLP has confirmed that it is independent of Gage within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation.

Transfer Agent and Auditor

Gage's registrar and transfer agent for Gage Subordinate Voting Shares is Odyssey Transfer Inc. at Trader's Bank Building Suite 702, 67 Yonge St Toronto ON M5E 1J8.

MNP LLP have been Gage's independent auditor since January 28, 2019.

Exemptions

Gage applied to and was granted by the Canadian provincial securities regulatory authorities an exemption from the provisions of National Instrument 41-101 – General Prospectus Requirements (“**NI 41-101**”) relating to the use of restricted security terms and relating to the continuous disclosure documents that may be filed by Gage under National Instrument 51-102 – *Continuous Disclosure Obligations*.

Gage also applied for and was granted an exemption from the restriction relating to filing eligibility for distributions of restricted securities under NI 41-101 in connection with the filing of other prospectuses and Parts 2 and 3 of OSC Rule 56-501 relating to the use of restricted share terms and restricted share disclosure in connection with dealer and adviser documentation, rights offering circulars and offering memoranda. Gage applied for such exemptions on the basis, in part, that under Gage’s capital structure, the voting power of each Gage Subordinate Voting Share, Gage Proportionate Voting Share and Gage Super Voting Share is proportionate to its economic interest and dividend and liquidation entitlement and the Gage Subordinate Voting Shares, Gage Proportionate Voting Shares on an as-converted basis and Gage Super Voting Shares on an as-redeemed basis (including the concurrent redemption of the Gage Exchangeable Units) effectively have the same voting power, dividend entitlement and liquidation entitlement, subject to the *de minimis* redemption value of \$150 for the Gage Super Voting Shares.

Enforcement of Judgments Against Foreign Persons

Messrs. Michael Hermiz, Dave Watza and Michael Finos reside outside of Canada and have appointed Dentons Canada LLP, 77 King Street West, Suite 400, Toronto, ON M5K 0A1, as agent for service of process in Canada. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person that resides outside of Canada, even if the party has appointed an agent for service of process.

Material Contracts

Except for contracts made in the ordinary course of business, the following is the only material contract entered into by Gage to the date hereof which is currently in effect and considered to be material.

- Arrangement Agreement.
- Innovations Acquisition Agreement.
- Coattail Agreement.

In addition, except for contracts made in the ordinary course of business, the following are the only material contracts entered into by Gage’s subsidiaries to the date hereof, but to which Gage is not a party, which are currently in effect and considered to be material.

- AEY Capital Services Agreement.
- AEY Capital License Agreement.
- AEY Capital Membership Interest Transfer Restriction and Succession Agreement.
- AEY Capital Credit and Services Agreement.
- AEY Capital Convertible Promissory Note.
- AEY Holdings Services Agreement.
- AEY Holdings License Agreement.
- AEY Holdings Membership Interest Transfer Restriction Agreement.
- 3 State Park Services Agreement.

- 3 State Park License Agreement.
- 3 State Park Membership Interest Transfer Restriction Agreement.
- RKD Services Agreement.
- RKD License Agreement.
- Thrive Services Agreement.

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APPENDIX H

INFORMATION CONCERNING THE CORPORATION POST-COMPLETION

The following is a summary of TerrAscend following completion of the Transaction, including its business and operations, which should be read in conjunction with the information concerning TerrAscend appearing in this Circular.

Following the completion of the Arrangement, TerrAscend will continue to be a reporting issuer in the Provinces of British Columbia, Alberta and Ontario, and will be subject to the continuous disclosure reporting requirements under the securities laws of such jurisdictions. Upon or following completion of the Arrangement:

- (a) TerrAscend will own all of the Gage Shares;
- (b) former Gage Shareholders will become TerrAscend Shareholders (other than those Gage Shareholders who are dissenting Gage Shareholders);
- (c) TerrAscend Shares are expected to continue to trade on the CSE; and
- (d) the Gage Subordinate Voting Shares will be de-listed from the CSE and Gage is expected to cease to be a reporting issuer.

The Arrangement will result in Gage becoming a wholly-owned subsidiary of TerrAscend. The assets and operations of Gage at the Effective Time will become the assets and operations of TerrAscend, through its ownership of Gage.

Name, Address and Incorporation

Following the completion of the Arrangement, each of TerrAscend will continue to be governed by the laws of the OBCA. TerrAscend will, immediately following the Effective Time, directly own all of the outstanding Gage Shares and Gage will be a wholly-owned subsidiary of TerrAscend. The registered and records office of TerrAscend will continue to be located at PO Box 43125, Mississauga, Ontario, L5C 1W2.

Intercorporate Relationships

Following the completion of the Arrangement, TerrAscend will directly own all of the issued and outstanding Gage Shares. Accordingly, TerrAscend will own and hold, directly or indirectly, all of the property of Gage and all rights, contracts, permits and interests of Gage, other than as noted elsewhere in the Circular. It is anticipated that the Gage Exchangeable Unit Structure applicable to Mr. Hermiz's Gage Exchangeable Units will remain in place following the closing of the Arrangement, and he will be entitled to exchange his Gage Exchangeable Units into TerrAscend Shares on the basis of 15.005 TerrAscend Shares for each Gage Exchangeable Unit, representing the right to acquire approximately 5.7% of the TerrAscend Shares.

Description of the Business of TerrAscend Following Completion of the Arrangement

Following the completion of the Arrangement, TerrAscend expects that it will carry on the business it had conducted prior to the Arrangement, while leveraging Gage's current assets, to accelerate the build-out of cultivation, processing, and retail operations in the State of Michigan, subject to the receipt of all required regulatory approvals. TerrAscend may also, in its discretion, modify or discontinue certain aspects of Gage's business, or reorganize the business in order to integrate the Gage's business into TerrAscend's operations and realize on certain synergies, and leveraging their assets across the rest of TerrAscend's businesses.

Dividends and Distributions Following Completion of the Arrangement

No change is expected to be made to TerrAscend's approach to dividends and distributions following completion of the Arrangement.

Consolidated Capitalization

The following table sets forth TerrAscend's consolidated capitalization as of June 30, 2021, on an actual basis and adjusted to give effect to the Arrangement. The following table is based on the unaudited consolidated balance sheet of TerrAscend as at June 30, 2021 and should be read in conjunction with the unaudited interim condensed consolidated financial statements of TerrAscend.

