



Let's Toke Business

The Commerce of Cannabis

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Ted Ohashi MBA, CFA

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Week Ended October 27, 2023

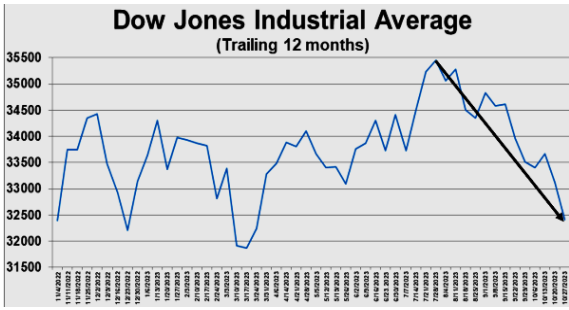
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If you would benefit from additional input on timing your buys and sells, subscribe to the paid version of this called "The Cannabis Report" written by Let's Toke Business author Ted Ohashi and hosted by InvestorsHub in Europe. For a monthly subscription, or a discounted annual subscription click [Subscribe Here](#).

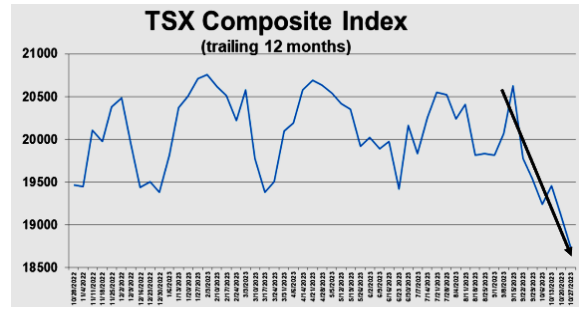
Stock Market Review & Outlook

LTB MARIJUANA INDEX: 1wk -3.3% 1 mo -11.3% 3 mo -17.5% 6 mo -32.0% 1 yr -50.6%

I have said on many occasions, the stock market is very difficult to forecast but market trends tend to persist so the best strategy is to identify and follow these trends. Last week I pointed



out both the Dow and TSX Composite Indexes are in downtrends that I expect to continue. Unlike those who see



the market driven by economic trends, I am more concerned about the conflict between Hamas and Israel. I am not ignoring the terrible loss of life in the area but from an economic point of view, this situation runs the risk of pushing inflation higher and for longer than expected, disrupt international economic growth and it could easily spread into a much wider area. That is why I will continue to follow events in Israel and the neighboring areas until conditions change.

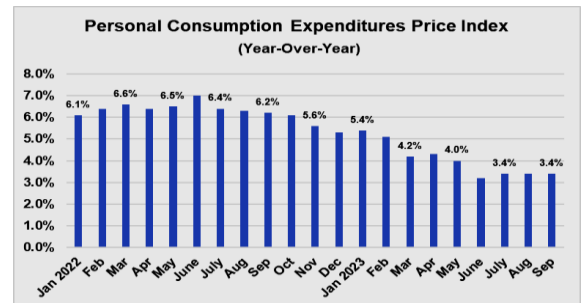
I first ran this table a couple of weeks ago when I was concerned about the outbreak of hostilities in

	13-Oct-23	20-Oct-23	27-Oct-23
Dow Jones	0.9%	-1.6%	-2.4%
S&P 500	1.1%	-2.4%	-2.5%
NASDAQ	1.2%	-3.2%	-2.6%
Toronto	0.8%	-1.6%	-2.0%
Gold	-0.2%	3.2%	1.7%
Silver	-0.6%	3.3%	-0.5%
Bitcoin	-0.8%	4.1%	14.2%

the Israel/Palestine region. As can be seen, the results on October 13th did not seem to be reflecting my concerns about this war so I anticipated a change which came the following week and continued last week with equities down and the hedge assets being accumulated. I expect to see this pattern to continue in the weeks ahead. If peace should break out although I think that is less likely,

then we will see a reversal with equities up and hedge assets down.

