

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

WeedMD Inc.
250 Elm Street
Aylmer, Ontario N5H 2M8

Item 2. Date of Material Change

April 1, 2019

Item 3. News Releases

A press release in the form of Schedule A attached hereto was disseminated on April 1, 2019 via Globe Newswire.

Item 4. Summary of Material Change

WeedMD Inc. (TSX-V:WMD) (OTCQX:WDDMF) (FSE:4WE) (“**WeedMD**” or the “**Company**”), a federally-licensed producer and distributor of medical-grade cannabis, has announced that it has entered into a credit facility with Bank of Montreal (“**BMO**”). Under the terms of the credit facility, BMO will provide WeedMD up to \$39 million of secured debt financing at a rate of interest that is expected to average in the low-to-high 5% per annum range over a three-year term.

Concurrently, WeedMD has exercised its option to purchase the Health Canada-licensed, 98-acre Strathroy property (“**Strathroy**”) from Perfect Pick Farms. The Strathroy purchase includes the licensed 610,000 sq. ft. state-of-the-art hybrid-greenhouse, more than 100,000 sq. ft. of ancillary structures and all other infrastructure and equipment as well the 50 acres of land upon which the Company intends to cultivate outdoor cannabis. [Link to outdoor cultivation release here.](#)

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

See Schedule A attached.

5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

Item 7. Omitted Information

Not applicable.

Item 8. Executive Officer

The following Officer of the Company may be contacted for further information:

Keith Merker, Chief Executive Officer

WeedMD Inc.

519-765-2440 Ext. 222

investor@weedmd.com

Item 9. Date of Report

This report is dated this 9th day of April, 2019.



250 Elm Street
Aylmer, Ontario N5H 2
M8
(519) 765-2440
www.weedmd.com
TSX - V: WMD

WeedMD Enters Into \$39 Million Debt Facility with BMO and Acquires 98-acre Licensed Strathroy Property

Tier 1 bank financing to drive production expansion and growth

Toronto, Canada, April 1, 2019 – **WeedMD Inc. (TSX-V:WMD) (OTCQX:WDDMF) (FSE:4WE)** (“**WeedMD**” or the “**Company**”), a federally-licensed producer and distributor of medical-grade cannabis, is pleased to announce that it has entered into a credit facility with Bank of Montreal (“**BMO**”). Under the terms of the credit facility, BMO will provide WeedMD up to \$39 million of secured debt financing at a rate of interest that is expected to average in the low-to-high 5% per annum range over a three-year term.

The facility consists of a \$33.1 million term loan, a \$3.0 million equipment term loan and a \$3.0 million revolving credit facility (collectively, the “**Loans**”), all of which mature in 2022. WeedMD may, at its discretion, repay the balance of the Loans without penalty at any time during the term.

Concurrently, WeedMD has exercised its option to purchase the Health Canada-licensed, 98-acre Strathroy property (“**Strathroy**”) from Perfect Pick Farms (“**Perfect Pick**”). The Strathroy purchase includes the licensed 610,000 sq. ft. state-of-the-art hybrid-greenhouse, more than 100,000 sq. ft. of ancillary structures and all other infrastructure and equipment as well the 50 acres of land upon which the Company intends to cultivate outdoor cannabis. [Link to outdoor cultivation release here.](#)

“Securing BMO’s support at this exciting juncture in WeedMD’s growth provides market validation in our ability to continue to execute our strategic plan with non-dilutive financing,” said Keith Merker, CEO of WeedMD. “In 2018, it took us just six months to retrofit, license and bring the first phase of our state-of-the-art greenhouse online. Less than three months later, we took down our first harvests with very compelling yields and quality. We’ve since continued to expand our licensed footprint and operations across the greenhouse and have recently announced our plans for outdoor cannabis cultivation onsite, which we expect to double our production potential with a low-cost scalable expansion.”