	Actual as at June 30, 2021 ⁽¹⁾	As at June 30, 2021, after giving effect to the Arrangement
TerrAscend Shares	184,402,803	234,943,653 ⁽²⁾
TerrAscend Exchangeable Shares	38,890,570	38,890,570
TerrAscend Preferred Shares	14,318	14,318
Cash & Equivalents ⁽³⁾	\$154,181	\$186,986
Total Debt ⁽³⁾	\$194,457	\$200,963

(1) On an undiluted basis.

(2) Based on 0.3001 of a TerrAscend Share issued for each Gage Share and assuming (a) all Gage Shares are acquired by TerrAscend pursuant to the Arrangement and (b) no Gage Shareholders exercise their Dissent Rights.

(3) In thousands of US Dollars.

Description of Capital Structure Following Completion of the Arrangement

The completion of the Arrangement will not affect the authorized capital of TerrAscend. The authorized share capital of TerrAscend following the completion of the Arrangement will continue to consist of an unlimited number of TerrAscend Shares. The rights attaching to TerrAscend Shares will continue to be the same as those prior to the completion of the Arrangement. Please see "*Description of Capital Structure*" above.

Market for Securities Following Completion of the Arrangement

Upon completion of the Arrangement, TerrAscend Shares will continue to be listed for trading on the CSE under the symbol "TER". Following completion of the Arrangement, it is expected that the Gage Subordinate Voting Shares will be delisted from the CSE and Gage to cease to be a "reporting issuer" in all of the Provinces in which it is a "reporting issuer".

Directors and Officers of TerrAscend Following the Arrangement

Upon completion of the Arrangement, there will be no changes to TerrAscend Board from its current composition.

Principal Securityholders of TerrAscend Before and Following the Arrangement

To the knowledge of the directors and executive officers of TerrAscend, as of the date of this Circular, no person or company beneficially owns, or controls or directs, directly or indirectly, TerrAscend Shares carrying 10% or more of the voting rights attached to TerrAscend Shares except for Jason Wild, the Executive Chairman and Chairman of the TerrAscend Board, indirectly controls 72,959,311 TerrAscend Shares representing 39.7% of TerrAscend Shares as of the date of this Circular.

To the knowledge of the directors and executive officers of TerrAscend and Gage, upon completion of the Arrangement, no person or company is expected to beneficially own, control or direct, directly or indirectly, TerrAscend Shares carrying 10% or more of the voting rights attached to TerrAscend Shares except for the following upon completion of the Arrangement:

Name of Shareholder	Number of Votes Held Following the Arrangement	Approximate Percentage of Total Eligible Votes following the Arrangement ⁽³⁾
Jason Wild	83,426,542 ⁽¹⁾	35.5%
Gage Shareholders (in aggregate) ⁽²⁾	40,073,619 ⁽²⁾	17.0% ⁽²⁾

- (1) Jason Wild will be expected to hold this amount, which includes his current TerrAscend shareholdings. Mr. Wild is currently the Executive Chairman and Chairman of TerrAscend Board and President and Chief Investment Officer of JW Asset Management (a “control person” of both TerrAscend and Gage).
- (2) Excluding Mr. Wild’s shareholdings. The number of votes and percentage represented is stated for the former Gage Shareholders in the aggregate. There is no one person or company that is a shareholder of Gage as of the date hereof that is expected to hold TerrAscend Shares carrying 10% or more of the voting rights attached to TerrAscend Shares.
- (3) Based on an estimated 235,081,607 of TerrAscend Shares issued and outstanding upon completion of the Arrangement. On a fully-diluted basis, assuming the exchange, settlement and conversion of TerrAscend options, warrants and RSUs that are outstanding as of the date of this Circular, Jason Wild will hold approximately 32.3% of the percentage of total eligible votes following the Arrangement, and Gage Shareholders (in aggregate) will hold approximately 15.4% of the percentage of total eligible votes following the Arrangement.

Executive and Director Compensation

Following the completion of the Arrangement, no material changes are expected to occur to the policies of TerrAscend regarding executive and director compensation.

Risk Factors Following Completion of the Arrangement

If the Arrangement is completed, TerrAscend will continue to face many of the risks that it currently faces, and will also through its ownership of Gage, face many of the risks that Gage currently faces, in each case with respect to each of TerrAscend’s and Gage’s respective business and affairs. For information concerning the risks faced by Gage with respect to its business and affairs, please see “*Risk Factors*” in Appendix “G” to the Circular. For information concerning the risks faced by TerrAscend with respect to its business and affairs generally, please see “*Risk Factors*” in Appendix “F”. For information concerning the risks faced by TerrAscend with respect to the Transaction, please see “*Special Business Relating to the Transaction – Risk Factors Relating to the Transaction*” in this Circular.

Auditor

Following completion of the Arrangement, it is expected that the independent auditors of TerrAscend will continue to be MNP LLP.

Registrar and Transfer Agent

Following completion of the Arrangement it is expected that the transfer agent and registrar of TerrAscend Shares will continue to be Odyssey Trust Company at 25 Adelaide St E, Toronto, Ontario, M5C 3A1.

ADDITIONAL INFORMATION

Additional information relating to TerrAscend is available through the internet on SEDAR which can be accessed at www.sedar.com. Financial information relating to TerrAscend is provided in TerrAscend’s annual financial statements and MD&A for its most recently completed financial year, which are available on TerrAscend’s SEDAR profile at www.sedar.com. TerrAscend Shareholders may request copies of

TerrAscend documents incorporated by reference to this Circular free of charge by contacting TerrAscend at 1-855-837-7295.

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APPENDIX I

US CANNABIS REGULATORY REGIME

The cannabis industry is subject to various state and local laws, regulations and guidelines relating to the cultivation, manufacture, distribution, sale, storage and disposal of medical and recreational cannabis, as well as laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. The US regulatory scheme varies in its terminology and definitions, using “cannabis”, “marijuana” and “hemp” as distinct terms. The regulatory environment governing the medical and recreational marijuana industries in the US, where state law permits such activities, are, and will continue to be, subject to evolving regulation by governmental authorities. Accordingly, there are a number of risks associated with investing in businesses in an evolving regulatory environment, including, without limitation, increased industry competition, rapid consolidation of industry participants and potential insolvency of industry participants.

