Let's Toke Business

The Commerce of Cannabis   **www.letstoke.biz**   **Ted Ohashi MBA, CFA**
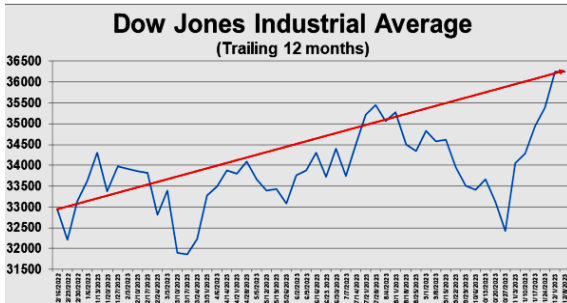
Week Ended December 8, 2023

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.

Looking at the calendar and the holiday period, we will not publish a letter for the week ended December 22, 2023 unless there is a report that justifies publication. That means the last report for 2023 will be for the week ended December 15, 2023 (next week) and the next letter will be for the period ended December 29, 2023 due to be published on January 2, 2024.

Stock Market Review & Outlook

LTB MARIJUANA INDEX: 1wk -2.1% 1 mo -5.4% 3 mo -18.3% 6 mo -27.8% 1 yr -46.08.4%
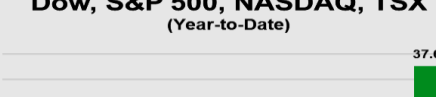
As if repeating a pattern that investors are getting accustomed to, the markets started the week on a quiet note but ended strongly with the indexes gaining ground on Thursday and Friday.

Overall, it was a quiet week with mixed results. Although the S&P 500 advanced for a sixth consecutive week, the Dow Jones Industrials were virtually unchanged and the Toronto Stock Exchange Composite met resistence at the upper end of its current trading range and backtracked over all.

The speculation last week was that the Federal Reserve would pivot from rate increases in 2023 to rate reductions in 2024. As a result, the final Federal Open Market Committee (FOMC) meeting of the year next Tuesday and Wednesday will have pro traders sitting on the edge of their seats. If Fed Chair Jerome Powell eases off his recent hawkish chatter, we could see a move higher for equities that seems priced into the markets. If Powell continues to use moral suasion to talk about higher interest rates and a slower economy, we might see the markets back down. My personal view is this is all too simple and there will be bumps in the road, probably on the inflation front. However, as regular readers know I ride the moment the market demonstrates and right now that is for higher equity valuations.

Last Friday, the jobs numbers were published and showed a stronger than expected increase of 199,000 nonfarm payroll increase and an unemployment rate that dipped to 3.7% from 3.9%. Although the Fed will have plenty of positive inflation numbers to look at, I suspect this jobs report will be too strong for their liking. In this respect, not much has changed. The Fed has been balancing improved inflation numbers agains a stronger than expected labor market all year.

We shouldn't forget that at this time last year, nearly six out of ten economists were expecting a recession in 2023 and most of the rest were expecting a slowdown. Of course a recession clearly did not happen and as we sit here today, it can be argued that the economy hasn't slowed down much, if at all. At this point, I would say there is a shift in opinion to a soft landing or even a no landing for the economy in 2024. The mood has also shifted from the Fed's next move being to raise interest rates to lowering interest rates. This should pave the way for a continued uptrend in prices.

As the chart below left shows, stocks started the week lower but turned up Thursday and Friday. The gains were relatively small but the tech heavier NSDAQ and S&P 500 led the way. On a year to

date basis, the NASDAQ looks certain to post an excellent year with the S&P 500 providing a very good return as well. With the Arti-

ficial Intelligence (AI) stocks leading the way, a valuation gap has opened up. This is setting up a 2024 when the AI stocks will continue to lead the way, in my opinion, but the 493 non-AI stocks will stick closer to the leaders.

The U.S. marijuana sector posted another strong week with a gain of +7.7%. A clear trend in the U.S. is the tobacco and alcoholic beverage stocks losing momentum and the cannabis operators trying

to grab market share. Alcohol still leads the way with nearly half of Americans regular users and around one-third reporting in as to-

tal abstainers. Half of Americans say they have tried marijuana but fewer than 20% are regular users. It cannot be a surprise that tobacco smoking has fallen out of favour primarily for health reasons. At its peak in the mid-1950s, 45% of Americans smoked. If you watch movies or recorded live entertainment, it is surprising at how many people smoked. That number bas dropped to nearly 10% today. In fact, some surveys suggest more Americans now use marijuana than smoke cigarettes.

