

mcmillan

Cannabis
Practice Group



The regulated cannabis industry is booming and McMillan is at the forefront of developments in this industry. With one of the largest and most experienced industry groups in Canada, we can help you achieve success.





McMillan's leading Cannabis Practice Group provides innovative and practical solutions to clients in the cannabis industry.

The cannabis industry is quickly evolving in Canada, amid a complex and rapidly changing regulatory scheme, and McMillan is at the leading edge of these developments. McMillan's Cannabis Practice Group, one of the largest groups of its kind in Canada, works closely with a wide range of industry participants, including licensed producers, retailers, investors, technology and other service providers, to help them succeed in the medical cannabis industry.

Our group is made up of experienced professionals with significant in-depth knowledge. We understand the laws, regulations and business landscape of Canada's medical cannabis industry, and can

provide you with valuable legal solutions for financing, accessing public markets, licensing and regulation, employment law and workplace issues, mergers and acquisitions, tax structuring and intellectual property matters, whether you are just entering the market or already established.

We help our clients succeed by:

- Structuring financing arrangements through private equity, public markets, and venture capital
- Navigating the complex medical marijuana regulatory system
- Assisting with regulatory approvals
- Advising on mergers, acquisitions and divestitures
- Assisting with labeling, advertising and distribution matters
- Drafting comprehensive employment agreements and workplace policies in compliance with applicable laws
- Advising on tax matters; and
- Assisting with patents, trademarks, licensing, outsourcing and strategic alliances.

Areas of Practice

We closely collaborate with our firm's corporate, securities, labour and employment, regulatory, intellectual property, tax, and government relations practices to provide you with the comprehensive solutions you need to help you to deal with whatever comes your way.

Business and Capital Markets

As a leading corporate finance, mergers and acquisitions, and project finance firm, we advise medical marijuana companies of all sizes. We deliver an integrated group of services to meet your business objectives securely and with minimum liability, from advising on day-to-day business matters, to structuring, negotiation and closing complex mergers, acquisitions and financings, and public and private offerings of debt and equity securities. Our understanding of the regulatory landscape, and our relationships with regulatory bodies and exchanges, help us deliver unmatched value to our clients. We understand that every transaction is important to our clients, no matter how large or small. We listen to your needs and apply our experience, expertise, and commitment to help you achieve your objectives.

Labour and Employment

We regularly advise clients on all aspects of provincial and federal employment and labour law. We deliver practical counsel that is focused on protecting your interests while adhering to the laws that govern workplace relationships. While our focus is on helping implement employment and labour relations practices that minimize potential conflict, we recognize that disputes are often unavoidable. When they do happen, we provide you with strong, effective representation that advocates for your best interests, and have represented clients at all levels of provincial and federal courts, human rights tribunals, labour relations boards, arbitration, and government administrative bodies.

Regulatory and Licensing

The medical marijuana industry is complex, and regulations govern virtually every activity. The opportunities are significant, but so too are the challenges. Our lawyers combine a thorough knowledge of the applicable medical cannabis laws and regulations with a passion for helping our clients achieve market success. We guide clients through the *Access to Cannabis for Medical Purposes Regulations* (ACMPR) licensing process, and routinely advise on compliance issues, such as labeling, advertising, distribution, import and export matters.



Intellectual Property

As one of the leading intellectual property practices in Canada, we can help you properly leverage and protect your intellectual property. We craft sound intellectual property protection and enforcement strategies that help our clients maximize the value of their critical intangible assets. Our lawyers, patent and trademark agents, scientific consultants and law clerks bring the strong technical expertise required for a deep understanding of the industry and the intellectual property that our clients are protecting. We have the depth of experience and expertise to assist clients with all of their intellectual property needs.

We are experienced in all areas of trademark work, including pre-clearance, opposition and prosecution of trademark applications both in Canada and the United States, and a network of foreign associates to file and prosecute foreign trademark applications internationally.

Tax

McMillan's tax lawyers provide tax advice on all manner of financings, mergers and acquisitions, corporate reorganizations including spin-outs, and international transactions pertaining to the medical marijuana industry. Our Tax Group includes individuals who have been recognized internationally as leading tax advisors, and our tax lawyers work seamlessly with our Cannabis Practice Group to provide advice as part of a comprehensive solution.

McMillan Vantage

McMillan Vantage, a strategic partnership with McMillan LLP, is a full-service national public relations group. The first of its kind in Canada, the McMillan Vantage team is made up of a group of experts who understand how governments work. The team brings a sophisticated approach to public affairs analysis, and is skilled at helping companies navigate through rapidly changing regulatory environments.



mcmillan vantage
policy group

We help you advance your priorities, while reducing your uncertainty and limiting your risk, and make you more competitive in the cannabis industry.