37 states plus the District of Columbia, the Commonwealth of the Northern Mariana Islands, Puerto Rico, US Virgin Islands and Guam that have authorized medical marijuana and approximately 18 states plus the District of Columbia, Guam, and the Commonwealth of Northern Marina Islands who have authorized adult-use (i.e.) recreational marijuana. Notwithstanding the permissive regulatory environment of medical, and in some cases also recreational marijuana at the state level, marijuana remains a Schedule I drug under the CSA making it illegal under US federal law to cultivate, manufacture, distribute, sell or possess marijuana in the US. Furthermore, financial transactions involving proceeds generated by, or intended to promote, cannabis-related business activities in the US may form the basis for prosecution under applicable US federal money laundering legislation.

The US federal government’s approach to enforcement of marijuana laws has trended toward deference to state laws where a robust state regulatory framework exists. On August 29, 2013, the US Department of Justice (the “DOJ”) issued a memorandum known as the “Cole Memorandum” to all US Attorneys’ offices. The Cole Memorandum generally directed US Attorneys not to prioritize the enforcement of federal marijuana laws against individuals and businesses that comply with state medical marijuana programs. The Cole Memorandum, while not legally binding and only a policy statement, assisted in managing the tension between state and federal laws concerning all medical and adult-use state-regulated marijuana businesses.

On January 4, 2018, the Cole Memorandum was rescinded by former Attorney General Sessions. While this did not create a change in federal law, the revocation added to the uncertainty of US federal enforcement of the CSA in states where marijuana use is regulated. Former Attorney General Sessions also issued a one-page memorandum known as the “Sessions Memorandum” which confirmed the rescission of the Cole Memorandum and explained that the Cole Memorandum was “unnecessary” due to existing general enforcement guidance as set forth in the US Attorney’s Manual. While the Sessions Memorandum does emphasize that marijuana is a Schedule I controlled substance, and states the statutory view that it is a “dangerous drug and that marijuana activity is a serious crime,” it does not otherwise indicate that the prosecution of marijuana-related offenses is a heightened DOJ priority. Furthermore, the Sessions Memorandum explicitly describes itself as a guide to prosecutorial discretion. Such prosecutorial discretion remains in the hands of US Attorneys when deciding whether or not to prosecute marijuana-related offenses.

On November 7, 2018, US Attorney General Jeff Sessions resigned as US Attorney General. On February 14, 2019, William Barr was confirmed by the US Senate as the next Attorney General. During one of his Senate confirmation hearings, Mr. Barr stated that he did not support cannabis legalization but would not prosecute cannabis businesses that comply with state laws. Mr. Barr stated further that he would not upset settled expectations that have arisen as a result of the Cole Memorandum.

On March 11, 2021, Merrick Garland was appointed US Attorney General. Mr. Garland indicated he would generally act in accordance with the Cole Memorandum, when, at his confirmation hearing, he said, “It does not seem to me a useful use of limited resources that we have, to be pursuing prosecutions in states that have legalized and that are regulating the use of marijuana, either medically or otherwise.” He has not,

however, reissued the Cole Memorandum or issued substitute guidance. While enforcement of federal laws against regulated state entities does not appear to be a US DOJ priority, the US DOJ may change its enforcement policies at any time, with or without advance notice.

For the reasons set forth herein, the Corporation's existing investments in the US, and any future investments, may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada. As a result, the Corporation may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not lead to the imposition of certain restrictions on the Corporation's ability to invest in the US or any other jurisdiction. Government policy changes or public opinion may also result in a significant influence over the regulation of the marijuana industry in the US or elsewhere. A negative shift in the public's perception of marijuana in the US or any other applicable jurisdiction could affect future legislation or regulation. Among other things, such a shift could cause state and local jurisdictions to abandon initiatives or proposals to legalize medical or recreational marijuana, thereby limiting the number of new state jurisdictions into which the Corporation could expand. Any inability to fully implement the Corporation's expansion strategy may have a material adverse effect on the Corporation's business, financial condition and results of operations.

Additionally, under US federal law, it may be a violation of federal money laundering statutes for financial institutions to take any proceeds from the sale of marijuana or any other Schedule I controlled substance. Banks and other financial institutions, particularly those that are federally chartered in the US, could be prosecuted and possibly convicted of money laundering for providing services to marijuana businesses. It may also be a violation of federal money laundering statutes for "federal health care law violations," which include violations of the Federal Food, Drug, and Cosmetic Act.

Violations of any US federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities, civil forfeiture or divestiture. This could have a material adverse effect on the Corporation, including its reputation and ability to conduct business, its marijuana licenses in the US, the listing of its securities on various stock exchanges, its financial position, operating results, profitability or liquidity or the market price of its publicly traded shares. In addition, it is difficult for the Corporation to estimate the time or resources that would be needed for the investigation of any such matters or its final resolution because, in part, the time and resources that may be needed are dependent on the nature and extent of any information requested by the applicable authorities involved, and such time or resources could be substantial. For the reasons set forth above, the Corporation's investments and operations in the US may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada.

The Corporation may also be subject to a variety of laws and regulations domestically and in the US that relate to money laundering, financial recordkeeping and proceeds of crime, including the Currency and Foreign Transactions Reporting Act of 1970 (commonly known as the Bank Secrecy Act), as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada), as amended and the rules and regulations thereunder, the Criminal Code (Canada) and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the US and Canada. Further, under US federal law, banks or other financial institutions that provide a marijuana business with a checking account, debit or credit card, small business loan, or any other service could be found guilty of money laundering, aiding and abetting, or conspiracy.

