

WeedMD: A possible winner as the US moves towards cannabis legalization at the Federal level

Cannabis stocks have been surging higher this month as the Reddit crowd that spiked GameStop jumped in, based on realistic hopes the Biden led Democratic Party will legalize cannabis at the federal level.

Last week US Senators Booker, Wyden, and Schumer released a joint statement declaring their intention to push forward major cannabis policy reform. The statement reads:

“The War on Drugs has been a war on people—particularly people of color. Ending the federal marijuana prohibition is necessary to right the wrongs of this failed war and end decades of harm inflicted on communities of color across the country. But that alone is not enough. As states continue to legalize marijuana, we must also enact measures that will lift up people who were unfairly targeted in the War on Drugs. We are committed to working together to put forward and advance comprehensive cannabis reform legislation that will not only turn the page on this sad chapter in American history....”

One cannabis stock that is well worth considering is WeedMD Inc. (TSXV: WMD | OTCQX: WDDMF). WeedMD Inc. subsidiary WeedMD Rx Inc. is a federally-licensed producer of cannabis products for both the medical and adult-use markets. The Company owns and operates a 158-acre state-of-the-art greenhouse outdoor and processing facility located in Strathroy, Ontario, Canada. Another wholly owned subsidiary is CX Industries, which specializes in cannabis extraction and processing.

Key advantages for WeedMD include:

- Vertically integrated with indoor & outdoor cultivation combined with in-house extraction, product development & manufacturing.
- Ability to expand ~2x with modest incremental CapEx.
- Quality products with strong brand recognition. Products include dried cannabis, cannabis extracts and cannabis vaporizes.
- Market leader in insured medical cannabis. Cannabis is often used as an effective pain reliever in the medical setting.
- Targeting valuable & overlooked medical channel sales.
- Closed-loop model providing exclusive access to ~350,000+ potential patients.
- Strategic institutional investor in the LiUNA Pension Fund. Strong balance sheet for expansion. Pathway to profitable growth.

WeedMD is vertically integrated with the ability to scale rapidly if the cannabis market takes off with US Federal legalization under the Democrats

STRATHROY CULTIVATION HUB		AYLMER PROCESSING & PRODUCTION	
<p>Hybrid Greenhouse Cultivation</p> 	<p>Outdoor Cultivation</p> 	<p>Extraction & Processing</p> 	<p>Product Development & Fulfillment</p> 
<p>Delivering the quality and control of indoor facilities with greenhouse scale and efficiency</p> <ul style="list-style-type: none"> • 220,000 sq. ft. licensed footprint • Opportunity to double cultivation footprint 	<p>Outdoor grow provides cost-effective and tailored grown input biomass for cannabis 2.0 products</p> <ul style="list-style-type: none"> • Limited set of LPs with a 2019 outdoor harvest • Successfully planted on 27 acres • Scale-up potential of 100 total acres 	<p>Two supercritical CO2 extractors with processing capacity of up to 50,000kg per year</p> <p>26,000 sq. ft. facility for extraction and processing activities</p>	<p>Platform for potential strategic partnerships</p> <p>Concierge medical fulfillment and new product development</p>

