

## Tweed to acquire Bedrocan Canada

Transaction Unites Canada's Two Strongest Cannabis Brands, and Establishes World's Largest Publicly-Traded Cannabis Producer

TORONTO and SMITHS FALLS, ON, June 24, 2015 /CNW Telbec/ - Tweed Marijuana Inc. ("TMI" or "Tweed") (TSXV: TWD), operator of licensed cannabis producers Tweed Inc. and Tweed Farms Inc., and Bedrocan Cannabis Corp. ("Bedrocan Canada") (TSXV: BED) are pleased to announce that they have entered into a definitive arrangement agreement, pursuant to which TMI will acquire all of the issued and outstanding securities of Bedrocan Canada. TMI will be renamed at its annual meeting of shareholders to reflect its evolution as a multi-brand holding company. This acquisition marks the beginning of the structured evolution of the Canadian cannabis sector, and it is intended that TMI's portfolio of technologies, brands and geographies will continue to expand.

Tweed and Bedrocan Canada represent distinct market segments that appeal to different consumer needs. To meet market expansion demands, TMI will function as a holding company that is uniquely able to respond to these distinct voices, and will increase its ability to grow market share and diversify client acquisition. Specifically, the Bedrocan Canada brand will be sustained and further supported in establishing its leadership with the clinical and research communities. The Bedrocan Canada division, with its unique focus, will continue to operate separately, though in alignment with the other TMI operating divisions.

Tweed represents industry-leading consumer brand power and production capacity. TMI was the first publicly traded, federally regulated cannabis company in North America and has consistently maintained the largest market capitalization in the industry. Bedrocan Canada represents clinical, scientific and research strength, especially as it pertains to strain genetics and stability, advanced automation in cannabis production, and standardization of active pharmaceutical ingredients. With its Dutch licensor, Bedrocan Canada is the most experienced medical cannabis producer in the world. Uniting Tweed, Tweed Farms, and Bedrocan Canada under TMI creates the organization best positioned to meet diverse consumer needs, engage in clinical research, and build trust with health practitioners and medical regulators.

"We are bringing the two strongest brands in Canadian cannabis under one roof," said Bruce Linton, Chairman and CEO of Tweed. "We will continue to develop and grow the Tweed and Bedrocan Canada brands, focusing on rapidly increasing market penetration for our full line of products. Over 5,000 existing customers will now benefit from having access to products from two producers. For future patients and physicians, the choice will be clear."

"The rationale for and benefits of this transaction are clear, for investors, health professionals, researchers, and most importantly, for patients," said Marc Wayne, President and CEO of Bedrocan Canada. "Tweed and Bedrocan Canada have each helped set the industry standards for professionalism, product quality, dependable supply and exceptional customer care. Together, we will have the largest production and sales capacity in the industry, as well as a broad and complementary product line, and will be capable of allocating additional resources to product research and innovation, as well as to continuous improvement of the customer care experience."

The current consolidated licensed sales capacity of approximately 6,000 kg/yr will ensure that today's customers have access to a consistent supply of cannabis across a variety of product lines, with the potential to reach an even greater number of patients, pending further Health Canada approvals at TMI's three existing facilities. The company will continue to leverage its two state-of-the-art indoor facilities, as well as its greenhouse platform.

Under the terms of the acquisition, Bedrocan Canada shareholders will be entitled to receive 0.4650 common shares of TMI for each common share of Bedrocan Canada held. It is expected that TMI will issue a total of approximately 33.9 million common shares in connection with the acquisition having an aggregate value of approximately \$61.0 million based on the \$1.80 per share closing price of the TMI shares on the TSX Venture Exchange on June 23, 2015.

In connection with the acquisition, TMI will appoint two individuals designated by Bedrocan Canada to the board of directors of TMI. The acquisition is intended to be implemented by way of plan of arrangement and is currently expected to close by the end of August 2015. Closing remains subject to Bedrocan Canada shareholder approval, court approval, the approval of the TSX Venture Exchange, and an amendment to the terms of Bedrocan Canada's license agreement with Bedrocan Beheer BV, among other conditions precedent. Upon closing of the acquisition, Bedrocan Canada will become a subsidiary of TMI.