In February 2014, the Financial Crimes Enforcement Network of the Treasury Department issued a memorandum (the "FinCEN Memorandum") providing instructions to banks seeking to provide services to marijuana-related businesses. The FinCEN Memorandum clarifies how financial institutions can provide services to marijuana-related businesses consistent with their Bank Secrecy Act obligations. It refers to supplementary guidance that Deputy Attorney General Cole issued to federal prosecutors relating to the prosecution of money laundering offenses predicated on marijuana-related violations of the CSA and independently lists the federal government's enforcement priorities as related to marijuana. Although the

original FinCEN Memorandum is still in place, this supplementary Department of Justice guidance that accompanied the FinCEN Memorandum was rescinded when former Attorney General Sessions rescinded the Cole Memorandum. It is unclear whether the current administration will follow the guidelines of the FinCEN Memorandum, although immediately after the Sessions Memorandum, then-United States Treasury Secretary Steven Mnuchin stated that the Treasury Department had no intention to rescind the FinCEN Memorandum but, instead, wanted to improve the availability of banking services in the state-regulated marijuana space. The position of current Treasury Secretary Janet Yellen is relatively unknown. In the foreseeable future, the Corporation expects any amounts payable by the Corporation from its subsidiaries to remain in the US to fund the further development of its businesses. The Corporation may also consider future debt or equity financings.

H.R. 1595, the SAFE Banking Act of 2019, which would expand financial services in the US to marijuana-related

legitimate businesses and service providers, was introduced in the House of Representatives on March 7, 2019 with bipartisan support. On April 11, 2019, S. 1200, the Senate version of the SAFE Banking Act, was filed. This bill also has bipartisan support and more than a fifth of the total Senate, 27 members, co-sponsored it. On September 25, 2019, H.R. 1595 passed the House by a vote of 321 to 103, but it stalled in the US Senate. The SAFE Banking Act passed the House again on May 15, 2020, when it was included in the COVID-19 stimulus bill, the Health and Economic Recovery Omnibus Emergency Solutions (“HEROES”) Act. However, that measure also stalled in the Senate. The SAFE Banking Act passed the House again on April 19, 2021 as H.R. 1996, by a vote of 321 – 101. The bill has since been received by the Senate and referred to the Committee on Banking, Housing, and Urban Affairs, where it remains (as of September 2021). On September 23, 2021, the House approved the National Defense Authorization Act (“NDAA”) that contained the provisions of the SAFE Banking Act. The prospects of the NDAA with the SAFE Banking Act language passing the Senate are not yet clear.

Other legislation that has been introduced in the US that would make cannabis transactions easier and more predictable, include the Marijuana Opportunity Reinvestment and Expungement Act (the “MORE Act”) and the Cannabis Administration and Opportunities Act (the “CAOA”). The MORE Act was first introduced in July 2019 by Representative Jerrold Nadler in the US House of Representatives, and in the Senate by then-US Senator Kamala Harris. If it were to become law, the MORE Act would remove cannabis as a Schedule I controlled substance under the CSA and make available US Small Business Administration funding for regulated cannabis operators. The MORE Act was reintroduced in the current Congress by Representative Nadler on May 28, 2021, with no corresponding bill introduced in the Senate. The CAO A was released as a discussion draft by US Senate Majority Leader Chuck Schumer, US Senator Ron Wyden, and US Senator Cory Booker in July 2021. If it were to become law it would, among other things, remove cannabis from the definition of a controlled substance under the CSA, allow states to set their own regulations for cannabis, and block states from prohibiting interstate commerce of regulated cannabis across their borders.

It is unlikely that the MORE Act or the CAO A will pass both the House and the Senate and be signed into law this year. It is, however, likely that these bills will be reintroduced at the beginning of the next Congress in 2022. Depending on the political winds and the outcome of federal elections, it is possible but not certain that one or more of these bills could become law sometime in the coming years.

Despite the rescission of the Cole Memorandum, one legislative safeguard for the medical marijuana industry remains in place. Congress has used a rider known as the Rohrabacher-Blumenauer Amendment in the fiscal year 2015, 2016 and 2017 Consolidated Appropriations Acts (RBA) to prevent the federal government from using congressionally appropriated funds to enforce federal marijuana laws against regulated medical marijuana actors operating in compliance with state and local law. However, this measure does not protect adult-use marijuana businesses. As part of the \$1.3 trillion federal spending bill enacted on March 23, 2018, Congress renewed the RBA through September 2018, and subsequently extended it further. The RBA is an appropriations rider that prohibits the DOJ from using federal funds to prevent states from implementing marijuana laws. The US Ninth Circuit in *United States v. McIntosh* held that the prohibition under the RBA also prevents the DOJ from spending federal funds to prosecute individuals who

are engaged in conduct that is permitted by, and in compliance with, state medical marijuana laws. In July 2020, the House introduced a base appropriations bill with the RBA included, and this amendment was renewed through stopgap funding bills on October 1, December 11, December 18, December 20, and December 22, 2020, until the amendment was renewed through the passage and Presidential signing of H.R. 133, which is effective through September 30, 2021.

State-Level Overview

The following section presents an overview of market and regulatory conditions for the marijuana industry in US states in which the Corporation has or is intending to have an operating presence and is presented as of the date of filing, unless otherwise indicated.

California

In 1996, California voters passed Proposition 215, also known as the Compassionate Use Act, allowing physicians to recommend cannabis for an inclusive set of qualifying medical conditions including chronic pain. The law established a not-for-profit patient/caregiver system but there was no state licensing authority to oversee the businesses that emerged as a result of the system. In September of 2015, the California legislature passed three bills, collectively known as the Medical Marijuana Regulation and Safety Act ("MCRSA"). In 2016, California voters passed The Adult Use of Marijuana Act ("AUMA"), which legalized recreational use cannabis for adults 21 years of age and older and created a licensing system for commercial cannabis businesses. Note, California defines "cannabis" to mean "marijuana". On June 27, 2017, then-Governor Jerry Brown signed Senate Bill 94 into law, which combined California's medicinal and recreational use cannabis frameworks into one licensing structure under the Medicinal and Adult-Use of Cannabis Regulation and Safety Act ("MAUCRSA").

Pursuant to MAUCRSA: (i) CalCannabis, a division of the California Department of Food and Agriculture, was designated to issue licenses to cannabis cultivators; (ii) the Manufactured Cannabis Safety Branch (the "MCSB"), a division of the California Department of Public Health, was designated to issue licenses to cannabis manufacturers; and (iii) the California Department of Consumer Affairs, via its agency the Bureau of Cannabis Control (BCC), was designated to issue licenses to cannabis distributors, testing laboratories, retailers, and micro-businesses. These agencies were also charged with overseeing various aspects of implementing and maintaining California's cannabis landscape, including the statewide track and trace system. All three agencies released their initial emergency rulemakings at the end of 2017 and updated them with minor revisions in June 2018. The three agencies adopted their permanent rulemakings on January 16, 2019. All three agencies began issuing temporary licenses in January 2018 and stopped doing so on December 31, 2018, pursuant to MAUCRSA.