WeedMD's Colour cannabis products



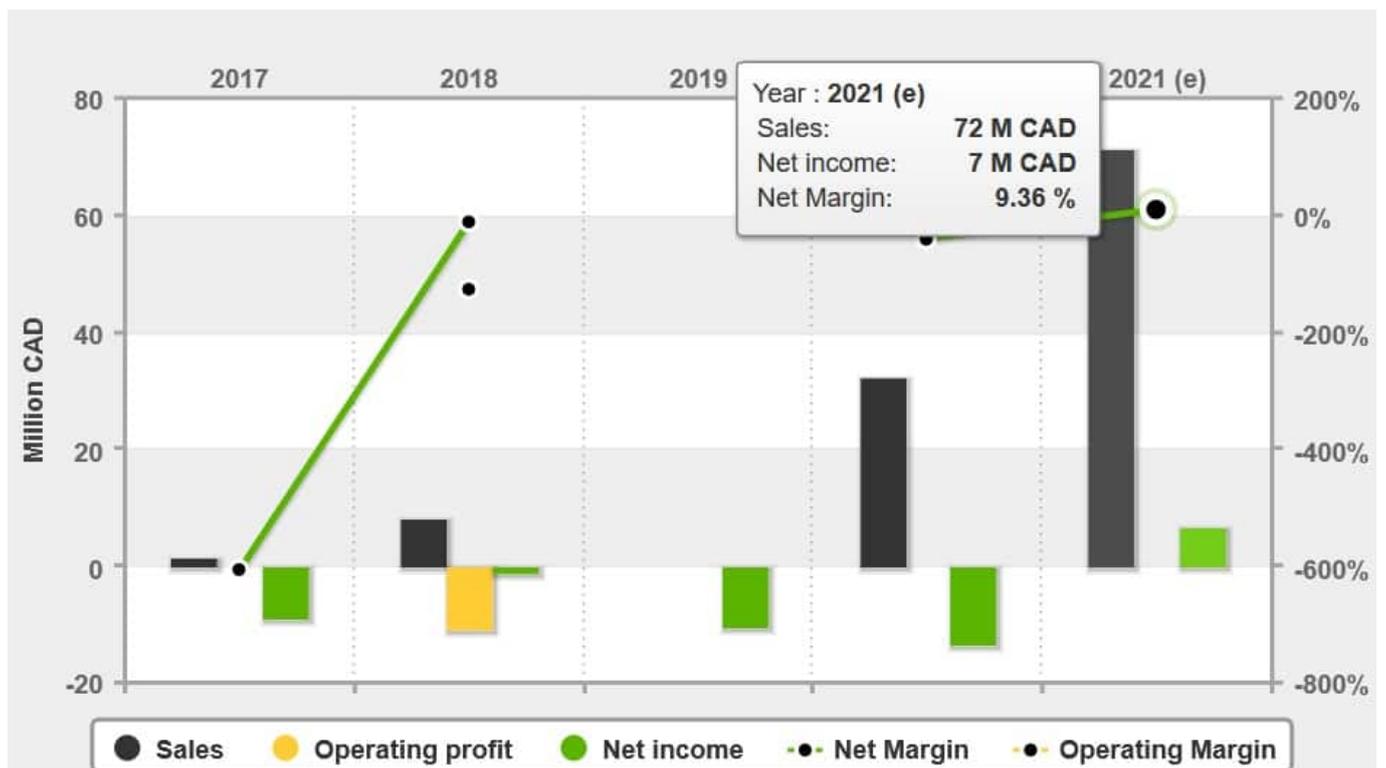
Color champions the individual moments when people & cannabis come together – from cultivators to consumers. Welcome to Color.



Source: WeedMD company presentation

The WeedMD stock price has more than tripled since Jan. 25, 2021, boosted by the Democrat Senators' move to legalize cannabis. Any success in the US at Federal legalization of cannabis has the potential to boost WeedMD's revenues.

WeedMD revenue is forecast to grow strongly in 2021



Closing remarks

Cannabis stocks are the current latest trend with speculating retail investors. Of course, this leads to crazy price bursts and can be hard to predict. Despite the recent price gains WeedMD looks to have a strong future due to being a well-established and vertically integrated cannabis producer, especially given their strong focus on medicinal cannabis uses.

WeedMD trades on a current market cap of C\$197 million, which is about 2.76x 2021 forecast revenues. Their forward PE is 31.33. Certainly, if the US legalizes cannabis at the Federal level it should have a very strong impact on the quality cannabis producers such as WeedMD. Stay tuned.

WeedMD's Kraft on how distribution agreements are critical to the cannabis business

“At WeedMD we are very proud of the foundation we have built from the production platform. We have got 1,200 kilograms coming out of our original indoor facility in Aylmer, Ontario. With our expansion of a hybrid greenhouse in Strathroy we have 20,000 kilograms coming onboard of quality quads coming out of flower and then an additional 30,000 kilograms of production for oil. We have to find a home for that product. Clearly these distribution agreements are critical to the business and hitting our revenue and sales milestones.” States Michael Kraft, Chairman of WeedMD Inc. (TSXV: WMD), in an interview

with InvestorIntel Corp. CEO Tracy Weslosky.

Tracy Weslosky: Michael you introduced me to the cannabis industry sector when it first started. What was that 2013/2014?

Michael Kraft: Beginning of 2014.

