



HIGHLIGHTS

- · Growing conditions for legal cannabis are strictly monitored and regulated by Health Canada.
- Legal cannabis undergoes strict and rigorous testing.
- The exact contents in legal cannabis are verified and published for each product sold and can be tracked and recalled if necessary.
- