Tweed Marijuana Inc. Releases Full Q4 Financials and Provides Operational Updates

Smiths Falls, Ontario – Tweed Marijuana Inc. - Feb 26th, 2015

Tweed Marijuana Inc. ("Tweed Marijuana" or "the Company"), parent company of licensed medical marijuana producers Tweed Inc. (Tweed) and Tweed Farms Inc. (Tweed Farms), is pleased to announce financial results for the three and twelve-month period ended December 31st, 2014 and to provide operational updates relating to the period and subsequent events.

With Canada Revenue Agency approval, Tweed has changed its fiscal year end from December 31 to March 31 to match the year ends of its operating subsidiaries. As a result, Tweed will have a transitional year of 15 months ended March 31, 2015, and annual audited statements for the 15 months ended March 31, 2015 will be filed by July 29, 2015. Further details about the change in year end and the reporting periods in the transition year and new financial years going forward will be available in a Notice of Change of Year End filed by Tweed at www.SEDAR.com.

Revenue for the three months and the twelve months ended December 31, 2014 was $641,309 and $1,145,662 respectively. The Q4 revenue is reflective of operations in 6 grow rooms, plus the first harvest from Tweed Farms. December revenue of $357,142 accounted for more than 50% of the Q4 revenue and exceeded the total revenue for the three-month period ended September 30, 2014.

Gross margin was $230,595 or 36.0% and $414,349 or 36.2% for the three and twelve month periods ended December 31, 2014 respectively. The gross margin of 36.0% was an improvement upon the 23.6% gross margin in the quarter ended September 30, 2014.

Sales, branding and medical outreach and education costs for the three and twelve month periods ended December 31, 2014 were $728,503 and $1,994,521 respectively. These costs include the Tweed medical outreach program, branding programs and the client care center, which interfaces directly with our clients. These investments are a balance of short-term customer acquisition initiatives and long-term investments in Tweed's brand and capacity to engage with patients and the medical community.

Research and development costs were $41,180 and $159,648 for the three and twelve month periods respectively.

General and Administrative expenses were $1,207,858 for the three months and $3,758,690 for the twelve months respectively.

Loss from operations for the quarter amounted to $2,654,626 for the quarter and $7,737,103 for the twelve months ended December 31, 2014.

“It is important to reiterate that Tweed invested in a large growing platform early so we could remove any customer onboarding roadblocks,” said Bruce Linton, Chairman and CEO of Tweed. “This investment began to yield significant inventory in November, clients in December, and sustained growth to date.”

Subsequent Bought Deal Financing

Subsequent to the fourth quarter, on February 24th, 2015 Tweed Marijuana announced that it had entered into an agreement with a syndicate of underwriters led by GMP Securities L.P. and including Dundee Securities Ltd. and M Partners Inc. (collectively, the "Underwriters"), pursuant to which the Underwriters have agreed to purchase, on a bought deal basis pursuant to the filing of a short form prospectus, 9,302,400 common shares (the "Common Shares") of the Company, at a price of $2.15 per Common Share (the "Offering Price") for aggregate gross proceeds to Tweed of $20,000,160 (the "Offering").

The Company has agreed to grant the Underwriters an over-allotment option to purchase up to an additional 1,395,360 Common Shares at the Offering Price, exercisable in whole or in part, at any time on or prior to the date that is 30 days following the closing of the Offering. If this option is exercised in full, an additional $3,000,024 will be raised pursuant to the Offering and the aggregate gross proceeds of the Offering will be $23,000,184.

The Common Shares will be offered by way of a short form prospectus to be filed in all of the provinces of Canada except Quebec. The Company intends to use the net proceeds from the Offering for facilities expansion and general corporate purposes. The Offering is expected to close on or about March 17, 2015 and is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and stock exchange approvals, including the approval of the TSX Venture Exchange and the applicable securities regulatory authorities.

The securities being offered have not been, nor will they be, registered under the United States *Securities Act of 1933*, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the United States *Securities Act of 1933*, as amended, and applicable state securities laws. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

Conference Call

Bruce Linton, CEO and Co-Founder and Don Gibbs, CFO will host a conference call to discuss the current state of the Company.

Time and Date: 8:30 a.m. EST, Thursday, February 26th, 2015

Toll-Free Dial-In Number: (844) 835-6557
Participant International Dial-In Number: (224) 633-1282
Conference ID: 89058763

About Tweed Marijuana

Tweed Marijuana is Canada's first publicly traded medical marijuana company and the first geographically diversified producer with dual licenses under the *Marihuana for Medical Purposes Regulations.*

Through its wholly owned subsidiaries, Tweed and Tweed Farms, the Company operates two state-of-the-art production facilities in Ontario and distributes marijuana across the country to Canadian patients managing a host of medical conditions.

The Company is dedicated to educating healthcare practitioners, providing consistent access to high quality medication, and furthering the public's understanding of how marijuana is used for medical purposes.

Contact

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Notice regarding Forward Looking Statements

This news release contains forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Tweed Marijuana Inc., Tweed Inc. or Tweed Farms Inc. to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Examples of such statements include: (A) predictions of future demand; (B) plans to increase capital expenditure and construction related expenses; (C) anticipated production yields; (D) completion of construction and availability of new production rooms; (E) forecasted available product selection; and (F) the ability to meet the closing conditions and the anticipated closing date of the Offering. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this news release. Such forward-looking statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to: the ability to obtain any necessary financing; the economy generally; the yield from Tweed's marijuana growing operations; consumer interest in products; competition; regulation; anticipated and unanticipated costs and delays; the ability to receive any required approvals or consents in connection with the Offering; the ability of Tweed Marijuana to satisfy the conditions of the Offering or otherwise close the Offering. Although Tweed Marijuana Inc. has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Readers should not place undue reliance on forward-looking statements. The factors identified above are not intended to represent a complete list of the factors that could affect Tweed Marijuana Inc. or Tweed Inc. Additional factors are noted under the heading “Risk Factors” in the Company’s Management’s Discussion and Analysis of the Financial Condition and Results of Operations for the three and twelve months ended December 31, 2014 available at www.SEDAR.com. The forward-looking statements included in this news release are made as of the date of this news release and Tweed Marijuana Inc. does not undertake an obligation to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise unless required by applicable securities legislation.