Tracy Weslosky: Michael I see that you just put out your third quarter results. I read you have increased revenue by 461% year-over-year prior to opening of Canada's adult use market. Can you just talk to us about a couple of your highlights from your third quarter results because there was quite a few results/updates?

Michael Kraft: Sure. I think the most significant is our topline of sales increased from approximately \$350,000 to an excess of \$2 million dollars. Behind that is our growth in patients, medical patients, which is paramount to our business. In addition we continued to generate revenue from the sale of genetics domestically to other LPs, which is part of our MO to seed the industry. Notably is also our first export shipment to Australia. It is actually the first legal shipment of genetics into Australia that we are very proud about. We also see growth coming from the export of our genetic business.

Tracy Weslosky: Call me an old fashioned investor, but we like things like distribution for instance. I noticed you have a deal with Shoppers Drug Mart and several distribution channels including an announcement with Lifford Cannabis Solutions. Can you tell us more about your distribution infrastructure?

Michael Kraft: At this juncture distribution is critical. We meet as a company the focus whether be it for the board or management level as distribution, distribution and distribution. WeedMD has successfully secured relationships with a number of provincial agencies ranging from BC, Alberta through to Ontario through to Nova Scotia. We have also

secured a notable distribution agreement supply agreement with Shoppers Drug Mart. In summary WeedMD has secured critical distribution platforms across Canada. That includes the retail channel with Shoppers Drug Mart for the drugstore chain.

Tracy Weslosky: My take on this is the reason why you are securing all of these critical distribution channels is because of your production. What I see, a half a million square feet of cultivation. Correct me. Tell me about your actual production Michael.

Michael Kraft: At WeedMD we are very proud of the foundation we have built from the production platform. We have got 1,200 kilograms coming out of our original indoor facility in Alymer, Ontario. With our expansion of a hybrid greenhouse in Strathroy we have 20,000 kilograms coming onboard of quality quads coming out of flower and then an additional 30,000 kilograms of production for oil. We have to find a home for that product. Clearly these distribution agreements are critical to the business and hitting our revenue and sales milestones...to access the complete interview, [click here](#)

Disclaimer: WeedMD Inc. is an advertorial member of InvestorIntel Corp.

Move over Fantasy Football, the Cannabis Market just got very real.

Forget the Fall sport season because if you haven't been watching the Cannabis Breakfast Club, we have some awe-inspiring numbers that may get you on-side and looking at

stock charts with your morning coffee. Yesterday, we published To be a Billionaire or not? The Canadian Cannabis Breakfast Club struggles with U.S. border entry concerns where we address the significant challenges arising from border crossing concerns for Canadian executives and investors alike entering the U.S.

Speaking of entry am I the only suffering from the colossal cannabis market envy and interested in whether there is room to still enjoy what appears to be a bud bull market?

While Terry Booth of Aurora Cannabis Inc. (TSX: ACB | OTCQB: ACBFF) had been a client in 2015, I recall attending meetings for financings and listening as bankers would explain why they were not interested in cannabis... this column is dedicated to all of us that could have, should have but maybe didn't... and more importantly is it too late?

Wince forward.

If we had bought \$100k in Aurora Cannabis stock on January 2, 2015 at \$0.40, as of market close last night at \$10.87, our stock would be worth \$2,717,500.

Taking one more step backwards into the past, imagine that we had invested this same fantasy \$100k in the 4 leaders in the Canadian Cannabis Breakfast Club in 2015... what may we have been worth this morning?

Let's break it down.

Hypothetically, we would have bought 12,195 shares of Canopy Growth Corporation (TSX: WEED) at \$2.05, which closed at \$63.40 today, market cap \$14.5B – and acquired 62,500 shares of Aurora Cannabis Inc. (TSX: ACB) at \$0.40, they closed at \$10.87 today, market cap \$10.35B. Then perhaps we would have selected 23,810 shares of Aphria Inc. (TSX: APH) at \$1.05, they closed at \$19.28 today, market cap \$4.48B. And finally, scoring 31,646 shares of Cronos Group Inc. (TSX: CRON) at

\$0.79, they closed at \$16.25 – market cap \$2.87B. And voila, our fantasy 100k would be today worth nearly \$2.5M this morning (\$2,426,574.00) – a stunning 2326.57% lift in 33 months!

Wow.