Representative Matters

Capital Markets and M&A

The largest M&A deal in the Cannabis sector to date in all of Canada.

- **Aurora Cannabis** in its C\$2.9 billion (US\$3.2 billion) acquisition of MedReleafCorp.
- **Aurora Cannabis** in its US\$852 million (or CAD \$1.1 billion) acquisition of CanniMed Therapeutics Inc.
- **Aurora Cannabis Inc.** in connection with a \$15 million convertible debenture offering
- **Aurora Cannabis Inc.** in connection with a \$23 million convertible debenture offering
- **Aurora Cannabis Inc.** in connection with a \$60 million bought deal private placement
- **Aurora Cannabis Inc.** in connection with a \$75 million bought deal private placement of units
- **Aurora Cannabis Inc.** in connection with a \$200 million bought deal private placement of debentures
- **Aurora Cannabis Inc.** in connection with its acquisition of Pedanios GmbH, a wholesale importer, exporter, and distributor of medical cannabis in the European Union
- **Aurora Cannabis Inc.** in connection with its investment in Cann Group, an Australian Licensed Provider
- **Aurora Cannabis Inc.** in its acquisition of a 25% stake in Liquor Stores N.A. Ltd. valued at \$140 million
- **Canaccord Genuity** in connection with the financing for Astar Minerals Ltd.
- **Cannex Capital Group Inc.** in connection with its \$36 million acquisition of BrightLeaf Development LLC (BLD)
- **Cannex Capital Group Inc.** in connection with its \$48.2 million subscription receipt offering
- Counsel for **various capital pool companies** (TSX-V) in connection with a qualifying transaction and associated financings
- **Emblem Corp.** in connection with its qualifying transaction by way of a three-cornered amalgamation to become a public medical marijuana producer
- **Green Organic Dutchman** in the \$132 million financing and strategic investment of \$55 million by Aurora Cannabis Inc.
- **Harvest One Cannabis Inc.** in its acquisition of United Greeneries Holdings Ltd. from and Satipharm AG 's from MMJ PhytoTech Limited
- **Harvest One Capital Inc.** in connection with a \$25 million private placement
- **Harvest One Capital Inc.** in connection with the ~\$50 million acquisition (inclusive of acquisition cost and retirement of debt) of a licensed medical marijuana producer and a Swiss medical marijuana related health products company
- **High Hampton Holdings Corp.** in its \$19 million non-brokered reverse takeover private placement
- **iAnthus Capital Holdings Inc.** in connection with a \$20 million bought deal private placement of 8% unsecured convertible debentures
- **iAnthus Capital Holdings Inc.** in connection with a \$20 million bought deal short form prospectus and concurrent \$1.5 million non-brokered private placement. The financing was the first bought deal offering to be completed on the Canadian Securities Exchange
- **iAnthus Capital Holdings Inc.** in connection with a \$5.8 million asset acquisition

iAnthus believes that this is the largest investment to date by a single investor in a publicly traded issuer focused on the US cannabis industry.

- **iAnthus Capital Holdings Inc.** in connection with a \$50 million financing (\$40 million debt and US\$10 million equity).
- **Lifestyle Delivery Systems Inc.** in connection with a reverse takeover of Canna Delivery Systems Inc.
- **OrganiGram Holdings Inc.** in connection with a \$10.4 million bought deal short form prospectus financing
- **OrganiGram Holdings Inc.** in connection with a \$23 million bought deal short form prospectus financing
- **OrganiGram Holdings Inc.** in connection with a \$29.3 million reverse take-over transaction financing

Representative Matters

- **OrganiGram Holdings Inc.** in connection with a \$40.3 million bought deal short form prospectus financing
- **Body and Mind Inc.** in connection with its reverse takeover and listing
- **Saber Capital Corp.** in connection with a \$2 million short form offering document in connection with a \$21.6 million brokered and non-brokered offering and \$2 million short form offering
- **Saber Capital Corp.** in connection with a qualifying transaction and concurrent \$21.6 million financing with Emblem Corp.
- **Sante Veritas Therapeutics Inc.** in connection with a non-brokered private placement of shares placed through Canaccord Genuity Corp. and PowerOne Capital Markets Limited with gross proceeds of \$6.6 million
- **THC Meds Inc.** and **THC Medical Systems Ltd.** in a reverse takeover of Thelon Capital Ltd.
- **The Green Organic Dutchman** (TSE:TGOD) in its \$132 million IPO