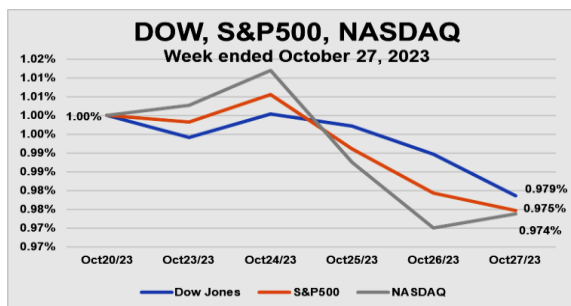
Inflation as measured by the Personal Consumption Expenditures Index (PCE), the favourite inflation measure of the Federal Reserve Board, was reported last week. The Headline PCE inflation rate was 3.4% for September that was flat with August after a revision down from 3.5% to 3.4%. Core PCE inflation, the headline rate less food and energy was 2.4%, down from 3.7% in the second quarter. Of late, the Federal Reserve has been directing attention to PCE services inflation excluding housing which is called supercore services inflation. By this measure, Q3 supercore inflation was 3.5%, slightly higher than Q2. The reason for the Fed's emphasis on supercore inflation is because it has a closer relationship to the inflationary impact of wage



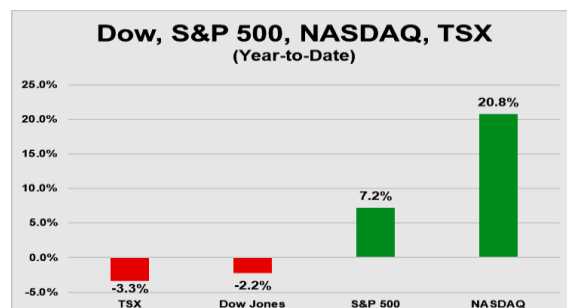
increases. Also a factor the Fed will be looking at is that supercore services inflation was rather benign in July and August but posted an unexpectedly large increase in September. This leaves the door open for the Fed to go tighter or looser depending on its interpretation of this monthly inflation data.

Third quarter U.S. Gross Domestic Product (GDP) was also reported last week and it indicated a very strong economy. For the three months ended September, GDP grew at a +4.9% annualized rate, more than double the advance of +2.1% in the second quarter. This will likely prove to be one of those “good news is bad news” items as it supports the idea that interest rates will have to stay higher for longer.

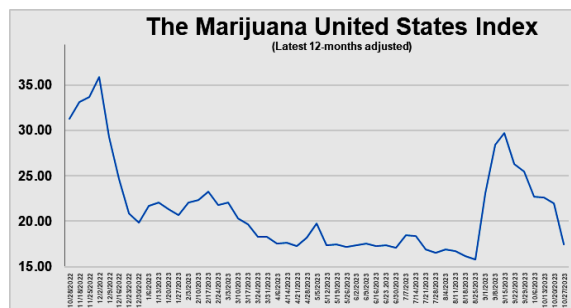
The chart below left summarizes the daily changes in stocks last week. The major U.S. Indexes got off to a reasonable start but traded lower as the week went on and all three indexes finished



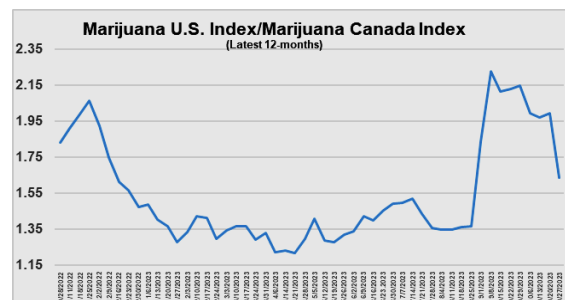
lower. The tech heavy NASDAQ and S&P 500 were down the most with the Dow Jones faring a little better. The chart to the right



shows the TSX Composite and the Dow Jones Industrials have now fallen further into negative territory on a year-to-date basis. Unless you have technology to push your values up, 2023 started as a promising year for equities but is looking weaker as we approach year end.



The crash in the Marijuana United States Index reminds of something I warned about over a year ago. In 2022 with the Democrats in

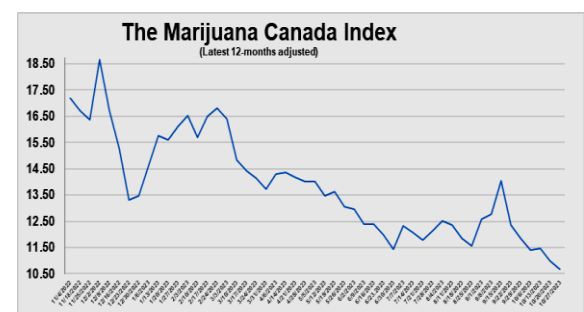


total control of Congress, Senate Majority Leader Charles Schumer (D-NY) with cohort Senators Cory Booker (D-NJ) and Senate Finance Committee Chair Ron Wyden (D-OR) let it be known they were bringing forward a comprehensive legalization bill called the Cannabis Administration and Opportunity Act (CAOA) which they finally did in July 2022. In their attempt to pass their own bill, Schumer blocked the House attempts to pass the SAFE Banking Act on several occasions.

