

Key Learnings from an Industry Perspective

Greg Engel, Chief Executive Officer



 **ORGANIGRAM**

CANNABIS IN CANADA: HOW DID WE GET HERE?

- *R. v. Parker* (2000) - Constitutional right to choose cannabis as a medicine without fear of criminal prosecution
- 2001 the *Marihuana Medical Access Regulations* (MMAR) - Allowed individuals to grow medical cannabis for personal use or designate someone to grow on their behalf
- *Marihuana for Medical Purposes Regulations* (MMPR) was created in December of 2012 and implemented on April 1, 2014 - A simplified and decentralized application process with multiple Licensed Producers (LP's)
- *R. v. Smith* (2015) Authorized users - No longer an offence to possess marijuana derivatives
- Led to Health Canada issuing a Section 56 exemption under the Controlled Drugs and Substances Act (CDSA) - Allowed licensed producers to produce and sell "cannabis oil and fresh marijuana in addition to dried marijuana"

CANNABIS IN CANADA: HOW DID WE GET HERE?

- ***R. v. Allard* (2016)** – Ruled that the MMPR infringed on Canadians' right to reasonable access to cannabis for medical purposes.
- Health Canada responded to *R. v. Allard* ruling by replacing the MMPR with the Access to Cannabis for Medical Purposes Regulations (ACMPR) which along with the previous system of Licensed Producers included a provision that allows Canadians who require access to medical cannabis to produce a limited amount or to designate a grower to produce for them.
- The Canadian Federal Government tabled Bill C-45, the Cannabis Act, on April 13, 2017. It received Royal Assent on June 21, 2018 and came into effect on October 17, 2018.

A June 2016 national poll showed that **7 in 10 Canadians** were in favour of legalization.

CTV News June 30, 2016

The Cannabis Act Aims to Accomplish Three Goals

Keep cannabis out of the hands of youth

Keep profits out of the hands of criminals

Protect public health and safety by allowing access to legal cannabis

Safety and security must always be the first priority



Public safety, especially regarding our youth has to be a priority

- **No system of growing and selling cannabis can work without explicit, strict and enforceable rules on product quality, consistency, safety and security.**
 - Mandatory testing of all products by Health Canada Approved Labs is critical and we have seen reports in media regarding testing of illicit products that have high levels of contaminants which put Canadian's health at risk
 - Accidental ingestion of edible cannabis products by children has been an issue in US States and the illicit market in Canada; as a result the proposed regulations for derivative products will require maximum concentrations per serving in edible products that do not appeal to youth and continue the requirement for child proof packaging

Industry is Committed to Working with Federal, Provincial, Municipal and Retail Stakeholders



Our approach is to work in partnership with regulatory bodies and drive best-in-class policy solutions

- **As a company and through our association (Canadian Cannabis Council) we have been working with federal authorities, provinces, municipalities to continue to ensure harm-reduction and responsible consumption is reflected in implementation of the new regime.**
 - Proposed advertising standards, brand development
 - Distribution via retail and mail order
 - Age validation
 - Methods for measuring impairment

Where has the focus been to date?

Keep cannabis out of the hands of youth

Keep profits out of the hands of criminals

Protect public health and safety by **allowing access to legal cannabis**

Recent Headlines from the Media:

“Some black market pot dealers drumming up business outside legal cannabis stores”