Local authorization is a prerequisite to obtaining a state license, and local governments are permitted to prohibit or otherwise regulate the types and number of cannabis businesses allowed in their locality. All three state regulatory agencies require confirmation from the applicable locality that the operator is operating in compliance with local requirements and was granted authorization to continue or commence commercial cannabis operations within the locality's jurisdiction. Applicants are required to comply with all local zoning and land use requirements and provide written authorization from the property owner where the commercial cannabis operations are proposed to take place, which must dictate that the applicant has the property owner's authorization to engage in the specific state-sanctioned commercial cannabis activities proposed to occur on the premises. The State has not set a limit on the number of state licenses an entity may hold, unlike other states that have restricted how many cannabis licenses an entity may hold in total or for various types of cannabis activity. Although vertical integration across multiple license types is allowed under MAUCRSA, testing laboratory licensees may not hold any other licenses aside from a laboratory license. There are also no residency requirements for ownership of a state license under MAUCRSA.

California state licenses, and some local licenses, are renewed annually. Each year, licensees are required to submit a state renewal application to the relevant regulatory authority, and all applicable local renewal applications to the applicable local regulatory body (for local licenses) such as the Department of Cannabis Regulation in the City of Los Angeles.

On July 12, 2021, Governor Gavin Newsom signed AB-141 into law, triggering the consolidation of CalCannabis, the MCSB, and the BCC into the newly created Department of Cannabis Control (the “DCC”). The DCC was created in an effort to centralize regulatory authority and facilitate a more easily navigable regulatory regime. All licenses obtained under the previous regulatory authorities automatically transferred to the DCC, which will be responsible for issuing and renewing all cannabis licenses moving forward. In September 2021 the DCC issued draft regulations, which may be adopted within the next several months. The draft regulations, among other things, include revised definitions clarifying who are considered to be owners or holders of a financial stake in cannabis businesses, and provisions allowing for the sale of branded products between businesses.

California’s robust regulatory system is designed to ensure, monitor, and enforce compliance with all aspects of a cannabis operator’s licensed operations. California’s state license application process additionally requires comprehensive criminal, regulatory, financial and personal disclosures, coupled with stringent monitoring and continuous reporting requirements designed to ensure only good actors are granted licenses and that licensees continue to operate in compliance with the state regulatory program. Applicants must submit standard operating procedures describing how the operator will, among other requirements, secure the facility, manage inventory, comply with the state’s seed-to-sale tracking requirements, dispense cannabis, and handle waste, as applicable to the license sought. Once licensed, an operator must continue to abide by the processes described in its application and seek regulatory approval before any changes to such procedures can be made. Licensees are additionally required to train their employees on compliant operations and are only permitted to transact with other legal and licensed businesses.

As a condition of state licensure, operators must consent to random and unannounced inspections of their commercial cannabis facility as well as all of the facility’s books and records, so as to monitor and enforce compliance with state law. Many localities have also enacted similar standards for inspections, and the state has already commenced site-visits and compliance inspections for operators who have received state temporary or annual licensure.

New Jersey

On January 18, 2010, the Compassionate Use Medical Marijuana Act (the “CUMMA”) came into force allowing patients with a limited number of qualifying medical conditions to access the state’s medical marijuana program. The New Jersey Department of Health (the “NJDOH”) issued regulations shortly thereafter authorizing the NJDOH to accept applications for a minimum of six alternative treatment centers (the “ATCs”), with two each to operate in the north, central and south regions of New Jersey.

CUMMA permits each ATC to operate as both a cultivator and dispensary under one permit. These activities can take place at up to two locations, as long as both locations are within the same region. The application process involves two stages. Those seeking an ATC permit must first submit an application seeking authority to apply for a permit to operate. Upon the granting of the application, the prospective ATC must then complete the application for actual permitting. Applications for authority to apply for a permit may only be submitted following solicitation from NJDOH for such applications. The first six permits for ATCs were awarded to nonprofit entities, with subsequent permits to be available to both nonprofit and for-profit entities. In 2013, CUMMA was amended to allow ATCs to cultivate an unlimited number of strains of marijuana and sell additional marijuana-infused products, and to restrict the same of marijuana-infused edible products to qualifying patients under the age of 18. With additional authorizations, ATCs may also house manufacturing facilities for marijuana-infused products such as syrups and lozenges. All marijuana is subject to a THC limit of 10%, though NJDOH is proposing to repeal the regulation that establishes this limit.

Upon taking office on January 16, 2018, Gov. Murphy expanded the medical program by issuing Executive Order No. 6, which ordered a 60-day review of all aspects of New Jersey’s current program, “with a focus on ways to expand access to marijuana for medical purposes.” In response to Executive Order No. 6, NJDOH released its EO 6 Report on March 23, 2018, which proposed significant changes to the existing medicinal program. In an effort to create greater patient access, the state immediately put into effect some

of the recommended changes, including cutting registration and renewal fees, and expanding qualifying conditions.

On July 16, 2018, the Murphy Administration announced that the licensing application process would be opened for up to six additional vertically integrated medicinal marijuana ATCs. The NJDOH released a Notice of Request for Applications (the “Notice”) outlining the reason for issuing the licenses, eligibility rules and information required for the applications. The application period opened on August 1, 2018 and closed on August 31, 2018. Winning applicants were supposed to be selected on or before November 1, 2018 but this deadline was subsequently pushed to December due to administrative constraints. On December 17, 2018, NJDOH revealed the additional six medical marijuana ATCs it picked to add to the program. New Jersey will now have 12 vertically-integrated ATCs across the state, if these additional six applicant ATCs become operational. These six applicant ATCs now must pass background checks, provide evidence of cultivation and dispensary locations with municipal approval for each location, and comply with all regulations promulgated by the NJDOH, including safety and security requirements.

