



CLIENT NOTIFICATION – MARIJUANA RELATED BUSINESSES

The purpose of this notice is to ensure that our clients are better informed about the risks specific to investing in marijuana related businesses (“MRB’s”), including the political risks associated with the legalization and non-legalization in the United States.

Several US states have legalized the cultivation, distribution and use of marijuana for medical or recreational use in their state. Marijuana remains, however, a Schedule 1 prohibited drug under US federal law. In other words, marijuana is illegal in the United States as a matter of federal law.

US federal policy has been, and to our knowledge remains, not to enforce federal law in states that have legalized marijuana use and commercial activity, provided the use or activity complies with state law. There is, however, no guarantee that US federal policy will not change. As such, we are unable to assess the possible risk for clients who invest in the securities of issuers who are, or have interests in, MRB’s which may be affected by a change in current US (federal) marijuana laws or policy.

Also of some note, is recent reportage of US border and immigration authorities questioning Canadians entering the US about their investments or activities in MRB’s, and in some cases refusing entry and imposing bans on their future entry when disclosure was made about their investments or activity. Haywood is not aware of the particulars of these publicly reported events, which appear to be isolated. However, there does appear to be a higher level of scrutiny being applied by US Border Patrol.

Clients who have investments (or activities) in MRB’s and plan to visit the US are cautioned to seek (legal) advice as Haywood is unable to advise on matters of US immigration law and policy.