

WeedMD Inc

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Buds & Duds: Cannabis stocks drop sharply; WeedMD shares rise on facility conversion into extraction and processing

Cannabis stocks had a tough slog on Wednesday, with shares broadly down across US and Canadian markets.

The North American Marijuana Index, which tracks the top cannabis stocks in the US and Canada, was down 2.2% to 268 points on Wednesday. The Horizons Marijuana Life Sciences Index ETF sank 2.5% to C\$19.60.

Buds

Despite the broad drops, a number of stocks lit up on Wednesday.

WeedMD Inc (CVE:WMD) (OTCMKTS:WDDMF) shares were on the rise after the company announced it is converting its 26,000-square-foot Aylmer, Ontario facility into a cannabis extraction and processing plant.

Shares were up 2.2% at C\$1.82 in Canadian trading.

The fully licensed oil extraction facility is expected to be operational this summer with the capacity to process 200,000 kilograms of biomass per year. The company has processed oils at the Aylmer site since June 2017.

"WeedMD is optimizing its two licensed facilities to allow each to focus on a core vertical and to streamline our operations. We are transitioning the Aylmer site to produce a wide range of extracts and concentrates," CEO Keith Merker said. "All cultivation has been consolidated to our greenhouse and outdoor Strathroy facility, which is delivering consistently improving yields at increasingly competitive costs."

READ: WeedMD revamps Ontario facility into cannabis oil extraction site
Other gainers Wednesday included Cannabis One Holdings Inc (CSE:CBIS) (OTCMKTS:CAAOF), which announced late Tuesday that a pair of vice presidents stepped into interim C-suite positions, effective immediately.

Shares were up 8% at C\$1.08, up 5.7% at US\$0.79 in New York.

Anthony Segarra, vice president of business development, was appointed interim chief operating officer, and Theresa Mohan, vice president of finance, was named interim chief financial officer.

Segarra will oversee the integration of the Vancouver-based company's recently acquired Nevada brands Evergreen Organix, Fleur, and EG.O once the transaction is completed. He'll lead the development of the company's new Oregon facility and handle the debut of its INDVR vaporizers.

Another gainer on Wednesday included Isodiol International (CSE:ISOL) (OTCMKTS:ISOLF), which was up 5.2% at US\$1.01 in New York on no news. The firm produces hemp derivatives in bulk quantities, white label formulas, and a branded line of finished goods.

Price: 0.97

Market Cap: \$110.96 m

1 Year Share Price Graph



December 2018 June 2019 December 2019

Share Information

Code: WMD

Listing: TSX-V

52 week	High	Low
	2.15	0.88

Sector: Cannabis

Website: www.weedmd.com

Company Synopsis:

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. facility in Aylmer, Ontario and a 158-acre state-of-the-art greenhouse and outdoor facility located in Strathroy, Ontario.

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Duds

Tilray Inc (NASDAQ:TLRY) shares dropped on Wednesday, down 4.5% at US\$40.84 in New York.

Aphria Inc (TSE:APHA) (NYSE:APHA) shares also slipped Wednesday, down 3.9% at C\$9.44 in Toronto and down 3.3% at US\$7.00 in New York.

Last week, Jefferies initiated coverage of Aphria with a Buy rating, and a price target of C\$15, 115% above its current trading level, highlighting the disconnect between its valuation and the company's positioning.

READ: Charlotte's Web sees 1Q revenue boost

Other laggards Wednesday included Charlotte's Web Holdings Inc (OTCMKTS:CWBHF) (CSE:CWEB), which reported first-quarter revenue of US\$21.7 million on Tuesday.

Shares were down 4.9% at C\$18.95 in Toronto.

The Boulder, Colorado-based firm said revenue grew by 66%, compared to the year-ago quarter of US\$13.1 million. The company also reported net income of US\$2.3 million, or US\$0.02 a share, compared to US\$3.1 million, or US\$0.04 a share, in the prior-year quarter.

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