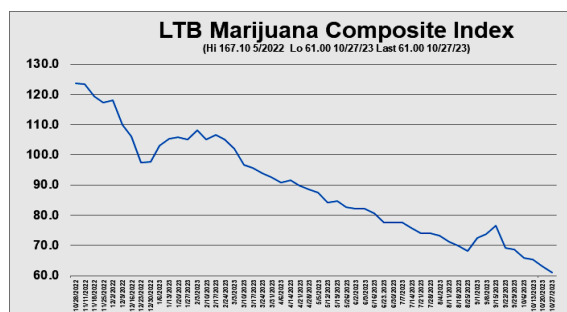
I issued two warnings at the time. First, CAOA had no chance of passing because cannabis legislation had not moved forward in one giant step but in a series of smaller changes. In addition, a

major bill that would fully legalize cannabis that is not introduced until July could not be passed prior to a midterm election in November. Second, I said the Democrats could lose control of the House or the Senate or both in the upcoming midterms and if that happened, passage of pro-cannabis legislation could be lost for a decade. At the time, it seemed to me that the Republicans could wipe out the Democratic majorities in both the House and the Senate and two years later they could lose the White House for as much as two terms. If that happened I suggested that Schumer, Booker and Biden should be recognized as pariahs by the cannabis industry. That's what we're looking at today and that's why the cannabis sector, and mainly the U.S. cannabis sector was down so much last week.

The Canadian cannabis stocks rode the coattails of the U.S. sector but the decline was not as severely. The Marijuana Canada Index declined -3.0% as the LTB Marijuana Composite Index

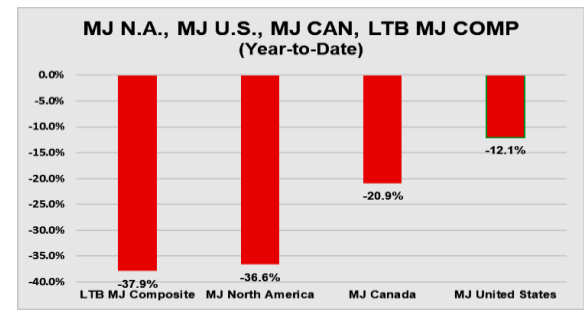


dropped -3.3% lower. The charts to the left and right indicate that the Canadian sector is still clearly extending the downtrend

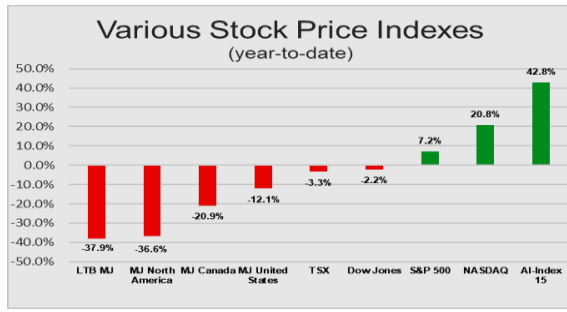


this sector has been in for over five years. In early November, Canopy Growth will have their earnings call which should provide a clearer look at the fundamentals of the Canadian industry. As I have been saying for the past couple of quarters, we seem to be nearing an equilibrium point. Unfortunately, even if we see evidence of a balancing out of supply/demand conditions that is not normally the type of information that can turn back such a long and persistent decline in stock prices.

The chart below left shows the year-to-date (y-t-d) returns for the cannabis indexes and it is worth



noting that all four of the major indexes are back in the red. Similarly, in the chart below right, we can see that the Dow Jones In-



dustrials and the Toronto Stock Exchange Composite have now moved into the red year-to-date. The brief bump up in cannabis stocks from late August to the middle of September proved to be a relief rally. With the presidential election just over a year away, politics will begin to dominate the news cycle even more than they have been. This might be a positive for the markets as most politicians can talk the talk even though they fail miserably at walking the walk. Also, November and December are historically the two strongest months for share prices and that could help as well.