Regulatory

- Regulatory, labelling, e-commerce, privacy, advertising and distribution matters
- *Access to Cannabis for Medical Purposes Regulations (ACMPR)* licensing process
- Employment and labour matters, including employee drug testing, and designing customized employment agreements and workplace policies in compliance with applicable laws

Intellectual Property

- **Canna Delivery Systems Inc.**, a wholly owned subsidiary of **Lifestyle Delivery Systems Inc.**, in connection with licensing proprietary technology
- Advising on a variety of intellectual property matter, including patents, trademarks, licensing, outsourcing and strategic alliances
- Advising on trademark applications, and lead trade mark oppositions for clients servicing the medical marijuana industry



Notable Speaking Engagements



- **James Munro**, Presenter at the *Canadian Bar Association – 2018 Budding New Law: The Cannabis Potential* – May 2018
- **James Munro**, Panelist at the *Lift Cannabis Expo – Canadian Cannabis in the Global Context* - January 2018
- **James Munro**, Presenter at the *Canadian Securities Exchange Stockpools Cannabis Investment Challenge*, May 2017
- **Desmond Balakrishnan and James Munro**, Presenters at *Continuing Legal Education Advanced Securities – 2017 Update – Acting for Companies in Unusual Industries: A Marijuana Sampler*, April 2017
- **Desmond Balakrishnan and James Munro**, Keynote Speakers at *Canaccord Genuity's Cannabis Investor Day*, January, 2017



Publications

- **May 2018**
HRTO Confirms There is No Absolute Right to Use Medical Marijuana at Work
- **May 2018**
Budding New Law: The Cannabis Potential
- **April 2018**
B.C. Government Unveils Trio of Cannabis Bills for Provincial Cannabis Regulation
- **March 2018**
In Aurora, Securities Regulators Affirm the New Take-over Bid Regime and Signal that Exemptive Relief under the New Regime will Prove to be Difficult and that Tactical Shareholder Rights Plans may be Extinct
- **March 2018**
Medical Marijuana in the Workplace
- **March 2018**
Budget 2018: Cannabis Taxation Plans Move Forward
- **February 2018**
B.C.'s Budding Industry: Provincial Government Announces New Key Policy Decisions on Cannabis
- **December 2017**
B.C. Cannabis Sales Model 'Fully Rooted in the Current Landscape'
- **December 2017**
Legal Cannabis: Five Things You Need to Know About 'Edibles'
- **November 2017**
Cannabis-related Trade-marks: Take Care in Choosing Correctly
- **November 2017**
Protection of Inventions Related to the Marijuana Industry
- **October 2017**
Common Sense Guidance Offers Clarity to Issuers: CSA Confirms Disclosure-Based Rules for Issuers Involved in U.S. Marijuana-Related Activities
- **September 2017**
Ontario Government to Grow LCBO: Recreational Cannabis to be sold at Government Stores
- **August 2017**
Strong Roots in Stormy Weather: Federal Government Affirms Commitment to Legalize Cannabis by July 2018 in Light of Premier Uncertainty
- **July 2017**
Compliant at this Time: Canada's Options Regarding its Treaty Obligations and the Legalization and Regulation of Non-Medical Cannabis
- **May 2017**
Canadian Securities Exchange Stockpools - Cannabis Investment Challenge
- **April 2017**
Prohibition to Go Up in Smoke: Government of Canada Introduces Legislation to Legalize and Regulate Non-Medical Access to Cannabis
- **February 2017**
No Benefits Plan Can Cover the Sun, Moon and the Stars: Should they Cover Medical Marijuana?
- **January 2017**
Cannabis Legalization in Canada: Social, Legal and Political Hurdles
- **December 2016**
Task Force Releases Report on Cannabis Legalization in Canada
- **September 2016**
An Introduction to the New Access to Cannabis for Medical Purposes Regulations (ACMPR)
- **June 2016**
Not all Cannabis is Created Equal: Reimbursement for Medical Marijuana
- **July 2014**
Medical Marijuana in the Workplace: Risks for Employers
- **July 2014**
Medical Marijuana under the MMPR: A new crop of legal considerations

Firm Profile

McMillan is a business law firm serving public, private and not-for-profit clients across key industries in Canada, the United States and internationally. With recognized expertise and acknowledged leadership in major business sectors, we provide solutions-oriented legal advice through our offices in Vancouver, Calgary, Toronto, Ottawa, Montréal and Hong Kong. Our firm values – respect, teamwork, commitment, client service and professional excellence – are at the heart of McMillan’s commitment to serve our clients, our local communities and the legal profession.

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