

**For Immediate Release
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Canadian securities regulators outline disclosure expectations and certain risks for issuers with U.S. marijuana-related activities

Toronto – The Canadian Securities Administrators (CSA) today published CSA Staff Notice 51-352 *Issuers with U.S. Marijuana-Related Activities*, which among other things, outlines CSA staff’s specific disclosure expectations for issuers that have, or are in the process of developing, marijuana-related activities in the U.S.

Issuers with marijuana-related activities in the U.S. assume certain risks due to conflicting state and federal laws. While some states have authorized the use and sale of marijuana, it remains illegal under federal law. The federal law relating to marijuana could be enforced at any time, and this would put issuers with U.S. marijuana-related activities at risk of being prosecuted and having their assets seized.

“We expect issuers with marijuana-related activities in the U.S. to address the current legal and regulatory environment in their disclosures, including any risks that result from changes in the approach to enforcement of U.S. federal law,” said Louis Morisset, CSA Chair and President and CEO of the Autorité des marchés financiers.

The CSA’s disclosure expectations apply to all issuers with U.S. marijuana-related activities, including those with direct and indirect involvement in the cultivation and distribution of marijuana, as well as issuers that provide goods and services to third parties involved in the U.S. marijuana industry. Issuers are expected to provide these disclosures in prospectus filings and other required documents, such as their Annual Information Form and Management’s Discussion and Analysis.

CSA Notice 51-352, as well as a media backgrounder, can be found on CSA members’ websites.

The CSA, the council of securities regulators of Canada’s provinces and territories, coordinates and harmonizes regulation for the Canadian capital markets.

- 30 -

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