

From Cannabis to 'Cannabiz': the New Wave of Marijuana Entrepreneurship

Several entrepreneurs in North America have jumped on the opportunities to produce cannabis in response to many States and Provinces having legalized marijuana for medical and even recreational use. The new sector has also opened the market for hemp, a very strong natural fiber with a multitude of applications that include food. Nevertheless, the new wave of marijuana entrepreneurship has been lifted by the recognition that this weed can address a variety of medical needs. While, the United States and Canada have not technically approved dried marijuana as a drug in the technical sense, the courts have ruled that Canadians (and Americans in States where it is legal – the list is growing quickly) should have reasonable access to a legal source of marijuana when a doctor gives them permission to use it. This means that it is legal to produce marijuana and that, given the level of demand, there is a new host of marijuana entrepreneurs in the making. Entrepreneurs will need investment and, given marijuana's potential and its links to health and natural therapy, this is a sector with a huge growth potential.

Since April 1, 2014, Health Canada has permitted individuals or companies to possess, hold production licenses for personal and commercial use (in accordance with the interim injunction from the Federal Court). Investors should be careful about one thing in particular to keep risk in check: the producers must hold a license from Health Canada. What is clear is that in Canada, the industrial cultivation of marijuana (often referred to as cannabis) has finally been approved on April 1. Since then, companies have been rushing to the stock exchanges as investors look for a new promising investment. Canada's reform to regulate the cultivation of cannabis for therapeutic

purposes has already resulted in the Ministry of Health having received about 900 applications from companies and individuals wanting to grow marijuana for medical purposes.



The GreenRush Financial Conferences held in Vancouver last May and in Toronto last week have served as the main venues to discuss this new market, attracting some of the leading cannabis companies (as well as regulators, medical doctors, agricultural scientists and entrepreneurs) in North America. Perhaps Harry Barr, the founder of GreenRush and the President of NextGen (CSE: N), one of the main companies dedicated to the medicinal cannabis industry – can educate investors on how to navigate and understand the industry.

For instance...in May, just a month after Canada passed its historic cannabis legislation, Mike Harcourt, a former mayor of Vancouver, became the president of “True Leaf”, a company dedicated to cultivating medicinal marijuana and which is preparing to list its shares in the public markets. Kash Heed is another former Canadian politician – he headed the Police Department in West Vancouver – who offers consulting to companies producing marijuana for therapeutic use. Heed considers that the total legalization of marijuana is needed, and he believes this is possible by combining political experience with citizen desire for legalization. Many former officials, familiar with drug controls, now suggest that over the next five years, Canada will likely legalize marijuana for recreational use as well.

One of the companies in attendance at GreenRush was Grow Pros. Grow Pros, which operates an over 8,000 square feet facility in Gatineau, Quebec; will produce medicinal cannabis for patients as well as provide patents and licenses to third parties. In Quebec, Grow Pros can rely on one of the most socially libertarian governments in all of North America, which is interested in seeing the cannabis sector develop

while having access to the lowest energy costs in the world and excellent infrastructure. Until now, only a few companies have been authorized to produce marijuana for patients with a medical prescription; but many more will come as the sector has a potential to grow unlike anything seen since the dot.com days; and this in a country where 40 000 people have applied to use it and where that number could easily grow to some half a million in the next decade. Such is the concern of a 'bubble' that Canadian trading exchanges have warned investors. On June 16, the Canadian Financial Markets Authority has urged cannabis investors to exercise "prudence" in the face of "inflated prices".

In the interest of consumers and investors alike, authorized medical cannabis producers must comply with a series of standards in order to produce and distribute. In addition, the measure provides patients the opportunity to choose their supplier. Currently, patients who use marijuana for therapeutic use will require a medical written consent. Producers will have to confirm that authorization medical clearance is correct and the patient can get the necessary amount of marijuana for treatment during a specified period. The doctor may also sell, deliver and administer cannabis to patients in addition to allowing them to consume. But it's not all about cannabis. Indeed, the GreenRush conferences are about educating the investor to the many possibilities of the sector and if marijuana is still not "your thing", it does not mean you have to stay out of this promising and lucrative new sector.

Harry Barr, the main organizer of the GreenRush conferences, says that the new regulations have also opened up the market for hemp, which is the world's strongest fiber and which was legalized in Canada in 1998. It remains illegal in the United States, but it has been gathering strong interest around the world, also because of its nutritional and structural qualities; it can feed the hungry and help buildings become

stronger at the same time, with water and lime. The NextGen team contends that investors have a general market access to the sector as a whole through CSE: N. NextGen will invest in three to five selected companies over the next few years in different areas of the cannabis business. After the Vancouver and Toronto events, Harry plans to take the Green Rush Financial Conferences to the USA and Europe.