



# Canadian Cannabis Opportunity and Regulation

# Canadian Cannabis Market Opportunity

An emerging multi-billion \$ industry



- Supportive Regulatory Framework
  - Legislation legalising recreational cannabis expected in mid/late 2018
  - Canada will be the largest federal jurisdiction to legalise cannabis consumption
- Large Market Opportunity\*
  - \$4.9 to \$8.7 billion base retail market value
  - \$12.7 to \$22.6 billion with ancillary multiplier (e.g. growers, labs, security)
  - **>\$22.6 billion total market potential** (e.g. tourism, tax, license fees)
- MMJ currently has 3 investments in Canada that are well positioned to capture this market opportunity



# Medical Cannabis

Licensing laws are established and MMJ's investments are well placed



## Licensed Producers

- Licences issued by Health Canada under Access to Cannabis for Medical Purposes Regulations (ACMPR)
- Producers may be licensed to:
  - cultivate and/or sell cannabis plants and dried cannabis, and/or
  - produce fresh cannabis and cannabis oil
- Only producers authorised to produce **and** sell to registered members of the public may sell or provide dried cannabis, fresh cannabis, cannabis oil, or starting materials (e.g. cannabis seeds, plants) to those persons
  - Harvest One's horticultural subsidiary, United Greeneries, is licensed to cultivate and sell cannabis plants and dried cannabis
  - Weed Me expects its cultivation license in the next month or so with a sales license expected by mid/late 2018
  - Dosecann is applying to be a Licensed Producer; timing TBD

## Licensed Dealers

- Licences issued under the Narcotic Control Regulations allow the conduct of activities with cannabis (including laboratory testing and analysis)
  - Dosecann aims to be a Licensed Dealer by mid/late 2018, allowing them to import and export cannabis in any form

## 91 Licensed Producers across Canada



*As cannabis is a controlled substance, to reduce the risk of diversion, factors such as physical capacity (size of building, physical security considerations, number of staff, cultivation technique), sale capacity, and inventory levels are considered before issuing a production licence*

Source: [www.canada.ca](http://www.canada.ca)

# Recreational Cannabis

## Federal legalisation mid/late 2018; Provincial approach to regulation, distribution and sale



Federal legalisation of recreational cannabis use expected in mid/late 2018 (under the federal government's Cannabis Act (Bill C-45))

- Responsibility of the sale and distribution of cannabis assigned to the provinces

### **British Columbia (home province of Harvest One)**

- BC Liquor Distribution Branch will be the wholesale distributor of recreational cannabis with opportunities for both public and private retail stores (which would be licensed similar to private liquor stores in the province)
- The province anticipates releasing further details about both public and private opportunities in early 2018 and stated that municipalities will have a role in how the retail model rolls out in their communities
- The province has not revealed how the new regulations will affect existing dispensaries that are operating through municipal licenses (such as in Vancouver and Victoria) or illegally across B.C.
- Minimum age of 19 to use, purchase or possess recreational cannabis

### **Ontario (home province of Weed Me)**

- Liquor Control Board of Ontario to oversee the legal retail of cannabis through stand-alone cannabis stores and a government-controlled online ordering service
- 150 standalone retail stores by 2020, with a plan to have 80 of the stores operational by July 1, 2019. Online distribution available as of July 2018
- Cannabis and alcohol cannot be sold together; edibles or cannabis-infused foods will not be sold online or in retail stores
- Minimum age of 19 to use, purchase or possess recreational cannabis; cannot use it in public places and work spaces

### **Prince Edward Island (home province of Dosecann)**

- P.E.I. Liquor Commission will operate retail locations separately from liquor stores; will also be available for purchase through an e-commerce platform
- Minimum age of 19 to use, purchase or possess recreational cannabis

# Contact Details and Disclaimer



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