

# Cannabis

The cannabis market in Canada has moved from prohibition to regulation, creating a new industry expected to be worth C\$2.5 billion by 2020.

The *Cannabis Act* came into effect October 17, 2018, bringing many changes, central of which are:

- removing cannabis from the *Controlled Drugs and Substance Act*
- regulated sale of cannabis in adult use markets
- storefront sale of cannabis by provincially authorized retailers
- defined promotional activity restrictions

Further amendments to the *Cannabis Act* and *Cannabis Regulations* will expand saleable classes of cannabis to include cannabis extracts, cannabis topicals and edible cannabis by October 17, 2019.

To maximize opportunities for business growth and help you thrive in an increasingly competitive market, BLG can support your navigation of the regulatory and other legal challenges of the cannabis industry, which is uniquely regulated at the federal, provincial and municipal level, as well as in jurisdictions outside of Canada.

BLG offers one of the largest cannabis-focused multi-disciplinary legal teams in Canada, and we have been instrumental in the most high-profile and groundbreaking deals and decisions made on the TSX.

We advise cultivators, processors, retailers and everyone in between or adjacent, domestic and foreign, including companies operating in:

- pharmaceuticals
- beverage alcohol and other food
- tobacco
- venture capital firms
- investment dealers
- analytical testing

We are also involved in corporate transactions and advisory services across all sectors of the cannabis industry.

We also advise entities that are not participating in the cannabis industry, including employers (safety-sensitive and otherwise), assisted living facilities, sports and recreation centres, First Nations and others, on preparing policies and regulations to mitigate risks introduced by both medical and adult use cannabis.

## Experience - Corporate and Securities Transactions

- Sansero Life Sciences Inc. and Rise Wellness on their merger with CannaGlobal to create a new international psychedelic company.
- Meta Growth Corp. (TSXV: META) (previously National Access Cannabis), Canada's largest publicly traded recreational cannabis retailer by revenue, in its C\$10 million bought deal financing.
- CanniMed Therapeutics Inc., on the following matters:
  - its contest for control with Aurora Cannabis, including hearings before the Ontario and Saskatchewan securities commissions, and favourable resolution
  - the proposed and abandoned acquisition of Newstrike Resources Ltd., by way of a share exchange.
  - its \$60 million initial public offering. This was the second medical cannabis company to list on the TSX, and its IPO was one of only three IPO's on the TSX in 2016.
- The Supreme Cannabis Company, Inc. (TSX: FIRE) (OTCQX: SPRWF) (FRA: 53S1), a global diversified portfolio of distinct cannabis companies, products and brands, in its \$20 million acquisition of Truverra Inc., a private cannabis company, serving the Canadian and international cannabis markets through its wholly-owned subsidiaries, Canadian Clinical Cannabinoids Inc. and Truverra (Europe) B.V.
- Wildflower Brands Inc. (CSE: SUN, OTC: WLDF), an integrated health and wellness company, in its C\$45 million acquisition of City Cannabis Corp., a premier licenced cannabis retailer in British Columbia. As a result of the transaction, City Cannabis is the only B.C based cannabis retailer to go public.
- AltaCorp Capital Inc., as lead underwriter, in Valens GroWorks Corp.'s \$43 million bought deal financing.
- GMP Securities L.P., as lead underwriter, in the Flowr Corporation's \$43.5 million bought deal financing.
- Sunniva Inc., in connection with its initial public offering and listing of its shares on the Canadian Securities Exchange, and, prior to the IPO, its three acquisitions and a series of private placement financings with an aggregate value of approximately \$40 million.
- The agents, in connection with a \$125 million offering of subscription receipts of MedMen Enterprises Inc., in connection with its listing on the Canadian Securities Exchange by way of a reverse take-over.
- Terra Life Sciences, a company involved in R&D of innovative cannabis-derived medical products, in connection with a \$46 million private placement of convertible debentures.
- The agents, in connection with a \$10.5 million private placement of convertible debentures by Cardiol Therapeutics Inc., a nanotherapeutics company developing proprietary formulations designed to deliver cannabinoids and other drugs.
- Brassneck Capital Corp., in connection with its IPO on the TSX Venture Exchange, by way of a reverse take-over by National Access Cannabis Corp. The underwriters, in connection with the \$52 million bought deal offering of common shares of Nuuvera Inc.
- The agents, in connection with a \$19 million offering of subscription receipts of a Canadian-based licensed producer that also holds licenses for the production, processing and wholesale distribution of cannabis in the U.S., in connection with its upcoming listing on the Canadian Securities Exchange by way of a reverse take-over.
- The underwriters, in connection with multiple public offerings and bought deals of shares of Aphria Inc., a licensed producer, raising aggregate proceeds of approximately \$670 million.
- The underwriter, in connection with a \$14 million bought deal offering of units of InMed Pharmaceuticals, Inc., a biopharmaceutical company specializing in the R&D of cannabinoid-based prescription drug therapies.

- The underwriters, in connection with the \$27 and \$17 million bought deal offerings of shares of Emerald Health Therapeutics Inc., a licensed producer.
- Maple Leaf Green World Inc., a Canadian licensed producer with operations in Nevada, in connection with its \$7.3 million private placement
- The agents, in connection with the \$10 million private placement of subscription receipts of CannaRoyalty Corp. in connection with CannaRoyalty's three-cornered amalgamation with Cannabis Royalties & Holdings Corp. CannaRoyalty is a royalty company providing financing for companies in the cannabis ecosystem.
- The agents, in connection with a series of private placements of shares of Lexaria Bioscience Corp., with an aggregate value of approximately \$5 million.
- The agents, in connection with the \$35 million private placement of subscription receipts of DFMMJ Investments Inc. in connection with DFMMJ's three-cornered amalgamation with SecureCom Corp. DFMMJ, doing business as "Aphria USA", is a licensed producer in Florida.
- Green Relief Inc., in connection with its \$20 million private placement of convertible debentures.

## Experience - Ongoing Advisory

- Entities at all stages of ACMPR license applications, including corporate, securities, regulatory, tax, intellectual property, commercial real estate, employment and litigation counsel.
- International pharmaceutical companies in relation to cannabis supply, regulatory compliance, intellectual property and dosage forms.
- National pharmacy chain in relation to cannabis supply, regulatory compliance, intellectual property, e-commerce and new product categories.
- Payment processor in respect of working with LPs.
- Natural health products company in relation to ACMPR licensing and intellectual property.
- Food company in relation to the ACMPR, the NCR, and other aspects of positioning itself for sale of infused foods and beverages when those products are regulated for sale.
- Multiple technology companies (domestic and foreign), including NCR licensed dealers and ACMPR applicants, in relation to:
  - wholesale cannabis supply agreements
  - scope of activities under ACMPR licenses, NCR licenses, and Marihuana Medical Access Regulations licenses extended by *R v Allard*
  - importation and exportation of cannabis under the ACMPR and the NCR
  - intellectual property licensing
  - patent rights, including drafting and filing patent applications in relation to biotechnology and dosage forms
  - plant breeder's rights and trade secrets
  - the scope of wares and services that may be included in trademark applications to position for adult use and for product diversity
- Drafting website terms and conditions, drafting a privacy policy, and advising in relation to advertising for LPs and social media companies.
- Assisted living facility in relation to the scope of practice of nurses outside of hospitals, and in relation to a post-*Cannabis Act* adult use policy.
- Immigrating skilled individuals to Canada for work in the cannabis industry.
- Employment law matters and employee drug testing.

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## **BLG | Canada's Law Firm**

As the largest, truly full-service Canadian law firm, Borden Ladner Gervais LLP (BLG) delivers practical legal advice for domestic and international clients across more practices and industries than any Canadian firm. With over 725 lawyers, intellectual property agents and other professionals, BLG serves the legal needs of businesses and institutions across Canada and beyond – from M&A and capital markets, to disputes, financing, and trademark & patent registration.

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