On March 25, 2019, a planned vote on legislative package including medical expansion and adult-use legalization was pulled due to a lack of votes necessary to pass the legislation through the state Senate. This setback came after significant momentum had helped to pass the bill through the appropriations and judiciary committees earlier in the month. After the package of cannabis reforms stalled, Governor Murphy announced he would be expanding the medical program through administrative action. This announcement has proved contentious as the Senate President claims any regulatory changes for medical cannabis would make securing the votes necessary to pass adult-use legalization more difficult. On May 14, 2019, the Senate President announced he would no longer work to advance adult-use legalization through the legislature and instead would pivot to put the issue before voters for the 2020 general election. While legalization has stalled, bills to expand the state’s medical program and reform criminal penalties continue to move forward. On December 18, 2020, Governor Murphy signed A. 5981/S. 4154 into law, which facilitates the expungement of low-level marijuana crimes and other offenses. And, on November 3, 2020, New Jersey voters passed a ballot measure amending the New Jersey Constitution to permit the use of marijuana for adults over 21 years of age. The ballot measure will also allow New Jersey to regulate the growth, distribution, and sale of adult-use marijuana. On November 4, 2020, New Jersey Attorney General Gurbir S. Grewal issued a statement reminding Garden State residents that the state’s criminal laws related to marijuana still apply until the state Legislature enacts a framework for adult-use cannabis.

On February 22, 2021, Governor Phil Murphy signed the New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act (the “CREAMMA”) into law, legalizing the use marijuana by adults 21 years of age and older in New Jersey. On August 19, 2021, the New Jersey’s Cannabis Regulatory Commission published its first set of rules associated with adult-use cannabis in the state. These rules outline the details of licensing, the authority of municipalities, the operations of cannabis businesses, and the New Jersey Cannabis Regulatory Commission’s authority over adult-use cannabis. Additional rules are expected as New Jersey’s adult-use program continues toward becoming operational. The goal date for adult-use cannabis sales to begin has yet to be established.

Pennsylvania

The Pennsylvania medical marijuana program was signed into law on April 17, 2016 under Act 16 and provided access to state residents with one or more of 17 qualifying conditions, including: epilepsy, chronic pain and PTSD. The state originally awarded only 12 licenses to cultivate/process and 27 licenses to operate retail dispensaries (which entitled holders to up to three medical dispensary locations per retail license).

On March 22, 2018, it was announced that the final phase of the Pennsylvania medical marijuana program would initiate its rollout, which included 13 additional cultivation/processing licenses and 23 additional dispensary licenses. Additionally, the list of qualifying conditions was expanded from 17 to 21.

There are two principal license categories in Pennsylvania: (1) cultivation/processing and (2) dispensary. All cultivation/processing establishments and dispensaries must register with Pennsylvania Department of

Health. Registration certificates are valid for a period of one year and are subject to annual renewals after required fees are paid and the business remains in good standing. The Pennsylvania Department of Health must renew a permit unless it determines the applicant is unlikely to maintain effective control against diversion of medical cannabis and the applicant is unlikely to comply with all laws as prescribed under the Pennsylvania medical marijuana program.

Under applicable laws, the licenses permit the license holder to cultivate, manufacture, process, package, sell and purchase medical marijuana pursuant to the terms of the licenses, which are issued by the Pennsylvania Department of Health under the provisions of Medical Marijuana Act and Pennsylvania regulations. The medical cultivation/processing licenses permit the licensee to acquire, possess, cultivate, manufacture/process into medical marijuana products and/or medical marijuana-infused products, deliver, transfer, have tested, transport, supply or sell marijuana and related supplies to medical marijuana dispensaries.

The retail dispensary licenses permit the Corporation to purchase marijuana and marijuana products from cultivation/processing facilities, as well as allow the sale of marijuana and marijuana products.

Maryland

The Maryland medical cannabis program was signed into law on May 2, 2013. In 2016, the Maryland Medical Cannabis Commission (the “MMCC”) issued preliminary licenses to 102 dispensaries, 15 cultivators, and 15 processors; the first dispensaries opened to patients in December 2018.

Maryland has three classes of cannabis licenses: dispensaries, cultivators, and processors. Wholesaling occurs between cultivators and processors, cultivators and dispensaries, and processors and dispensaries. Originally, no one Corporation could directly control multiple licenses of the same class, but this restriction was changed in May 2019 when Governor Hogan signed a bill that permitted a single company to own or control, including the power to manage or operate, up to four dispensaries. Dispensary locations are tied to the Senate District in which they were awarded, with the exception of dispensary licenses that were awarded to applicants who also were awarded a cultivation license. These dispensaries can be located at the discretion of the license holder. Permitted products include oil-based formulations, flower, and edibles.

In April 2018, the Maryland House and Senate approved a bill, which was later signed by Governor Hogan, that expanded the license pool, allowing for a maximum of seven additional cultivation licenses, for a total of 22, and 13 additional processing licenses, for a total of 28. Currently, there are approximately 102 licensed dispensaries, 22 licensed cultivators, and 22 licensed processors.

Michigan

In November 2008, Michigan residents approved the Michigan Medical Marihuana Act (the “**MMMA**”) to provide a legal framework for individuals with certain debilitating medical conditions to lawfully use marijuana for medicinal purposes. In September 2016, the Michigan Legislature passed, and Governor Snyder signed into law, the Medical Marihuana Facilities Licensing Act (the “**MMFLA**”) and the Marihuana Tracking Act (the “**MTA**”) to provide a comprehensive licensing and tracking scheme, respectively, for the State’s medical marijuana program.

In 2018, Michigan voters approved Proposal 1, to make marijuana legal under state and local law for adults 21 years of age or older and to control the commercial production and distribution of marijuana under a system that licenses, regulates, and taxes the businesses involved. The proposal is known as the Michigan Regulation and Taxation of Marihuana Act (the “**MRTMA**” and together with the MMMA, the MMFLA, and the MTA, the “**Michigan Cannabis Laws**”).

Additionally, the Michigan Department of Licensing and Regulatory Affairs (“**LARA**”) and the MRA have supplemented the Michigan Cannabis Laws with administrative rules and bulletins to further clarify the regulatory landscape surrounding the State’s medical and adult use marijuana programs. The MRA is the

main regulatory authority for the licensing and regulation of medical and adult use marijuana businesses, and is an agency within LARA.