Conclusion: Predictmedix AI (CSE: PMED) (USOTC: PMEDF) (FRA: 3QP) enjoyed a brief rally following a glowing report from management's trip to India. For The Cannabis Report, I did add to the PMED position purchasing at \$0.05 per share. Unfortunately, the trading rules of the model portfolio did not allow me to sell into the intraday rally but I will look for an opportunity to close out my short term trade. **1933 Industries (CSX: TGIF) (USOTC: TGIFF)** provided investors with an update on operations. Management spoke optimistically about the potential relief if SAFER Banking should move forward and as my report this week notes, that has become a moving target. However, this report confirms what I have been saying about TGIF. See my more detailed assessment below. **Lexaria Bioscience (NASDAQ: LEXX)** has been able to gain ground against a weaker market in the past few weeks. Both before and after the relief rally in the cannabis sector, my message has remained consistent. There is an event that I anticipate will produce an explosive bump up in the stock price and that is news on the Investigation New Drug (IND) application that has been delayed. My most recent talks with management were positive on the matter but we have heard nothing concrete yet. If and when we do, I expect a sharp rally in LEXX. **Jushi Holdings (CSX: JUSH)(OTCQX: JUSHF)** rallied strongly when it looked like we were finally going to see some progress on U.S. cannabis legislation and JUSH has corrected just as strongly now that the issue has swung the other way. I will hang in there with JUSH as it is a fine company and an excellent representative of the U.S. cannabis sector. **Organigram Holdings (NASDAQ: OGI) (TSX: OGI)** is my pick for exposure to the Canadian cannabis sector but as a smaller holding in a growth portfolio. We await audited statements from **Khiron Life Sciences (TSXV: KHRN) (OTCQX: KHRNF) (Frankfurt: A2JMZC)** that is in a difficult spot with CEO Alvaro Torres doing everything in his power to help KHRN survive the situation.

Question of the Week

Thank you for sending in your questions and I hope you will keep them coming. It's your questions that keep this feature interesting and useful. Send your questions to: ltbletter@gmail.com Include your initials or a pen name we can use along with your city and country of residence. Questions might be edited for clarity and brevity.

The objective of the 'Question of the Week' feature is to allow readers to ask questions about investing about investing that is on their minds rather than have me guess what you are wondering about.

"I have two questions.

- 1. Why have you chosen not to sell Khiron Life Sciences?*
- 2. What are Predictmedix AI main competitors in the markets it hopes to address?*

DG."

I'll answer the questions in the order you have asked them.

1. With respect to **Khiron Life Sciences (TSXV: KHRN) (USOTCQX KHRNF) (Frankfurt: A2JMZC)**, I believe in what they are doing, I see the benefits they can provide to healthcare of people everywhere and I have confidence in CEO Alvaro Torres' ability to make it happen. I see Torres' total dedication and commitment to KHRN and a person like that deserves our support to get him through this troubling time because if we do and he can pull it off, the financial rewards will be extraordinary. The second factor is KHRN was halted from trading by the Investment Industry Regulatory Organization of Canada (IIROC) on May 8, 2023. IIROC "is the national self-regulatory organization which oversees all investment dealers and trading activity on debt and equity marketplaces in Canada." All brokers regulated by IIROC will not process orders to buy or sell securities that are subject to such a trading halt. I operate the Let's Toke Business newsletter and The Cannabis Report from a Canadian perspective and since KHRN was halted on Canadian exchanges, thus I couldn't make a trade even if I wanted to.

I know KHRNF trades regularly but in low value of trading on the U.S. Over the Counter market. If you are an American reader, you can buy or sell KHRNF. At this point, I would hold on based on the update from CEO Alvaro Torres last week.

2. I am not aware of any direct competitors to **Predictmedix AI (CSX: PMED) (USOTC: PMEDF)(FRA: 3QP)**. The risk with new technology is always the possibility that someone, somewhere is developing a competitive product.

The important advantage that PMED has is access to data. In fact in any specific Artificial Intelligence (AI) application, data is the key because the analysis of data enables AI to yield decisions and the more data you have, the better the AI decisions that will be produced. In addition, an AI decision might be, say, 90% accurate but with more data analysis, the accuracy can improve. With PMED's focus on the Indian and Indonesian markets, they have easier and less costly access to data than if they were operating in North America, for example.