Now where are we today? I ask an the CEO of CannaIncome Fund Arthur Kwan – is it too late? He responds: “With Tilray (NASDAQ: TLR) reaching an intra-day high of US\$300 and closing at US\$214 today, the mass hysteria surrounding cannabis stocks continues. With a market capitalization of US\$20 billion, it is hard to fathom that Tilray, in a matter of a few short months since going public, is now larger than Canopy Growth (TSX: WEED) and other well-known brands, including WhirlPool, Harley-Davidson, and Hyatt Hotels.

While there is no doubt that this is a very over-heated market, we continue to believe that there’s value in this sector, although now you may have to dig a little harder to find that hidden gem. We see opportunities in the next ‘wave’ of growth companies as we get closer to legalization in Canada including edibles, beverages, and biosynthesis.”

He tells me that CannaIncome is maintaining their market advantage by “investing in the early pre-IPO rounds at significant discounts to public company valuations.”

InvestorIntel Editor Matthew Bohlsen provided us with the following updates on half a dozen cannabis sector companies that are advertisers on InvestorIntel. The companies are listed by market cap, these numbers were taken from TD Waterhouse on September 20, 2018.

- WeedMD Inc. (TSXV: WMD), \$228.04M Market Cap
- Scythian Biosciences Corp. (CSE: SCYB | OTC – Nasdaq Intl: SCCYF), \$173.9M Market Cap
- Viridium Pacific Group Ltd. (TSXV: VIR), \$44.82M Market Cap

- NanoSphere Health Sciences Inc. (CSE: NSHS) \$37.66M Market Cap
- Global Cannabis Applications Corp. (CSE: APP | OTCQB: FUAPF), \$20.22M Market Cap
- CO2 GRO Inc. (TSXV: GROW), \$10.62M Market Cap

WeedMD Inc. (TSXV: WMD), \$228.04M Market Cap: WeedMD Inc. is a Canadian licensed producer and distributor of cannabis with large production facilities in Canada. The Company recently announced it has completed the export of its cannabis genetics to Australia's Medifarm.

Edward Harris, Managing Director of Medifarm, said: "Medifarm prides itself on the cultivation of exclusive cannabis genetics, supported by proven breeding programs used in university and hospital clinical trials for therapeutic use. WeedMD's highly regarded cannabis strains will help us bring Australians continued access to a diverse set of consistent, quality cannabis products, ensuring that our patients have access to clinically validated and cost-effective medicine for their therapeutic use is paramount for Medifarm."

Early in September 2018, WeedMD announced it has now completed the first harvest from its modern greenhouse in Strathroy, Ontario. The Company marked the event with a WeedMD "First Harvest" celebration party, a community open house that welcomed well over 120 guests that included WeedMD's Board of Directors, local government, business leaders, investors, media representatives and employees.

Keith Merker, CEO of WeedMD said: "We're proud to have been able to share this important milestone with our community, stakeholders, employees and industry. The first harvest was completed in early September and resulted in an impressive yield from our first 10,000 square foot grow room."

I am guessing it must have been a great party, and I hope to

get an invitation to the next one as this WeedMD is having great success both in Canada and soon in Australia.

Scythian Biosciences Corp. (CSE: SCYB | OTC – Nasdaq Intl: SCCYF), \$173.9M Market Cap: Scythian Biosciences Corp. is an international cannabis company with a focus on the burgeoning U.S. medical cannabis marketplace. Its strategic investments and partnerships across cultivation, distribution and retail complement the company's R&D program with the University of Miami. It is this comprehensive approach that is positioning Scythian as a future frontrunner in the United States' medical cannabis industry.

Scythian has initiated its international expansion by launching additional cannabis related activities across the globe. The Company is evaluating several strategic initiatives and pursuing partnerships with local cultivators, pharmaceutical import and distribution entities and universities in North America, South America, Caribbean and beyond.

Just as any area of the body begins to swell after impact and injury due to inflammation, brain tissue itself does as well. Unfortunately, because the brain is confined inside the skull, the inflammation naturally triggered ends up causing even more damage as the process continually pushes already-injured brain tissue against bone. For contact sports players, repeated concussions can have devastating effects later in life. Cannabinoids are an effective treatment for mild brain trauma (concussions). This is going to be great news for professional sports organizations involved in contact sports and should hopefully lead to wide spread adoption for Scythian's therapy and products.