Under the MMFLA, the MRA administers five types of “state operating licences” for medical marijuana businesses: (a) a “grower” licence, including three different classes of licences: (i) a Class A license that allows the licensee to cultivate up to 500 plants; (ii) a Class B licence that allows the licensee to cultivate up to 1,000 plants; and (iii) a Class C licence that allows the licensee to cultivate up to 1,500 plants, (b) a “processor” licence, (c) a “secure transporter” licence, (d) a “provisioning center” licence and (e) a “safety compliance facility” licence. Likewise, under the MRTMA, the MRA administers six types of “state licenses” for adult use marijuana business: (a) a “marihuana grower” licence, including three different classes of licenses: (i) a Class A licence that allows the licensee to cultivate up to 100 plants; (ii) a Class B licence that allows the licensee to cultivate up to 500 plants; and (iii) a Class C licence that allows the licensee to cultivate up to 2,000 plants, (b) a “marihuana processor” license, (c) a “secure transporter” licence, (d) a “marihuana retailer” license, (e) a “marihuana safety compliance facility” license, and (f) a “marihuana microbusiness” licence. However, MRTMA also allows the MRA to create additional licence types through the administrative rulemaking process. To date, the MRA has created four additional licence types: (a) a “designated consumption establishment” license, (b) an “excess marihuana grower” licence, (c) a “marihuana event organizer” licence, and (d) a “temporary marihuana event” licence. Importantly, each excess marihuana grower licence allows an entity that holds five adult use Class C grower licences issued under MRTMA and at least two medical Class C grower licences issued under the MMFLA to grow an additional 2,000 plants.

Under both MRTMA and the MMFLA, there are no stated limits on the number of licences that can be made available on a state level; however, the MRA has discretion over the approval of applications and municipalities can pass additional restrictions, including limiting the number and type of licences that can be issued within their jurisdiction. Additionally, a person or entity cannot possess or own both a grower/process/provisioning center and a secure transporter license or a safety compliance lab.

US HEMP REGIME

The Agriculture Improvement Act of 2018 (commonly known as the “2018 Farm Bill”) was signed into law on December 20, 2018. The 2018 Farm Bill, among other things, removes “hemp” (including any part of the cannabis plant containing 0.3% THC or less), its extracts, derivatives, and cannabinoids from the CSA definition of “marihuana”, and allows for federally-sanctioned hemp production under the purview of the US Department of Agriculture (the “USDA”), in coordination with state departments of agriculture that elect to have primary regulatory authority. States and Tribal governments can adopt their own regulatory plans, even if more restrictive than federal regulations, so long as the plans meet minimum federal standards and are approved by the USDA. Hemp production in jurisdictions that do not choose to submit their own plans (and that do not otherwise prohibit hemp production) will be governed by USDA regulation. “Hemp” as defined in the 2018 Farm Bill, “means the plant *Cannabis sativa* L., and any part of that plant, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not with a THC concentration of not more than 0.3% on a dry weight basis.”

While the 2018 Farm Bill removes hemp and hemp-derived products from the controlled substances list under the CSA, it does not legalize CBD in every circumstance. While not independently scheduled under the CSA, CBD, depending on the source from which it was derived and its THC concentration, can still be classified as a Schedule I substance under the CSA’s definition of “marihuana.” Further, although the 2018 Farm Bill creates a limited exception to this prohibition, this exception only applies if the CBD is derived from “hemp” as defined in federal law. Federal law also requires that: (i) the hemp is produced by a Licensed Producer; and (ii) in a manner consistent with the applicable federal and state regulations. CBD and other cannabinoids produced from marihuana as defined by the CSA remain an illegal Schedule I substance under federal law. In addition, many state laws include all CBD within definitions of marijuana and some states have policies or laws that otherwise prohibit or restrict CBD sales.

Notwithstanding the foregoing, the 2018 Farm Bill expressly preserves the US Food and Drug Administration’s (“FDA”) authority to regulate certain products under the federal Food, Drug, and Cosmetic

Act (“FDCA”) and Section 351 of the Public Health Service Act. The FDA takes the position that because CBD was the subject of substantial clinical investigations that have been made public and is the active ingredient in an FDA-approved drug (Epidiolex), it is therefore illegal to add to food and CBD products are excluded from the dietary supplement definition. While there is an exception for articles that were marketed as a conventional food or dietary supplement before the new drug investigations were authorized (or the new drug was approved), the FDA has asserted that, based on available evidence, the exception does not apply to CBD. As previously mentioned, the FDA takes the position that it is unlawful under the FDCA to introduce food containing added CBD into interstate commerce, or to market CBD products as, or in, dietary supplements, regardless of whether the substances are hemp-derived. Despite FDA’s stated position, the agency has not, to date, been active in its CBD-related enforcement absent CBD products bearing aggressive therapeutic claims (e.g., claims of treatment of COVID-19, neuropathy, AIDS, diabetes, cancer, etc.). FDA could change its enforcement priorities at any time. The FDA has indicated that it will work towards providing ways for companies to seek approval from the FDA to market CBD products. In addition, options remain available for the FDA to consider whether there are circumstances in which certain cannabis-derived compounds might be permitted in a food or dietary supplement. Importantly, notwithstanding the FDA’s stated position prohibiting sales of CBD containing-foods and dietary supplements, the FDA has authority to issue a regulation allowing the use of a pharmaceutical ingredient, such as CBD, in a food or dietary supplement, even if such pharmaceutical ingredient was not previously marketed as a food or dietary ingredient prior to the initiation of clinical drug trials. Timing regarding if or when FDA might issue such a regulation is unclear.

States have also taken various approaches to the production and sale of hemp-derived food products. Many states have adopted the Uniform State Food, Drug, and Cosmetic Act, which was created in 1984 by the Association of Food and Drug Officials (the “AFDO”), the primary organization for state food and drug officials. The AFDO’s model Uniform Act includes a provision to automatically incorporate changes to the FDCA into state law. However, there is some variation between state Food, Drug, and Cosmetic Acts both because not all states have adopted this provision, and because not all states have adopted the Uniform Act. States that have adopted the Uniform Act generally prohibit the use of CBD in food and dietary supplements due to the FDA’s lack of approval for such uses of the substance, discussed above. For example, Michigan and California (among other states) prohibit the use of CBD in retail food and beverage products because of the FDA’s stated position. Like FDA, some states, despite having stated positions of the impermissibility of CBD foods and supplements, or any CBD products at all, enforcement is inconsistent, with some state regulators more active than others. Again, these enforcement priorities could change at any time.