Also pointing in the same direction are public perceptions of the negative impact of all three. Recent polls show that some 97% of Americans believe smoking tobacco is bad for you health including 83% who say it is "very harmful." For at least ten years, over 90% of Americans say smoking causes cancer. Not only that over 90% of American smokers say they wish they had never started and some 70% wish they could quit.

Views on alcohol are also negative. Some 70% of Americans say it has a negative impact on users while 75% say the overall impact on society is negative.

Marijuana has a much better profile. Half of Americans believe marijuana has a positive effect on users and overall they are split 50-50 on whether is has a positive or negative impact on users.

These recent trends that show marijuana use growing and tobacco use declining suggests very strongly that the trend that sees tobacco companies acquiring marijuana operators will likely continue.

The Canadian cannabis stocks lost ground last week as the Marijuana Canada Index declined -1.5% while the Let's Toke Business Marijuana Composite lost -2.1%. Canada had been discussing
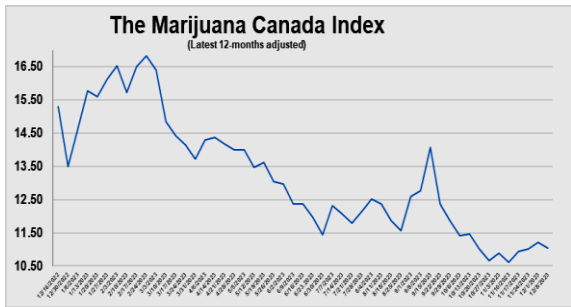

and planning legalization for ten years and has been a totally cannabis legal jurisdiction for the past five years. As a result, the
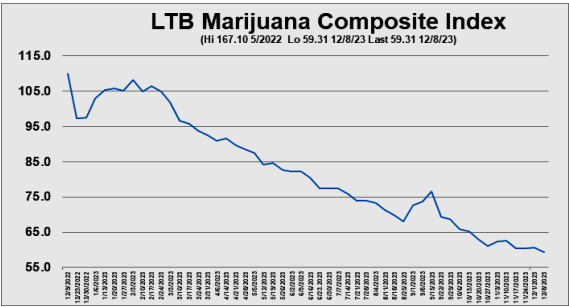

Canadian industry got off to a roaring start building grow-ops but for the past 2 – 3 years has suffered from oversupply and the sale and write-down of the value of over capacity. As a result, in Canada there has been contraction of production and sale of excess inventory. This is wonderful for users as prices are comparatively low.

The chart below left shows the year-to-date (y-t-d) returns for the cannabis indexes. Since Labor Day, the U.S. sector is the only one in positive territory while the others remain deeply in the red. Just to
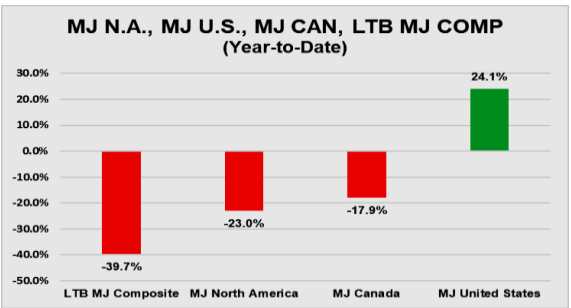
show how quickly conditions can change, the U.S. cannabis index just passed the S&P 500 on a year-to-date return basis. Also,
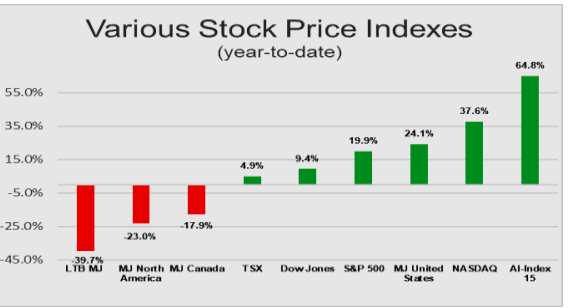
the AI stocks continue to lead the way by a wide margin and have had an impact on the NASDAQ and S&P 500 indexes turning in above average performance. Short of something totally unexpected at this time, the final results for 2024 are likely to finish in the same general ordering.

Conclusion: Lexaria Bioscience (NASDAQ: LEXX) remains a top pick. Last week, Chief Executive Officer Chris Bunka issued a press release saying they now expect their Investigational New Drug application to be filed within approximately 45 days. As readers know, this is the event I have been waiting for and with LEXX correcting after a sizeable run up in price, I would definitely buy the dip. **Predictmedix AI (CSE: PMED) (USOTC: PMEDF) (FRA: 3QP)** has seen some selling pressure that I believe is a combination of lack of news and tax loss selling. We are in a market in which investors

don't run stock prices up even though good news is coming. I would accumulate PMED over the next couple of weeks taking advantage of those selling to crystallize losses for tax purposes. This will enable you to get your positions established before news is announced because we have seen stocks jump on positive news recently. In my opinion. PMED remains a strong buy. **1933 Industries (CSX: TGIF) (USOTC: TGIFF)** reported record annual revenue for the year ended July 31, 2023. The results were well received by the market as TGIF shares closed higher every day following the report. I continue to favour TGIF at current levels for long term, aggressive growth investors. **Jushi Holdings (CSX: JUSH)(OTCQX: JUSHF)** and **Organigram Holdings (NASDAQ: OGI) (TSX: OGI)** remain my picks for the U.S. and Canadian markets. With the holidays coming up, I will make a point to reach out to Alvaro Torres, Chief Executive Officer of **Khiron Life Sciences (TSXV: KHRN) (OTCQX: KHRNF) (Frankfurt: A2JMZC)** for an update.

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.

"When you sold your Lexaria Bioscience warrants, the ones issued with the January 2021 offering, I couldn't get the same exchange rate as you did. So I decided to wait. Last week there was a jump up in the warrants so I could sell around two warrants and buy one share of stock. For most of the time, I would have had to sell three or four warrants to buy one share of stock. Is this a good time to sell my warrants and buy the stock?

W.F., Florida, U.S.A.

As I usually do on questions like this, I will start with a brief outline of what warrants are to make sure we are starting on the same page.

A warrant is a financial security also called a derivative that gives the holder the right but not the obligation to buy a security – usually a stock – at a certain price before a fixed expiry date. Here is a brief description of some of the variables relating to warrants:

1. A warrant is typically issued by a company and not a third party such as an investor. This is one of the main differences between a warrant and a call option. Warrants are typically issued by a company and call options are written by investors. As a result, warrants are dilutive and call options are not.
2. The stock that the warrant gives you the right to buy is called the underlying security. For example, if the warrant is issued by ABC Company to buy common shares of ABC Company, the shares of ABC Company are the underlying security.

