

Marijuana Breaking News From Canada's Highest Court

- ❑ Bake it, brew it, flake it, eat it – but you don't have to smoke it.

Canada's highest court today (June 11/15) released its long awaited *Smith* decision, finding that restricting the consumption of medical marijuana to dried marijuana only violated Canada's *Charter of Rights and Freedoms*, and as a result, the governing legislation was struck down. Possessing non-dried forms of cannabis, such as oils and edibles, is no longer a criminal act.

Let's be clear: this ruling does not legalize the possession or consumption of marijuana for the general public. This ruling does not create any new rights. What it does do is allow medical patients with proper medical authorization to consume the doctor prescribed marijuana in a format other than smoking.

And that's great news for the many companies that are hoping to sell cannabis-based oils, edibles, tea leaves, ointments, brownies and yes, even a vaginal lubricant called, get ready for it, "V-Love". If the Supreme Court of Canada had ruled against Mr. Smith and upheld the law as written, those companies' business plans would have instantly gone up in smoke. Now, they at least have a chance to create some kind of a return for their shareholders.

There are two further major developments on which these companies are waiting. The first is the *Allard* decision from the Federal Court of Appeal, with a decision likely to be released sometime in the late summer or fall.

That case will decide whether the 45,000 patients under the former MMAR system ("grow your own") can continue to grow

their own, or whether they have to obtain their prescribed marijuana under the new MMPR system. Major dollars are at stake here – a ruling in favour of the MMAR users will knock 45,000 patients out of the MMPR system, representing a loss of customer base that would be a death blow to many of the current MMPR applicants.

The other major development will be the federal election, set for October 19, 2015. A majority Conservative government would not be friendly to the MMPR system. A majority Liberal would be. (We're not contemplating an NDP majority government, even with the recent election in Alberta.) A minority government would likely be unfavourable, as no government is going to risk its fragile alliances over medical marijuana. That's not the battlefield to die on.

But for now, *Smith* should provide a short term lift in the Canadian cannabis stocks.