Viridium Pacific Group Ltd. (TSXV: VIR), \$44.82M Market Cap: Viridium Pacific Group Ltd. is a Canadian producer of medical cannabis products. It is proceeding to meet the health Canada requirements to amend its current producer license to include

a license to sell. The Company is involved in consumer wellness and biotech innovation, with interests spanning across agricultural production, property development, and financial services.

Viridium Pacific is positioned to develop and expand into new markets across multiple platforms. Earlier this year, a subsidiary of Viridium, Experion Bio-technologies acquired 25 new cannabis strains from a renowned Dutch supplier, increasing the number of strains available from 2 to 27. The new cannabis strains acquired by Experion are proprietary strains developed in one of the most sophisticated breeding programs in the world.

Viridium has signed a Letter of Intent (September 13, 2018) with Montreal Medical Cannabis Inc. ("MMCI") to establish a partnership in Pointe Claire, Quebec. With only 9 of 116 Canadian license producers headquartered in the province, Quebec represents a significant opportunity for Viridium to establish licensed cannabis cultivation and distribution. Viridium Pacific will provide expertise to help prepare the MMCI facility for Health Canada inspections, and expedite the application process under its licensed subsidiary, Experion Biotechnologies Inc. The facility currently under renovation is 76,000 square feet with an anticipated output of cannabis over 10,000 kg per year. On October 17, 2018, Canada is to become the third nation in the world to formally legalize cannabis for recreational use and become the first G7 nation to do so. Viridium are in a perfect position in a fast-growing industry with new legislation ready to take effect.

NanoSphere Health Sciences Inc. (CSE: NSHS) Market Cap \$37.66M: NanoSphere Health Sciences Inc.'s Evolve Formulas product is the provider of the world's first and only scientifically proven nano particle delivery system for cannabis. For those that can remember the original Star Trek series, the Evolve product administers directly into the

system in a similar way to the Doctor on the Enterprise administered medicine. They called it a hypo-spray. This cutting edge technology eliminates the need for inhalation or ingestion of cannabis, offering users a safer and more effective method of consumption.

The onset time of cannabinoids delivered by the NanoSphere Delivery System™ is just 10 minutes, thereby relieving the user from pain and anxiety in an extremely short period of time. NanoSphere was recognized as Company of the Year for Nano Biotechnology and Innovative, Company of the Year for Healthcare, and three 2018 Global Awards from ACQ5, a premier global corporate magazine. NanoSphere has partnered with Delta 9 Cannabis INC to bring products from its cannabis brand, Evolve Formulas, into the Canadian market, under an agreement, that will see a 50/50 net revenue share from sale of Evolve Formulas products.

The NanoSphere Delivery System could be an ideal way to deliver vitamins, minerals, super-nutrients into the system as well as eliminate the use for needles to deliver medicines. That's got to make parents and kids very happy.

Global Cannabis Applications Corp. (CSE: APP | OTCQB: FUAPF), \$20.22M Market Cap: Global Cannabis Applications Corp. ("GCAC") goal is to build a technology-enabled community to improve the health and wellness of medical patients and users alike. The Company has created the Citizen Green Community, a database that uses a mobile app platform for subscribers to interact with other medicinal cannabis users to share benefits, knowledge and personal experiences from their use.

Their Prescriptii app is designed to help patients find the appropriate products for their medical condition. It allows patients to easily rate the cannabis products they have been prescribed, learn about products that have helped other patients, and provide feedback about the effectiveness.

The Company's CannaLife app was designed to create conversation, share ideas, and promote education on a single social platform (the Cannabis Facebook?). Real conversations will take place showing users what is trending, who to follow, tag, subscribe, and communities to join. Users can also lead the conversation by creating their own communities or sharing information by taking a snapshot from a web page.

With the Prescriptii and CannaLife apps, and the Citizen Green data platform, GCAC is establishing a leadership position by using science and advance technology to gain important insight into the medical cannabis industry. Because of legislation, data on cannabis use and its effects hasn't really existed for obvious reasons (who wanted it known that you were a user). Now GCAC is giving medicinal users the chance to record and share experiences on the Company's Citizen Green apps.