Conclusion: Creating a new healthcare paradigm with a radical and explosive technology is a high risk/reward proposition. But given what PMED AI has produced to date, an excellent business plan and Dr. Rahul Kushwah's ability to bring it to fruition, I think the potential for PMED AI is too good to overlook. As I have explained, to attain success in technology is a challenging task but I see enough elements in this company to believe it will happen.



The Cannabis Report Model Portfolio

The two largest holdings are **1933 Industries (CSX: TGIF)(USOTCQB: TGIF)** and **Predictmedix AI (CSX: PMED)(USOTC: PMEDF)(FRA: 3QP)** while **Lexaria Bioscience (NASDAQ: LEXX)** and **Khiron Life Sciences (TSXV: KHRN) (USOTCQX KHRNF) (Frankfurt: A2JMZC)** remain prominent

holdings. The two smallest positions are **Organigram Holdings (NASDAQ: OGI) (TSX: OGI)** and **Jushi Holdings Inc. (CSX: JUSH) (USOTCQX: JUSHF)**. Cash is around 17%.

Special Report

Israel/Hamas continues to move closer to a global threat

I continue to have concerns about the situation between Israel and Hamas. In worrying about what could transpire as a result, I sometimes feel very lonely as well. But I have enough market experience to know good decisions are often made alone. I think people will begin to realize the folly of the U.S. trying to fund one side in two serious international conflicts using money they don't have and with a borrowing capacity that is waning. I also think funding other people's wars is like building an economy on digging holes and filling them up. It won't work.

This week I will try to put some perspective to recent events. Again, I am trying to be as fair and balanced as possible in my interpretations as our goal is not to contribute to a political resolution to the hostilities between Hamas and Israel but to see if we can measure the impact back to North American economies and markets.

There wasn't much on the news front to suggest a short-term end to the deadliest attack on Israel in its history. To the contrary, Israel Prime Minister Benjamin Netanyahu warned this would be a long war calling last week's ground operations in Gaza that have advanced two miles at one point, "a new stage." With respect to Hamas, Netanyahu said Israel must "abolish this evil," "destroy the military and governmental capabilities of Hamas" and referred to this conflict as "our second war of independence." All of this says longer and not shorter.

Also suggesting there is no short-term end in sight, the USS Bataan, an amphibious assault ship appears to be moving from the Red Sea to Mediterranean Sea. Typically, this is a move made in preparation for helping Americans evacuate a dangerous situation. Americans in Lebanon have been urged to "leave now."

But there are some increasing pressures on Israel to shorten the war.

- (a) Jordan, that has requested the U.S. for a Patriot air defense system to strengthen its borders, proposed a United Nations (UN) emergency meeting to call for a "humanitarian pause" in hostilities which passed with 120 countries for and 14 against with US one of those voting against. Earlier in October, the U.S. vetoed a resolution calling for a humanitarian pause. In any event, the UN will hold an emergency meeting on Monday at which the United Arab Emirates (UAE), the only Arab nation on the UN Security Council, will ask for a humanitarian pause.

(b) UN Secretary-General Antonio Guterres calls for unconditional release of all hostages and a humanitarian ceasefire. Domestically, Netanyahu faces pressure from the families of hostages urging the negotiation of the safe return of the kidnapped Israelis.

(c) Given time, other countries have begun to reveal where their sympathies lie.

- i. Qatar, that has worked themselves into this position, is mediating between Israel and Hamas to de-escalate fighting but with conditions changing almost daily, the negotiations are moving slowly.
- ii. Iran warns war could broaden into the Middle East. Iran is alleged to finance and train Hamas, Hezbollah and other terrorist groups.
- iii. Israel continues to bomb Syria that is a candidate to join the conflict on the side of Hamas.
- iv. Oman has called Israel's siege and bombardment of Gaza, war crimes and crimes against humanity.
- v. Turkey is preparing to proclaim Israel as a war criminal. Israel, that restored full diplomatic relations with Turkey in 2022, recalled its diplomats.
- vi. Egypt has sent some aid trucks into Gaza but very carefully as Egypt and Israel signed a peace treaty in 1980 after the Camp David accords mediated by President Jimmy Carter. They immediately restored full diplomatic relations. Both Egypt and Israel are motivated to maintain this positive forty-three year old relationship.

(d) Several pundits have commented on the "legality" of certain acts of war. This is complicated.

- i. I think the Hamas action of killing civilians attending an open air music concert and the taking of hostages are both contrary to rules of war. The taking of hostages is considered an exceptionally serious war crime and a violation of rules of international law in armed conflict.
- ii. A "complete siege" such as the one Israel has imposed on Gaza is also illegal in almost all cases. John Kerry as U.S. Secretary of State said a "surrender or starve...tactic is directly contrary to the law of war." The matter is complicated because Gaza is considered a "territory occupied by Israel." Also, Israel has consistently warned people in Gaza of impending attacks. These factors might provide Israel a leg up in a court of law but it won't help the innocent civilians who have lost their lives.

Conclusion: The indications are this conflict is going to last longer than many people anticipate. The longer it goes on, the greater the chances of serious problems. At risk are world economic growth and inflation. It might create problems for the United States as well that is now in the position of having to finance one side in two wars. I think the problems between Israel and Hamas are going to get worse before they get better.

Marijuana Matters

The crash in the Marijuana United States Index last week reminded me of something I warned about well over a year ago. In 2022 with the Democrats in total control of Congress, Senate Majority Leader Charles Schumer (D-NY) with cohort Senators Cory Booker (D-NJ) and Senate Finance Committee Chair Ron Wyden (D-OR) let it be known they were bringing forward a comprehensive legalization bill called the Cannabis Administration and Opportunity Act (CAOA) which they finally did in July. In their attempt to pass their own bill, Schumer blocked House attempts to pass the SAFE Banking Act on several occasions.

I issued two warnings at the time. First, CAOAA had no chance of passing because historically, cannabis legislation had not moved forward in one giant step but in a series of smaller steps. In addition, a bill that is not introduced until July could not possibly be passed prior to a midterm election in November. Second, I said the Democrats could lose control of the House or the Senate or both and if that happened, passage of pro-cannabis legislation could be put off for a decade. At the time, it seemed to me that the Republicans could wipe out the Democratic majorities in both the House and the Senate and two years later the Democrats could lose the White House for at least two terms. If that happened I suggested that Schumer, Booker and Biden should be recognized as pariahs by the cannabis industry. A group of three senators who set back cannabis legalization for over ten years.

Although the Democrats did much better in the 2022 midterms than I expected, they did lose control of the House which brings us to last week. After stumbling around, the Republicans elected Mike Johnson as House Speaker. It turns out that Johnson is the least experienced House Speaker in 140 years and a very religious person. Also I don't know if there is a person in the House with a more anti-cannabis voting record having opposed cannabis, medical cannabis and research into cannabis. The National Organization for the Reform of Marijuana Law (NORML) rates politicians and candidates on their support of cannabis where "A" means most supportive of cannabis and "F" means the least supportive. Mike Johnson has an "F" ranking.

As Speaker, Johnson has the power to prevent pro-cannabis legislation for a long time. It wouldn't be the first time. Representative Peter Sessions blocked pro-cannabis legislation from reaching a House vote, even in cases where it was believed legislation had the necessary votes to pass. Johnson only has to delay a vote for less than a year. First, he must pass a spending bill before November 17, 2023 to keep the government open. He has issues to deal with the Russia/Ukraine conflict and the Hamas/Israel war. This will pretty much tie up the House for the rest of this year.

When Congress sits after the Christmas and New Year's break in January 2024, each month becomes more about campaigning and less about business as usual. The next Presidential election is on November 4, 2024. The Republican presidential primary debates have already started and if there are challengers to the Biden/Harris ticket for the Democrats, there may be debates as well although none were expected or planned. The Republican National Convention is scheduled for July 15 – 18, 2024 and the Democratic National Convention will take place from August 19 – 22, 2024.

The SAFER Act could easily fall to the back burner of an anti-cannabis House Speaker so it is perhaps even likely that there will be no vote on SAFER prior to the election.

Given the miserable approval ratings for President Biden (39.8% approval rating according to fivethirtyeight.com) and Vice President Harris (38.8% approval rating according to fivethirtyeight.com). The latest Gallup Poll has Biden's approval at just 37%, down 4% in a month. Without being too political, it is at least possible that the Democrats will lose control of the House, the White House and the Senate next November. This might result in another four years delay of SAFER Banking and possibly four years after that.