3. The price at which the warrant gives the holder the right to buy the underlying security is called the exercise or strike price. For example, if the warrant confers the right to buy shares of ABC Company at $10.00 per share, then $10.00 is the exercise or strike price.
4. Warrants typically have an expiration or expiry date after which the warrant has no value. If the expiry date is June 1, 2028, then after June 1, 2028 the warrants no longer exist and have no value. The time between today and the expiry date is the term of the warrant. The term is important because there is a big difference between a term of two years and two days.
5. If the underlying security is priced higher than the exercise price, the warrant is said to have intrinsic value. For example, if the warrant exercise price of ABC Company is $10.00 per share and the market price of ABC Company is $11.00 the warrant has an intrinsic value of ($11-$10=) $1.00 per warrant.
6. Warrants with an exercise price above the market price of the underlying security have no intrinsic value. Intrinsic value cannot be below zero.
7. Warrants often trade above their intrinsic value. For example, in the case above the warrants of ABC Company have an intrinsic value of $1.00 but might trade on the market for $1.20 per warrant. The ($1.25 - $1.00 =) $0.25 per warrant and is called the premium.
8. A warrant is normally used by a company that is raising money to make its offering more attractive. In this case it is often referred to as a sweetener, that is, it is issued with a stock in a unit to make the offering more attractive to prospective investors.
9. Investors frequently purchase warrants for the leveraged return potential relative to the underlying security. For example, if the warrants of ABC Company are trading at their intrinsic value of $1.00 per warrant when ABC Company's shares are $11.00 there is significant leverage potential for investors. For example, if the price of an ABC Company shares goes from $11.00 to $12.00, the shareholder's gain is ($12.00/$11.00 =) +9.1%. On the other hand, the warrant intrinsic value rises from $1.00 to $2.00 for a return of ($2.00/$1.00 =) 100%.
10. Leverage is a sword that cuts in both directions. If ABC Company's shares are $11.00 and drop to $10.00 the shareholder loss is ($1.00/$10.00 =) -10.0%. In this case the warrant holder's intrinsic value drops from $1.00 to zero for a loss of -100%. In a rising market, warrants can be wonderful but just the opposite is true in a falling market.
11. Options and warrants are normally valued using the Black-Scholes Model. The mathematics are beyond the scope of this letter but you can find Black-Scholes calculators on the Internet.
12. American and European warrants are different in that American warrants can be sold at any time before the warrant expires whereas a European warrant usually can only be sold on expiry day.

Now let's look at the specific Lexaria warrant you are asking about. All prices are in U.S. dollars:

1. Underlying security: (NASDAQ: LEXX)
2. Market price of underlying security: $1.35
3. Warrant: (NASDAQ: LEXXW)
4. Market price of the warrant: $0.54
5. Terms of LEXXW:
   i.   Exercise price: $6.58

ii.   Expiry date: January 12, 2026

iii.   Term: 2.1 years

6. Intrinsic value of warrant: ($1.35 - $6.58 =) 0.

7. The warrant premium is ((($0.54+$6.58)-$1.35)=) $5.77 or over 400%.

The table to the right summarizes how I look at LEXXW compared to LEXX. It shows several things:

Current LEXX Price (A)	Assumed LEXX Stock Price (B)	Intrinsic Value (C)	Return on Stock (D)	Return on Warrant (E)
$ 1.35	$ 1.00	$ -	-26%	-100%
	$ 2.00	$ -	48%	-100%
Current	$ 3.00	$ -	122%	-100%
LEXXW	$ 4.00	$ -	196%	-100%
Price	$ 5.00	$ -	270%	-100%
$ 0.54	$ 6.00	$ -	344%	-100%
	$ 7.00	$ -	419%	-100%
Strike	$ 8.00	$ 0.88	493%	63%
Price	$ 9.00	$ 1.88	567%	248%
$ 6.58	$ 10.00	$ 2.88	641%	433%
	$ 11.00	$ 3.88	715%	619%
Strike +	$ 12.00	$ 4.88	789%	804%
Warrant	$ 13.00	$ 5.88	863%	989%
Price	$ 14.00	$ 6.88	937%	1174%
$ 7.12	$ 15.00	$ 7.88	1011%	1359%

1. Column (A) shows the key variables such as the recent price of LEXX and LEXXW. One important number is the $7.12 which is where LEXX must go for an investor in warrants at $0.54 must realize to breakeven.

2. Column (B) shows assumed prices for LEXX from $1.00 to $15.00 per share.

3. Column (C) shows a buyer of LEXXW at $0.54 does not have intrinsic value until the LEXX rises above $7.12 per share.

4. Column (D) shows the return to a shareholder are very positive under these assumptions to as high as a 10X return based on intrinsic value.

5. Column (E) shows, on the other hand, that if LEXX does not get to $7.12 per share, a warrant holder will lose all their money. At about $12.00 per share, shareholders and warrant holders are about even and if LEXX goes higher, the warrant holder pulls ahead.

6. I have left out a couple of variables. For example, I do not show the warrants trading at a premium which may be a little unrealistic. On the other hand, I doubt adding a premium to the LEXXW price will not make a material change to the message although it probably increases the warrant holder return somewhat at higher prices. I have also not adjusted for the term of the warrant that now expires in 2.1 years or around 767 days. In other words, LEXX has to head above $7.12 per share in two years for the warrant holder to realize any return. So time is becoming an issue of concern for warrant holders.

