

**For Immediate Release
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CSA Investor Alert: Caution urged for those looking to invest in medical marijuana stocks

Toronto – The Canadian Securities Administrators (CSA) is urging investors to be cautious when considering investing in medical marijuana stocks. A significant number of reporting issuers have announced their intention to begin growing and selling medical marijuana, in conjunction with new regulations enacted by the Government of Canada as of April 1, 2014.

While some have touted medical marijuana as a significant new sector for investment, the CSA has observed a number of small or inactive reporting issuers announcing medical marijuana business plans. In many of these cases, just the announcement of intent to develop a medical marijuana business has resulted in an immediate rise in a company's stock price. The CSA is concerned investors may face financial harm by purchasing such shares at an inflated price before there is a viable business.

Investors should be aware that companies cannot legally conduct a medical marijuana business without a licence from Health Canada, and that there is likely significant time and cost required to obtain such a licence. For a list of companies that have been granted a licence, please see: www.hc-sc.gc.ca/dhp-mps/marihuana/info/list-eng.php.

If a company is discussing or publicizing its intention to enter the medical marijuana industry, investors should understand what resources it has committed to its plan, as well as the related risks, cost implications and time required before it can begin licenced operations. There is no assurance that a company announcing its intent to enter the medical marijuana industry will be successful in obtaining a licence, or in creating shareholder value.

The United States Securities and Exchange Commission has also issued an [alert](#) on this topic. All investors should conduct significant due diligence when considering an investment in the medical marijuana sector, regardless of where the company is located or on which stock exchange it trades.

The CSA, the council of the securities regulators of Canada's provinces and territories, coordinates and harmonizes regulation for the Canadian capital markets.

- 30 -

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