That is why the cannabis stocks performed badly last week and if things get really messy from here, we have Schumer, Booker and Wyden and their egos to thank for it.

Cannabis Quickies

Predictmedix AI (CSE: PMED) (USOTC: PMEDF) (FRA: 3QP) management has recently returned from a one month trip to India and reports as follows:

- **Strategic Alliances:** PMED AI initiated multiple partnerships designed to drive business development across diverse verticals, with a strong focus on the healthcare sector. These partnerships are poised to redefine how AI-driven solutions impact the industry and beyond.
- **Government Collaborations:** Building on its commitment to regulatory alignment and government initiatives, PMED AI established vital partnerships with key government organizations to promote innovation and compliance.
- **Enhanced Healthcare Engagement:** During its overseas tenure, PMED AI continued to deepen its engagement within the healthcare sector, demonstrating its ongoing dedication to transforming patient care and diagnosis using state-of-the-art AI technologies.
- **Diversified Opportunities:** PMED AI explored new opportunities in non-healthcare verticals, further expanding its footprint and leveraging its AI expertise to contribute to various industries.
- **Key Talent Acquisition:** PMED AI has recruited key individuals with exceptional skills and experience, strategically enhancing the team to accelerate business development efforts.
- **Certifications for Healthcare:** In response to client requirements, PMED AI is actively pursuing Bureau of Indian Standards (BIS) and Central Drugs Standard Control Organization (CDSCO) certifications to ensure the quality and compliance of its healthcare solutions.

PMED AI is also pleased to confirm the establishment of a corporate address in the San Francisco, California, USA.

Conclusion: This was an important trip for **Predictmedix AI (CSE: PMED) (USOTC: PMEDF) (FRA: 3QP)**. When a company is attempting to break into an international market with a new technology embedded in a regulated product, there will be more “I’s” to be dotted and “T’s” to be crossed. I was expecting a comment on India/Canada diplomatic relations but in fairness to management, the problem started almost to the day management left and a



month later on their return, tensions seem to already be easing. In The Cannabis Report that I run for Investor’s Hub, I purchased additional shares to average down at \$0.05 per share.

1933 Industries (CSX: TGIF)(USOTCQB: TGIFF) provides a corporate update regarding the retrofit of its cultivation facility, upcoming tax relief events and the proposed amendments to its 10% Senior Unsecured Convertible Debentures Due December 31, 2023.

Construction and Retrofit Update

TGIF is pleased to announce that the upgrades and improvements undertaken over the last several months to its cultivation facility in Las Vegas have been completed. A large scale retrofit of the irrigation system was undertaken for the long-term success of the facility and the capital investment has already demonstrated significant improvements in flower production and yields. The Company also added an additional bloom room with 65 lights, thus increasing the total number of lights in the facility's 17 bloom rooms to 806. The Company anticipates that these enhancements will increase the Company's ability to offer consistent flower quality and value.

TGIF anticipates that its fourth quarter financial report will demonstrate revenue growth as a result of these improvements, with both the cultivation and production business units contributing to this strong performance. TGIF’s AMA brand continues to rank as one of the top selling brands in Nevada according to both BDSA and Headset cannabis market sales data.

Proposed Amendments to Debentures and Meeting Date

TGIF will hold an Extraordinary Meeting of the Holders of 10% Senior Unsecured Convertible Debentures due December 31, 2023, to seek approval for the following proposed amendments:

To consider, and if thought fit, an extraordinary resolution, to:

(i) approve the settlement of the Debentures upon maturity and the principal debt owed thereunder, excluding any interest in arrears, through the issuance of a unit (each a "Unit") to the Debentureholders, each Unit being issued at a deemed price of \$0.02 per Unit, comprising one common shares and one share purchase warrant exercisable into one additional common share of the Company at a price of \$0.05 (the lowest price allowable under Canadian Securities Exchange rules) for a period of five

years from the date of issuance, subject to certain acceleration provisions, with 50,000 Units being issued for each \$1,000 in principal value Debentures held; or

(ii) approve the settlement of the Debentures upon maturity and the principal debt owed thereunder, excluding any interest in arrears, through the issuance of a new 10% unsecured convertible debenture (the "New Debenture") with a two year maturity, convertible into units at a price of \$0.05 per unit, each unit comprising one common share of the Company and one share purchase warrant exercisable into one additional common share of the Company at a price of \$0.05 for a period of five years from the date of issuance of the New Debenture, subject to certain acceleration provisions as more particularly defined in the indenture governing warrants issuable upon conversion of the New Debenture.