Although hemp-derived CBD cannot be added or marketed in foods or dietary supplements, certain hemp derived substances, such as hemp seed oil, may be permissible in food, dietary supplements, cosmetics, and other products depending on whether the ingredients and finished products comply with the other requirements of the FDCA. For example, a substance that will be added to food is subject to premarket approval by the FDA unless it is generally recognized, among qualified experts, to be safe under the conditions of its intended use (“GRAS”). Pursuant to the FDCA, a food ingredient may be marketed in the US under any of the following three alternative criteria: (i) if it was approved by the FDA or USDA between 1938 and 1958 for the intended use (commonly referred to as a “prior sanction”); (ii) if it is GRAS for its intended use; or (iii) pursuant to a food additive regulation promulgated by the FDA. On December 20, 2018, the FDA issued GRAS approvals for three types of non-cannabinoid hemp products – hulled hemp seeds, hemp seed protein, and hemp seed oil. These three types of products can be legally marketed in human foods without food additive approval, provided they comply with all other requirements and do not make unlawful drug claims. It is worth noting that none of these GRAS products contain CBD.

The 2018 Farm Bill also contemplates a significant state presence in the regulation of hemp production, as the 2018 Farm Bill empowers states, US territories and Native American tribes to regulate the production and sale of hemp within their respective borders. To regulate commercial hemp production, states, US territories and Native American tribes must submit plans to the USDA setting out the processes associated with how the state, territory or tribe will regulate hemp production, including how it will gather information, test, inspect and dispose of hemp and its related byproducts. The Secretary of the USDA must approve or reject these plans within sixty days of receipt. If a state, territory or tribe chooses not to submit a plan to the

USDA, potential producers will be able to apply directly to the USDA for licensing approval. States, territories and tribes may also enact stricter laws than those enacted at the federal level and may ban hemp production and sale within their respective jurisdiction.

Once implemented, in jurisdictions with USDA-approved state programs, it will be a violation of state law to cultivate hemp without a registration in compliance with state law, or in the case of a state or territory without a USDA-approved program, it will be a violation of federal law to cultivate hemp without a federally issued license.

The 2018 Farm Bill was signed into law on December 20, 2018. Importantly, however, the Industrial Hemp cultivation and research provisions contained in the Section 7606 of the Agricultural Act of 2014 (the “2014 Farm Bill”) will remain in effect pending the USDA’s rulemaking process and certain provisions of the law may not yet be effective. The federal rulemaking process may take more than one year to finalize, and the 2014 Farm Bill will be repealed one year after the USDA establishes regulations governing hemp production in states lacking their own USDA-approved plans. The scope of the 2014 Farm Bill is limited to cultivation that is: (i) for research purposes (inclusive of market research, which multiple federal agencies have confirmed includes commercial sales with a research purpose); (ii) part of an “agricultural pilot program” or other agricultural or academic research; and (iii) permitted by state law. Further, the 2014 Farm Bill defines “Industrial Hemp” as the plant *Cannabis sativa* L., and any part of such plant, whether growing or not, with a delta-9 THC concentration of not more than 0.3% on a dry weight basis. The USDA published its final rule on January 19, 2021. The USDA’s final rule establishes a federal licensing plan for regulating US hemp producers in states that do not have their own USDA-approved plans. In the absence of a state plan, US hemp producers will be subject to regulation directly by the USDA unless the state prohibits US hemp production. Additionally, the final rule includes requirements for maintaining information on the land where US hemp is produced, testing US hemp for THC levels, disposing of plants with more than 0.3 percent THC on a dry-weight basis and licensing for US hemp producers. The USDA’s final rule requires hemp producers to use a laboratory that is registered with the DEA, although the USDA is delaying enforcement of this requirement until December 31, 2022. The final rule also includes provisions for producers to dispose or remediate violative hemp plants without the use of a DEA-registered reverse distributor or law enforcement.

State-Level Overview

The following section presents an overview of market and regulatory conditions for the hemp industry in Florida, where the Corporation has an operating presence as of the date of this filing.

Florida

Florida continues to classify all cannabis as a schedule I controlled substance, excepting medical marijuana grown and sold under the state’s medical marijuana program and, as of July 1, 2019, both hemp and industrial hemp, defined below. Florida defines “cannabis” in its criminal code to include, “all parts of any plant of the genus *cannabis*, whether growing or not; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt derivative, mixture, or preparation of the plant or its seeds or resin.”. The term does not include “marijuana,” if manufactured, possessed, sold, purchased, delivered, distributed, or dispensed, in conformance with § 381.986 Florida’s Medical Marijuana Program statutes. This term also does not include “hemp” defined in § 581.217 or “industrial hemp” as defined in § 1004.4473.

On May 3, 2019, the Florida legislature passed SB1020, creating Florida’s hemp farming program governed by the Florida Department of Agriculture, legalizing cannabidiol and the sale and distribution of hemp extracts, and removing hemp and industrial hemp from the definition of cannabis under state law so that hemp is no longer a controlled substance in the state of Florida. On June 25, 2019, the bill was signed by the governor and went into on effect July 1, 2019. On April 8, 2020, Florida’s Hemp Plan was approved by USDA. Hemp cultivators may now apply for licensure online with the Florida Department of Agriculture. As part of the application, hemp cultivators must undergo a background check and must submit a Hemp Containment and Transportation Plan, among other requirements.

COMPLIANCE

The Corporation is in compliance with all state laws and the related cannabis licensing framework of Maryland, Pennsylvania, New Jersey and California. There are no current incidences of noncompliance, citations or notices of violations outstanding which may have an impact on the Corporation's licenses, business activities or operations in these states. Notwithstanding the foregoing, like all businesses, the Corporation may from time-to-time experience incidences of noncompliance with applicable rules and regulations in the states in which the Corporation operates, and such non-compliance may have an impact on the Corporation's licenses, business activities or operations in the applicable states. However, the Corporation takes steps to minimize, disclose and remedy all incidences of non-compliance which may have an impact on the Corporation's licenses, business activities or operations in all states in which the Corporation operates.

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