Additional details of the proposed transaction will be provided to Bedrocan shareholders in information circular to be delivered to them in connection with an upcoming special meeting of shareholders to be held to consider the proposed transaction. The Board of Directors of Bedrocan Canada intends to recommend unanimously that Bedrocan Canada shareholders vote in favour of the acquisition.

The recommendation of the Board of Directors of Bedrocan Canada is supported by a fairness opinion provided to its Special Committee by the Committee's financial advisor Dundee Securities Ltd., to the effect that the consideration is fair to Bedrocan Canada shareholders. PowerOne Capital Markets Limited also acted as a financial advisor to Bedrocan Canada in connection with the transaction. LaBarge Weinstein LLP acts as legal counsel to TMI and Cassels Brock & Blackwell acted as legal counsel to Bedrocan Canada in connection with the transaction. TMI has engaged GMP Securities L.P. to provide a fairness opinion to TMI in connection with the transaction.

### Analyst Call

A conference call has been scheduled to discuss the transaction. Bruce Linton, Chairman and CEO of TMI, Marc Wayne, President and CEO of Bedrocan Canada, and Tim Saunders, CFO of TMI will outline the details of the transaction and conduct a Q&A session.

Date and Time: 8:00 am ET, Wednesday, June 24<sup>th</sup>, 2015

Conference Dial-in: 1.855.859.2056

Conference ID: 72579692

### About Tweed Marijuana, Inc.

Tweed Marijuana is Canada's first publicly traded medical marijuana company and the first geographically diversified producer with dual licenses under Health Canada's *Marihuana for Medical Purposes Regulations*. Through its wholly owned subsidiaries, Tweed Inc. and Tweed Farms Inc., 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. [www.tweed.com](http://www.tweed.com)

### About Bedrocan Cannabis Corp.

Bedrocan Cannabis Corp. (Bedrocan Canada) is focused on clinical research, technologically-advanced, automated production processes, and innovative product development. Bedrocan Canada and its licensor Bedrocan Beheer BV (Netherlands) are the only companies in the world currently capable of producing standardized full-bud, pharmaceutical-grade medicinal cannabis. Bedrocan Beheer BV has been producing and supplying government-regulated medicinal cannabis for 13 years. [www.bedrocan.ca](http://www.bedrocan.ca)

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

### Forward Looking Statements

*This news release contains "forward-looking information" and "forward-looking statements" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements regarding the proposed acquisition, anticipated timing for the closing of the acquisition,*

*operations of the combined entity, the ability of the combined entity to expand and capture market share. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual financial results, performance or achievements to be materially different from the estimated future results, performance or achievements expressed or implied by those forward-looking statements and the forward-looking statements are not guarantees of future performance. All forward-looking information contained in this news release is given as of the date hereof and is based upon the opinions and estimates of management and information available to management as at the date hereof. The closing of the proposed acquisition is subject to a number of conditions, some of which are outside the control of the parties involved. If those closing conditions are not satisfied the transaction may not occur. The combined entity may not be able to achieve the market growth and success anticipated by the parties. For a description of the risks associated with the business conducted by TMI, please refer to TMI's final short-form prospectus dated March 10, 2015. The information circular delivered to shareholders of Bedrocan will contain additional disclosure about TMI and the proposed acquisition including the risk factors associated therewith. Except as required by law, the Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, events or otherwise. Readers are cautioned not to put undue reliance on these forward looking statements. This news release contains information obtained by the Company from third parties, including but not limited to market data. The Company believes such information to be accurate but has not independently verified such information. To the extent such information was obtained from third party sources, there is a risk that the assumptions made and conclusions drawn by the Company based on such representations are not accurate.*

SOURCE Tweed Marijuana Inc.

%SEDAR: 00029461E

**For further information:** Cam Battley, VP Communications and Corporate Development, Bedrocan Canada, [cbattley@bedrocan.ca](mailto:cbattley@bedrocan.ca), +1.905.864.5525, [www.bedrocan.ca](http://www.bedrocan.ca); Jordan Sinclair, Communications Manager, Tweed Marijuana Inc., [jordan@tweed.com](mailto:jordan@tweed.com), +1.613.706.2185 ex 309

CO: Tweed Marijuana Inc.

CNW 00:55e 24-JUN-15