Options (i) and (ii) above collectively referred to herein as the "Debenture Settlement Options" and (ii) authorize the Board of Directors of the Company, in its sole discretion, to determine which of (i) or (ii) will be in the best interest of the Company and proceed with either (i) or (ii) above.

The details of the Extraordinary Meeting are as follows:

Place: Virtual Meeting Only

Time: 9:00 a.m. PST

Date: November 14, 2023

Notice of the Extraordinary Meeting and Information Circular were mailed to Debentureholders as of the record date.

THE BOARD UNANIMOUSLY RECOMMENDS THAT THE DEBENTUREHOLDERS VOTE IN FAVOUR OF THE DEBENTURE SETTLEMENT OPTIONS.

Impact of Rescheduling Cannabis as Schedule III and Amendment of State Tax

The Department of Health and Human Services (HHS) recently recommended to the Drug Enforcement Administration (DEA) that marijuana be rescheduled from a Schedule I to Schedule III substance, as defined by the Controlled Substances Act. If implemented, the rescheduling would have a significant impact on cannabis companies as it would eliminate 280E taxation. This tax prohibits cannabis operators from deducting business expenses from gross income, leading to higher taxes than ordinary businesses are required to pay. The recommendation is encouraging to companies operating in the sector and TGIF will continue to follow any developments closely, with the expectation that tax relief will have a positive benefit on the industry.

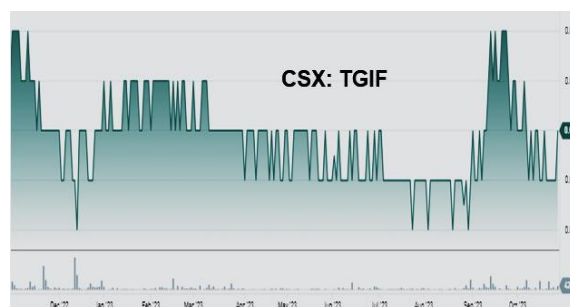
As of January 1st, 2024, TGIF will gain relief as a change to the Nevada Wholesale Marijuana Tax (WMT) comes into effect, amending how companies are taxed under the fair market value

calculation. The WMT will apply to non-vertically integrated sales. Under existing law, the Department of Taxation determines the fair market value of wholesale cannabis and establishes a per pound rate, irrespective of the actual price of the product sold to dispensaries. The change means that a 15% tax will be calculated based on the actual sales price, resulting in significant cost savings for cultivators.

"We are pleased that the Nevada Department of Taxation has taken meaningful steps towards relieving some of the tax burden that operators like 1933 Industries face. We are also encouraged by the ongoing discussion of rescheduling cannabis to Schedule III", said Mr. Paul Rosen, 1933 Industries' CEO and Chairman of the Board. "Tax relief for the cannabis industry is a necessary step towards leveling the playing field and discouraging the illicit market from continuing to operate." Mr. Rosen added, "We continue to focus on efficient practices to operate a lean and sustainable company and streamline our business units to significantly improve operational efficiencies and reduce corporate overhead."

TGIF announces the issuance of 1,000,000 stock options pursuant to the Company's stock option plan. The options are exercisable for a period of five years at a price of \$0.05 per share.

Conclusion: I refer to **1933 Industries (CSX: TGIF)(USOTCQB: TGIFF)** as a U.S. single state operator and this is confirmed by this update. TGIF may choose to remain a single state operator although this does make as much sense as finding another small cap counterpart company that is in one or more other states or to sell to a large cap multistate operator that is not represented strongly in Nevada. In any event, at \$0.02 per share, I think it is a great buy for aggressive growth investors.



Applications Watch

Health Canada issued three new licenses last week for an adjusted total number of licenses of 976. Last week, new licenses were issued to CANNIM CANADA of Ontario for cultivation, Isabelle Doney's of Quebec for micro-cultivation and Yougo Genetics of Quebec for micro-cultivation. Over 40 public companies are LPs or own an interest in one or more LPs. For a complete list of LPs and related information, Ctrl-Click [\(here\)](#)

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