Conclusion: To my way of thinking, everything I've covered above says LEXXW is overpriced relative to LEXX. Not only that time is running out. Two years will pass in a heartbeat. However, LEXX is one

of those stocks that has the potential to produce high enough returns that will allow warrant holders to outperform shareholders. Given the

progress that has been made in hypertension, CBD and nicotine and the potential for diabetes/obesity announced recently, I can see circumstances in which LEXX could trade well above the $15 per share I used to illustrate the return potential.

From my perspective, the 2.1 years between today and expiry of LEXXW is becoming an issue. So although I have said that LEXX could be a 10X candidate that would make LEXXW the higher returning security, I prefer the risk/reward ratio offered by the shares. I guess I'm saying **"Buy Lexaria stock and be thrilled if you realize a 10X return in two years."**

The Cannabis Report Model Portfolio

The two largest holdings are **Lexaria Bioscience (NASDAQ: LEXX)** and **1933 Industries (CSX: TGIF)(USOTCQB: TGIFF)** while **Predictmedix AI (CSX: PMED)(USOTC: PMEDF)(FRA: 3QP)** 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

Predictmedix AI reports its AI driven technology can identify mental health issues

Predictmedix AI (CSX: PMED)(USOTC: PMEDF)(FRA: 3QP) reports it has successfully applied its Artificial Intelligence driven technology to produce ground-breaking achievements in the realm of mental health detection and analysis. With a commitment to advancing healthcare through innovative AI solutions, PMED AI has successfully developed functionalities to detect depression, anxiety, and analyze individual mood and emotions. As PMED reports, "Statistics from Forbes Health[1] reveal a staggering reality: an estimated 5% of adults worldwide grapple with depression, a figure potentially overshadowed by underreporting and undiagnosed cases, suggesting an even more pervasive mental health crisis. These alarming statistics underscore the critical need for proactive measures to address mental health challenges. In response, Predictmedix AI's cutting-edge technologies aim to revolutionize mental health care.

The focus on early detection and nuanced analysis stands as a beacon of hope in the face of this escalating global mental health landscape. By harnessing the power of AI, Predictmedix AI aspires not just to identify but to intervene early, potentially reshaping outcomes and offering support to those silently battling mental health issues."

Some of the key accomplishments reported by PMED AI were:
• **Depression and Anxiety Detection:** development of an advanced functionality to detect signs of depression and anxiety through its state-of-the-art AI algorithms. This remarkable capability addresses the critical need for early identification and intervention in mental health.
• **Mood and Emotion Analysis:** PMED AI has successfully implemented functionalities to detect and analyze individual moods and emotions. Their technology offers a comprehensive understanding of an individual's mental well-being, going beyond traditional diagnostics.

- **Significant Scan Milestone:** PMED AI announces the completion of over 250,000 individual scans. This milestone underscores the effectiveness and reliability of the AI-powered Safe Entry Station technology. Machine learning accuracy continues to improve across healthcare and other industries, positioning PMED AI as a leader in the evolving landscape of health and safety applications.

Dr. Rahul Kushwah, Chief Operating Officer went on to say, "Our achievements in developing advanced functionalities for depression and anxiety detection, coupled with mood and emotion analysis, mark a significant step forward in leveraging AI for mental health. The culmination of over 250,000 individual scans is a testament to the real-world impact of our technology. This milestone isn't merely a numerical achievement; it echoes the lives touched and the potential for early interventions that can reshape the course of mental health outcomes. As machine learning accuracy continues to improve, we are dedicated to advancing innovation in health and safety applications for the benefit of individuals and communities."

