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TSX-V:WMD

WeedMD Launches Major Production Expansion with 610,000 Square Foot State-of-the-Art Greenhouse

Toronto, Canada, November 22, 2017 – **WeedMD Inc. (TSX-V:WMD)** (“**WeedMD**” or the “**Company**”), a federally-licensed producer and distributor of medical cannabis under the Access to Cannabis for Medical Purposes Regulations (“**ACMPR**”), announces that it has entered into a definitive lease and purchase option agreement with Perfect Pick Farms Ltd. (“**Perfect Pick**”), a large-scale modern greenhouse cultivator located in Strathroy, Ontario. Perfect Pick’s 98-acre property includes 610,000 sq. ft. or 14 acres of state-of-the-art greenhouse facilities that are ready for rapid retrofit for cannabis cultivation. WeedMD will initially lease 217,800 sq. ft. or 5 acres of greenhouse, with an option to expand into the balance of 392,040 sq. ft. or 9 acres of greenhouse space at its discretion. The agreement also includes an option to purchase the property, greenhouse facilities and infrastructure.

This transformational expansion, amongst the most capital efficient in the industry, will increase WeedMD’s annual production from 1,200 kg to more than 21,000 kg in the initial 217,800 sq. ft. leased space. The retrofit is fully funded with the Company’s current treasury and once fully retrofitted, the 14-acre facility will increase WeedMD’s annual production capacity to more than 50,000 kg.

Highlights of WeedMD’s Large-Scale Greenhouse Expansion:

- **Strategic partnership with established Ontario greenhouse management and cultivation team**, bringing 40 years of cultivation expertise and experience to WeedMD and an ability to rapidly scale production. Perfect Pick is a family-run business that will provide a large portion of the skilled labor required to operate the facility
- **Facility is located in Strathroy**, 30 km west of London, Ontario, and 60 km from WeedMD’s existing licensed facility in Aylmer, Ontario. Health Canada has provided approvals to proceed with the expansion, which will become a second-site license for WeedMD
- **Initial leased space of 217,800 sq. ft. of existing greenhouse space**, capable of producing more than 21,000 kg of cannabis per year. WeedMD has already begun retrofitting the facility, with first harvest expected in June 2018
- **Retrofit costs of less than \$70 per sq. ft. is amongst lowest in the industry**, given the favourable condition of the existing greenhouse facilities and supporting infrastructure. Retrofitting is budgeted at a much lower cost when compared to newly constructed greenhouses
- **Fully funded for retrofit of initial 217,800 sq. ft.**, following WeedMD’s \$15 million convertible debenture financing which closed on [November 2nd](#)
- **WeedMD has the option to expand into the entire 14 acres or 610,000 sq. ft.** of existing greenhouse at its discretion, which will represent more than 50,000 kg of annual production

- **Option to acquire 100% interest in Perfect Pick's property**, consisting of up to 98 acres of land, infrastructure and cultivation equipment. The combination of a lease with an option to purchase is a compelling and capital efficient expansion strategy

“This transformational partnership represents an outstanding opportunity for WeedMD, with the potential to increase our production capabilities more than twelvefold in the first year and the optionality to materially increase our footprint in a risk-free, sustainable way over the long-term – all part of our strategic growth plan,” said Bruce Dawson-Scully, CEO of WeedMD. “We also secure a key shareholder and experienced operator which brings significant greenhouse management knowledge to our leadership team and over 40 years of cultivation expertise. Leveraging Perfect Pick’s strengths to diversify into low cost greenhouse-grown cannabis complements our indoor operations. This positions us for a very significant production increase aimed at supplying the medical market, as well – it becomes our supply chain source for oil production for the seniors’ market. In addition, this production platform optimally positions the Company to supply the emerging adult-use cannabis markets with our first harvest ready for this coming summer.”

“Having the opportunity to participate in the cannabis industry, as both a shareholder and an operator, is very exciting for Perfect Pick,” stated Jerry Zakaria, CEO of Perfect Pick Farms. “Produce cultivation and management has been passed down for three generations in our family and now we have the opportunity to apply that expertise and knowledge towards large-scale cannabis cultivation. WeedMD has demonstrated itself as exceptional and compliant operators in the highly regulated cannabis industry, and we are very excited to partner and work hand in hand with the WeedMD team, by expanding production capacity in a sustainable way to meet future market opportunity and demand.”

For more information about the Strathroy Greenhouse expansion, see a corporate video [here](#).

Transaction Details:

- 1) Lease: WeedMD has entered into a two-year lease agreement with Perfect Pick to lease an initial 217,800 sq. ft. of greenhouse space for \$60,000 net per month, with the option to increase the leased space to cover the balance of an additional 392,040 sq. ft. of greenhouse. WeedMD has the option to extend the term of the lease for an additional 10 years.
- 2) Down payment on Purchase Option: WeedMD will issue 3 million shares from treasury at a price of \$1.56 per share, with the shares subject to four-month regulatory hold in addition to a 36-month lock-up and leak-out agreement with monthly releases. The Company will also issue 3 million share purchase warrants, with each warrant exercisable into a common share of WeedMD at an exercise price \$1.56 per share for a period of five years.
- 3) Purchase Option: WeedMD has the option to acquire a 100% interest in the property for the balance of \$22.6 million in cash payments, comprised of (i) \$15.6 million upon exercise of the option, and (ii) \$7 million upon the satisfaction of certain performance-related milestones. This option has a five-year term and the Company has already commenced discussions with various lenders, who are interested in providing debt financing secured against the property on commercially reasonable terms once the purchase option is exercised.

For more information on WeedMD, access our investor presentation on our website [here](#).

About WeedMD Inc.

WeedMD Inc. is the publicly-traded parent company of WeedMD Rx Inc., a federally-licensed producer and distributor of medical cannabis under the Access to Cannabis for Medical Purposes Regulations (ACMPR). The Company operates a 26,000 sq. ft. indoor facility in Aylmer, Ontario, and is awaiting its second-site cultivation license for its greenhouse facility located in Strathroy, Ontario, representing 610,000 sq. ft. or 14 acres under glass. WeedMD has entered into supply agreements in addition to strategic relationships with established cannabis brands. The Company is focused on providing medical cannabis to the long-term care, assisted living and senior's markets in Canada through its specialized, comprehensive platform. It is dedicated to educating healthcare practitioners and furthering public understanding of the role that medical cannabis plays - including as it pertains to regulatory requirements, indications and potential side effects.

About Perfect Pick Farms

Perfect Pick Farms is a wholly-owned subsidiary of Zakaria Produce and was founded in 1975 by Bill Zakaria. After three generations, the family continues to operate and expand its produce business. Today, the Zakarias oversee and operate 98 acres of land in the Strathroy, Ontario. Together, Perfect Pick and Zakaria Produce continue to explore new greenhouse technology and growing practices to enhance and diversify their business while maintaining their reputation as high-quality cultivators of fresh, local produce. With their main distribution centre at the Ontario Food Terminal in Toronto, Perfect Pick and Zakaria Produce supply many long-time customers and are renown for bringing the freshest home-grown produce to Canadian tables.

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Forward-Looking Information

This press release contains forward-looking information based on current expectations. Statements about the date of trading of the Company's common shares on the Exchange and final regulatory approvals, among others, are forward-looking information. These statements should not be read as guarantees of future performance or results. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements. The Company assumes no responsibility to update or revise forward-looking information to reflect new events or circumstances unless required by law.