C02 GR0 Inc. (TSXV: GR0W), \$10.62M Market Cap: C02 GR0 Inc.'s ("GR0W") mission is to accelerate all outdoor and indoor plants naturally, safe and economically using its patented advanced C02 foliar spray technologies. Recent trials are proof of this, with results on C02 foliar spray versus C02 gassing. Spraying dissolved C02 to the top as well as the bottom of a lettuce leaf is more effective in stimulating dramatically faster plant growth and plant size/mass than C02 gassing. This also proves why GR0W's C02 Foliar Spray technology integrated into advanced irrigation boom trials are showing sharply faster and larger plant growth.

CEO John Archibald noted: "This additional St. Cloud State University discovery and success integrating our C02 technology into irrigation spray booms provides further evidence of the commercial potential of our technology. Our revenue generation model is long term site technology licenses and lease of our integration equipment in both indoor and outdoor boom spray systems."

In August, C02 GR0 conducted their second cannabis trial with

a positive commercial indoor trial. The second trial was on a leafier indica strain that yielded an estimated 60% increase in bud value whereas the first trial on a stringier sativa strain yielded an estimated 45% increase. CO2 GRO's Indica cannabis trial bud weight increased 20%, was grown 20% faster and had 75% more THC than the control bud group.

It is kind of amazing when you think how this could possibly solve food shortage problems and create a stronger cannabis strain. More food is going to be needed globally each year, and CO2 GRO can play an important role.

WeedMD CEO on Hiku and the cannabis market today.

“It does not impact WeedMD really in any way shape or form. Hiku brought an interesting aspect to our potential business combination in that they brought retail. WeedMD has always been in existence as an LP with a strong production platform and a strong medical platform and a really thriving business. When Hiku goes away WeedMD is left just as such, a strong platform with cultivation, medical research, partnerships, a great staff that is doing wonderful things every day.” states Keith Merker, CEO of WeedMD Inc. (TSXV: WMD), in an interview with InvestorIntel Corp. CEO Tracy Weslosky.

Tracy Weslosky: Keith there is a lot about WeedMD on the news with the Hiku deal. You have got \$50 million in the bank. You got a Shoppers Drug deal. Talk to me about how this is going to impact you.

Keith Merker: It does not impact WeedMD really in any way shape or form. Hiku brought an interesting aspect to our

potential business combination in that they brought retail. WeedMD has always been in existence as an LP with a strong production platform and a strong medical platform and a really thriving business. When Hiku goes away WeedMD is left just as such, a strong platform with cultivation, medical research, partnerships, a great staff that is doing wonderful things every day.

Tracy Weslosky: Speaking of retail and deals, I see you just signed a supply agreement with the British Columbia Liquor Distribution Branch. For those of us that may not understand this, can you tell us a little bit more about it?

Keith Merker: The wonderful thing that WeedMD has on the go is that we have a massive cultivation expansion underway in Strathroy, Ontario quite near our original facility in Aylmer, Ontario. This facility with the current retrofit that is underway will have over 20 tons of production online, annual run rate capacity by end of 2018. Where is all that wonderful product going to find a home? To your point we have announced recently a deal with the BC Liquor Distribution Branch. We have announced a deal with the Alberta agency who will be distributing product in that province. To your earlier point, we have also announced a deal with Shoppers Drug Mart. We have got more in the hopper, more good news coming. If you can do the math on the numbers I can tell you that all of these various jurisdictions and partners that are looking for product are very pleased and happy and demanding more than we can perhaps even offer currently and for the foreseeable future. Our product is going to find a home and we are going to put out some good numbers as a result.

Tracy Weslosky: Keith we have been watching WeedMD for some time and the InvestorIntel audience is starting to move into the cannabis market. They are a little apprehensive. Can you tell us what the competitive advantages are for WeedMD? I mean, obviously you have got a great deal of cash. I think perhaps your target may be of interest to our audience.

Keith Merker: Sure. Going back to the very early days when the company was formed and founded, some of the members of the original founding team and some of the folks that still continue with us to this day come from very extensive backgrounds in long-term care and seniors care. As a result we have a, let us call it a secret sauce when it comes to that particular demographic. We have utilized that to sign up a number of different long-term care residences under supply and preferred educational provider agreements...to access the complete interview, [click here](#)

Disclaimer: WeedMD Inc. is an advertorial member of InvestorIntel Corp.