Conclusion: Year end is one of those times that a company like **Predictmedix AI (CSX: PMED) (USOTC: PMEDF) (FRA: 3QP)** can report news with the potential to totally revamp and improve the delivery of mental health treatments and outcomes and have their stock decline in price. The reason is simple. I think PMED is being impacted by tax loss selling motivated entirely by the need to crystalize a capital loss for income tax purposes. But this market action creates an opportunity for those investors on the buy side of these tax loss sales. That's where you should position yourself to profit by a strong rebound when 2023 tax loss selling ends.
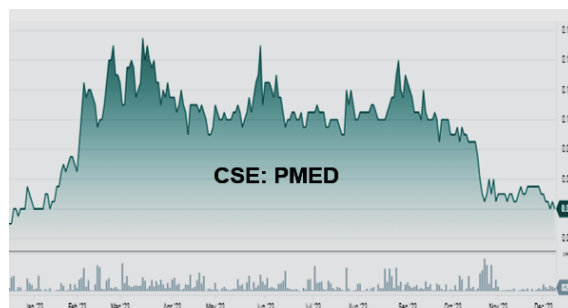
Marijuana Matters

A report by flowhub.com titled "Cannabis Industry Statistics 2023 provided data that provides a snapshot of the U.S. cannabis industry today. Their major findings were:

➢ Young adult Americans are more likely to try cannabis than cigarettes. According to a Gallup poll, since 2018, the percentage of young adults smoking cannabis has risen by 5% while the percentage smoking tobacco has declined to historical lows.

➢ According to a YouGov poll, the percentage of U.S. adults that have tried marijuana is 52%, the highest measure to date. Among cannabis users, 43% used it in the past year and 72% used it in the past month.

➢ According to the same YouGov poll, adults between 45 and 64 years old were most likely to say they have used marijuana (63%) followed by liberals (60%), Americans living in the Western U.S. (56%) and white Americans (56%).

- 60% of cannabis consumers consider THC potency the most important factor when buying cannabis followed by 58% who say it is price. This represents a change from 2022 when branding and strain were the most important factors.
- Nearly $3 billion in retail cannabis taxes were collected in 2022.
  1. The three states that collected the most tax are California ($774 million), Washington ($517 million) and Illinois ($466 million).
  2. The twelve states that collected taxes for a full year in 2022, $3 billion in excise taxes (federal) were collected.
  3. California, Colorado, Nevada, Oregon and Washington saw a decline in 2022 taxes collected.
- Adult-use cannabis is legal in 21 states. (Note: this is updated below.)
- Pew Research found 88% of American adults want to legalize cannabis.
  1. 59% say they support medical and recreational use.
  2. 10% say cannabis should not be legal at all.
- Marijuana Business Daily found that the time between when it legalizes medical marijuana and adult-use marijuana is approved to when adult-use is approved.
  1. California took 7,308 days (approximately 20 years)
  2. Massachusetts took 1,463 days (approximately 4 years)
- According to Gallup there are four groups whose support is 10 points below average:
  1. Those who attend church weekly (46%)
  2. Conservatives (49%)
  3. Republicans (51%)
  4. Older adults (53%)
- Younger, liberal Americans tend to be above average supporters of cannabis legalization. This suggests the trend toward more pro-cannabis views will continue.
- BDSA Retail Sales Tracking found that average retail cannabis prices have 20% between Q3 2021 and Q3 2022. This was the largest one year decline on record.
  1. But 39% of participants said they purchased less expensive marijuana in 2022 but 73% reported spending more per transaction in 2023.
  2. Apex Trading reports the most price compression in the mature states. For example, the price of one pound of marijuana declined 50% in Colorado over two years and prices in Oregon dropped 36% at the same time.
  3. Part of the decline was caused by measuring off the surprisingly strong demand for cannabis during the COVID lock down.
- A CivicScience survey found that 21% of people doing a Dry January, that is, abstaining from alcohol in January, used cannabis and CBD as a replacement.
- According to Headset, in 2022 cannabis sales growth occurred in pre-rolls (+12%), edibles and beverages (+10%) and vapes (+5%). Sales declines were recorded in tinctures (-24%), topicals (-8%), flower (-8%) and capsules (-4%). This pattern is seen as consistent with sales shifting from medical-use to adult-use cannabis.