The interest rate for the Loans is a set margin over the Canadian dollar prime rate or a bankers’ acceptance of appropriate term. Based on the current Canadian dollar prime rate, the interest payable is

expected to be in the low to high 5% per annum range over the term of the Loans. The credit facility is secured by the Company and its subsidiaries, including WeedMD's production facilities in Strathroy, Ontario and Aylmer, Ontario, and contains customary financial and restrictive covenants. Additional details on the credit facility can be found in the Company's documents which are available under the Company's profile on SEDAR at www.sedar.com.

WeedMD has acquired a 100% interest in the Strathroy property from Perfect Pick for the balance due under its option agreement of \$22.6 million, of which \$17.6 million was paid in cash and \$5 million was satisfied by the issuance of 2.5 million units ("Units") in the capital of WeedMD.

Each Unit was comprised of one WeedMD common share at a price of \$2.00 and one-quarter (1/4) of a warrant (for 625,000 total warrants), with each whole warrant exercisable into a WeedMD common share at an exercise price of \$2.50 per share for five years.

For more information, access WeedMD's investor presentation [here](#) and recently updated corporate video [here](#).

About WeedMD Inc.

WeedMD Inc. is the publicly-traded parent company of WeedMD Rx Inc., a federally-licensed producer and distributor of cannabis products for both the medical and adult-use markets. The Company owns and operates two facilities: a 26,000 sq. ft. indoor facility in Aylmer, Ontario and a state-of-the-art greenhouse and outdoor facility located in Strathroy, Ontario. The Company currently has 136,000 square feet of licensed production space and is expected to have a total footprint of more than 550,000 square feet of indoor and greenhouse production in addition to more than 25 acres of outdoor cultivation space online in the first half of 2019. WeedMD has a multi-channeled distribution strategy that includes selling directly to medical patients, strategic relationships across the seniors' market and supply agreements with Shoppers Drug Mart as well as six provincial distribution agencies.

Follow WeedMD On:



For further information, please contact:

WeedMD Inc.

Keith Merker, Chief Executive Officer

Tel: 519-765-2440 Ext. 222

Email: investor@weedmd.com

To learn more, visit us at www.weedmd.com

For Media Inquiries:

Marianella delaBarrera
VP, Communications & Corporate Affairs
Tel: 416-897-6644
Email: marianella@weedmd.com

Cautionary Statement on Forward-Looking Information

This press release contains "forward-looking information" within the meaning of applicable Canadian securities legislation which are based upon WeedMD's current internal expectations, estimates, projections, assumptions and beliefs and views of future events. Forward-looking information can be identified by the use of forward-looking terminology such as "expect", "likely", "may", "will", "should", "intend", "anticipate", "potential", "proposed", "estimate" and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions "may", "would" or "will" happen, or by discussions of strategy.

The forward-looking information in this news release is based upon the expectations, estimates, projections, assumptions and views of future events which management believes to be reasonable in the circumstances. Forward-looking information includes estimates, plans, expectations, opinions, forecasts, projections, targets, guidance or other statements that are not statements of fact. Forward-looking information in this news release include, but are not limited to, statements with respect to internal expectations, expectations with respect to actual production volumes, expectations for future growing capacity and the completion of any capital project or expansions. Forward-looking information necessarily involve known and unknown risks, including, without limitation, risks associated with general economic conditions; adverse industry events; loss of markets; future legislative and regulatory developments; inability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favourable terms; the cannabis industry in Canada generally; the ability of WeedMD to implement its business strategies; competition; crop failure; and other risks.

Any forward-looking information speaks only as of the date on which it is made, and, except as required by law, WeedMD does not undertake any obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise. New factors emerge from time to time, and it is not possible for WeedMD to predict all such factors. When considering this forward-looking information, readers should keep in mind the risk factors and other cautionary statements in WeedMD's Annual Information Form dated December 13, 2017 (the "AIF") and other disclosure documents of WeedMD filed with the applicable Canadian securities regulatory authorities on SEDAR at www.sedar.com. The risk factors and other factors noted in the AIF and other disclosure documents could cause actual events or results to differ materially from those described in any forward-looking information.

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