Calgary Herald, December 21, 2018

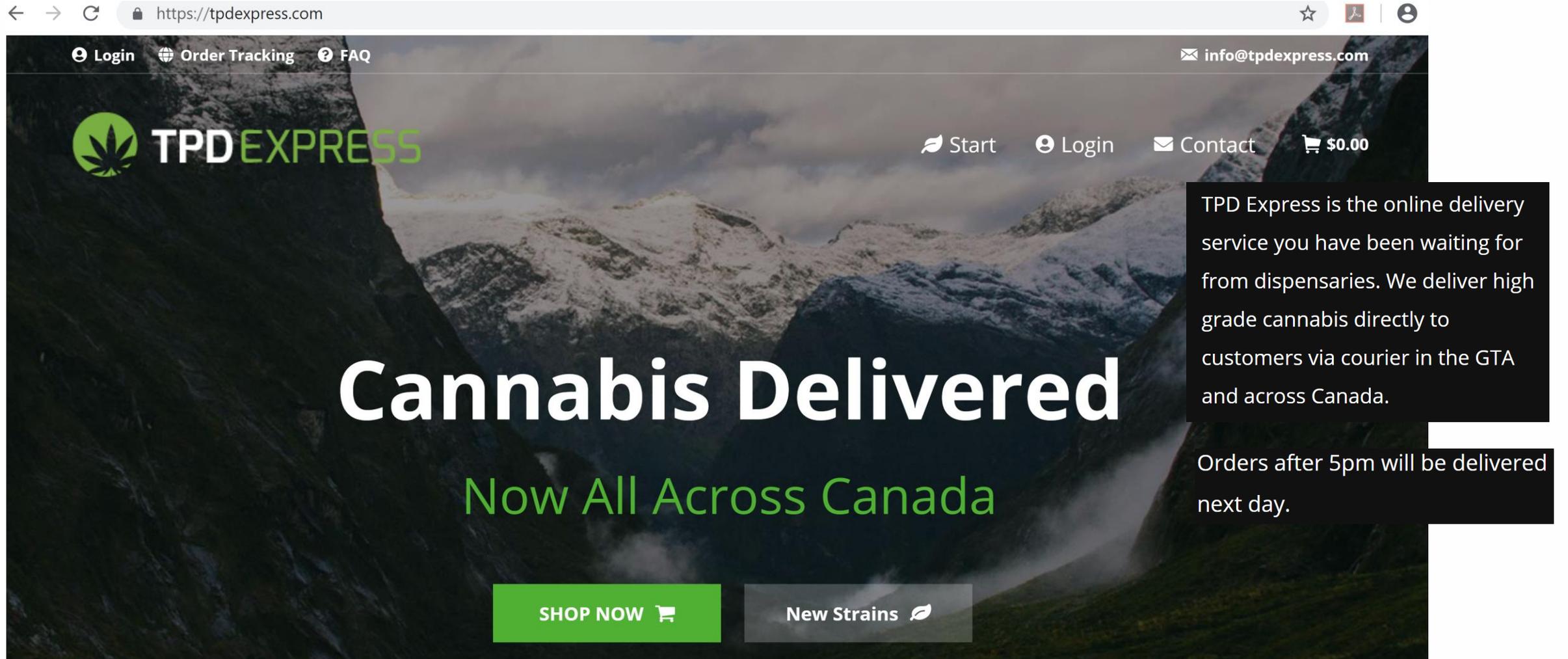
“The lack of consistent supply in legal cannabis shops across the country has been a major market stimulator for the illicit sector, which is not plagued by the same regulatory restrictions, taxes and licencing fees as the legal industry and can, therefore, offer consumers a more consistent supply at a considerably cheaper price.”

National Post, February 13, 2019

“Black market pot sales booming in wake of legalization: Cops”

Toronto Sun, February 20, 2019

Who are we competing with as an industry?



← → ↻ https://tpdexpress.com ☆ | 👤

Login Order Tracking FAQ info@tpdexpress.com

TPD EXPRESS Start Login Contact \$0.00

Cannabis Delivered

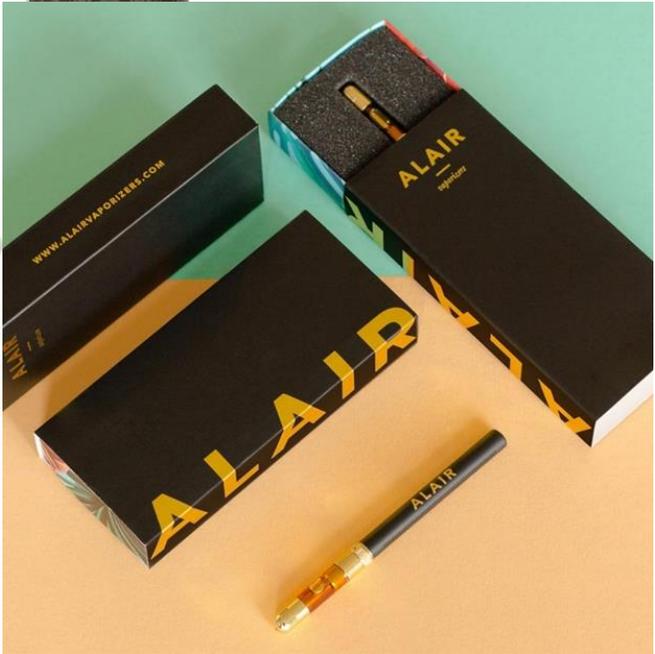
Now All Across Canada

SHOP NOW 🛒 New Strains 🌿

TPD Express is the online delivery service you have been waiting for from dispensaries. We deliver high grade cannabis directly to customers via courier in the GTA and across Canada.

Orders after 5pm will be delivered next day.

What are we competing with as an industry?



How can Health Canada and the Federal Government “Protect our youth,” “Keep profits out of the hands of criminals” and “Protect public health and safety”?

- The implementation of the proposed amendments to The Cannabis Act related to derivatives and edible products in the Fall of 2019 is a huge step towards competing with the illicit market which has a broad and comprehensive product offering today. As a company and an industry we applaud the efforts to expand the product offering to adult consumers.
- Expand educational efforts to highlight the risks associated with products sold through illicit sources

How can Health Canada and the Federal Government “Protect our youth,” “Keep profits out of the hands of criminals” and “Protect public health and safety”?

- Target unlicensed, illicit retailers and online operations through financial means:
 - Currently accept Credit Cards, Debit Cards and PayPal to process payments
 - The banks and municipalities also need to target landlords of illegal storefronts re: commercial banking, mortgages and business licenses
- Allow for responsible branding and advertising targeted at adults to compete with the efforts of the black market