



# ACE NEWS

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## Cannabis Industry Makes Major Inroads on Stock Exchanges



This year, the New York Stock Exchange (NYSE) and Nasdaq stock market had their first true cannabis companies make their trading debut. The Cronos Group listed on Nasdaq in February and Canopy Growth Corp. became the NYSE's first marijuana listing in May.

Canadian-based medical cannabis company Tilray, Inc. was the first cannabis company to hold an Initial Public Offering (IPO) on the NASDAQ in July. Although not the first company to list on NASDAQ, it was the first to raise capital through the exchange.

The Cronos Group has a dual listing on Nasdaq and the TSX

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# California Bans CBD Oil Derived From Hemp

On July 6, California regulators issued a memo banning CBD oil derived from hemp.

The California Department of Health issued the announcement to distance the Manufactured Cannabis Safety Branch from hemp, which it considers a “food product.”



This decision is confusing for many. California allows the manufacture and sale of cannabis, but hemp falls under the Department of Food and Agriculture.

The department claims that industrial hemp is not recognized as safe for food consumption at the federal level, and will not be allowed to be sold for human and pet consumption.

Hemp-derived CBD oil is currently on the shelves of nearly every cannabis distributor and retail stores in California. It is unclear how the decision will be enforced in the state.

One county in central California, San Luis Obispo, voted against the decision. The county is home to a quarter of a million people. Other counties are expected to follow suit.



## A Message from the CEO

If you're reading this, you're probably already well aware that the cannabis market is expected to continue to grow exponentially over the coming years. Global estimates for 2024 are projected at higher than \$60 billion and North America is expected to hold over \$45 billion of that number.

That's an awful lot of money.

With great wealth comes great responsibility, and no one understands that more than our team at Amercanex.

An open market can only function smoothly with transparency, security and efficiency. That's why we created the ACExchange Marketplace. We believe it will help streamline the production, sales and tracking of cannabis products, keeping consumers safer and the industry more secure. As cannabis joins the world stage, we're excited to watch these estimates come true.

Sincerely,

Steve Janjic, CEO

# Cannabis Companies and Stock Exchanges (cont.)

Venture Exchange. It closed a \$100 million deal public offering in April that gave the company the capacity to build overseas growing plants in Germany, Israel and Australia. Cronos is based in Canada, which is legalizing recreational cannabis this fall.

Canopy Growth became the world's largest publicly traded cannabis company this year with its debut on the stock market. The company just acquired Hiku Brands Limited, a portfolio of internationally recognized cannabis brands including Tokyo Smoke, DOJA and Van der Pop. The deal was estimated to be worth more than \$300 million. Amercanex Board Member Lorne Gertner also serves on the board of Hiku.

Additional cannabis companies listed on the NYSE and Nasdaq include Aurora Cannabis, Terra Tech Corporation, AbbieVie, Cara Therapeutics and the General Cannabis Corporation.

Although cannabis is not legal at the federal level in the United States, the Canadian-based companies are allowed to list on the stock exchanges because they

don't violate rules in which they operate. Since they're legal in Canada, they can be legally listed on an American exchange.

"The opportunities for investment in the stock market are enormous," says Steve Janjic, Amercanex CEO. "Everyone realizes that cannabis is the next frontier for growth and opportunity. So they're pouring money and resources into the stock market."



Cannabis companies are also being listed on the Toronto Stock Exchange and TSX Venture Exchange, two of Canada's

major stock markets. A number of American companies are listing on Canadian exchanges.

"There's a flow between American and Canadian investors in the cannabis market," says Dennis Garces, Amercanex President of International Markets. "Successful companies realize they need to participate in both markets."

As Canada prepares to legalize in October of 2018, stocks are expected to only continue to climb.

"Amercanex looks forward to exploring our participation in similar lucrative liquidity strategies in the coming future," says Janjic.

# Legislative Update: A Tipping Point for the United States?

*The Washington Post* recently published an article called “Has the US Reached a ‘Tipping Point’ in Marijuana Legalization?”, which stated that Oklahoma’s adoption of medical marijuana represents a cultural shift for Americans. When the ballot initiative passed, Oklahoma became the 30th state to legalize medical cannabis, making it a majority instead of a minority consensus.

Public perception of cannabis has been increasing. A 2017 Gallup poll found that 64% of Americans support legalization, the

highest number in more than five decades. The Post article

also discussed how the narrative on marijuana has changed from “stoner” stereotypes to articles about the effectiveness of cannabinoids for certain medical conditions.

Whether Oklahoma is the tipping point or not, there’s no denying that public opinion and legalization efforts are only continuing to increase each year.



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