- Whitney Economics estimates that total U.S. cannabis supply, both legal and illegal, will exceed 48.8 million pounds in 2022. There is still more illegal cannabis in the total but that is expected to reverse in the U.S. by 2026.
- Medical cannabis is legal in 37 states. (Note: this is updated below.)
- Gallup found that 14% of all U.S. adults use CBD (medical marijuana). Only 51% of older Americans over 65 years old, are familiar with CBD but 74% of younger people aged18 – 29 are familiar with CBD. The main uses for CBD are:
  1. Pain (40%)
  2. Anxiety (20%)
  3. A SingleCare survey found that 49% of CBD users take CBD for stress and anxiety.
  4. Sleep/Insomnia (11%)
  5. Arthritis (8%)
  6. Migraines/Headaches (5%)
- The flowhub.com study reported 21 states have legalized as well as D.C. and Guam. As of December 2023, 24 states, D.C. and three U.S. territories have legalized and another seven states have decriminalized marijuana.
- New Frontier identified six states most likely to legalize by 2030: Florida, New Hampshire, Ohio, Oklahoma and South Dakota. Since then, Ohio legalized just a few days ago.
- As states legalize, there is an immediate shortage leading to over production and finally equilibrium. I note the same pattern has followed in Canada since legalization in 2018. Canada is just approaching the equilibrium stage now.
- Annual sales of marijuana and marijuana products is expected to reach $100 billion by 2030. New Frontier Data estimates the compound annual growth rate (CAGR) of the legal cannabis industry will be 11% between 2020 and 2030. This would value to the industry at $57 billion in 2030. Wall Street estimates the value of the industry at $100 million by 2030.
- In the capital markets side of the equation:
  1. Mergers and acquisitions activity declined 62% in the U.S. in 2022 according to Viridian Capital.
  2. There was also a 39% decline in the number of transactions.
  3. Investment in cannabis branding dropped sharply in 2022.
- Vangst's State of the Cannabis Economy found that
  1. 52.4% of cannabis business leaders consider regulations and compliance the top challenge.
  2. 50.3% name inflation
  3. 49.7% pointed to federal prohibition
  4. Other factors mentioned included: the domestic economy, competition, lack of skilled workers and U.S. politics.
- The outlook was mixed with 65% of cannabis executives expecting sales to increase over the next six months with 73% saying economic conditions were worse than a year ago.
- According to Weedmaps:
  1. 57% of cannabis consumers say everyone should have access to cannabis opportunities.
  2. 46% want to frequently visit women-owned cannabis businesses.

3. 44% want to support minority-owned cannabis businesses.
4. 37% say want to buy from LGBTQ+ owned businesses.
➢ At the same time, diversity is on the decline:
1. Non-white ownership declined to 15.4% from 20.7% in 2021.
2. Women (26.9% in 2017 to 23.1% in 2022) and minorities (16.8% in 2017 to 12.1% in 2022) in leadership positions has been flat to lower.
3. But it is not all bad news.
    i.   38% of cannabis technology executives are people of color.
    ii.   32% of cultivation executives are people of color.
    iii. 42% of cannabis non-profit executives are women
    iv.   57% of cannabis media companies are women.
➢ The MCBA National Cannabis Equity Report found that:
1. Medical and/or adult-use cannabis is legal in 37 states, on 15 have social equity programs.
2. 13 of the 21 adult-use states and 2 of the 18 medical only states have social equity programs.
➢ Leafly's jobs report found:
1. As of January 2022, 428,059 full-time jobs are supported by the legal cannabis industry.
2. Cannabis jobs rose by 33% in 2022, the fifth year that job growth was higher than 27%.
➢ Vangst Founder and CEO, Karson Humiston provided some insight on the difference between cannabis business optimism and broader economic uncertainty:
1. Cannabis had its own recession in 2019. The best companies cut costs and are thriving. The worst companies died.
2. Federal regulations has made access to capital difficult for the cannabis industry making it an industry that is better prepared should a recession hit.
3. A recession is just a reminder to the cannabis industry that it cannot rely on endless rounds of financing to keep the doors open.
4. The cannabis industry has helpful tailwinds: new states opening up, more consumers entering the market, and legislation has positive momentum.

Applications Watch

Health Canada issued two new licenses last week for an adjusted total number of licenses of 996. Last week, new licenses were issued to 2470252 Alberta of Alberta for cultivation and processing and MED-MAR GROWTH LTD of British Columbia for cultivation, processing and sale. 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 (her

(For a free copy of this newsletter or to have your name removed or to contact us with feedback, industry and corporate news, email ted@letstoke.biz)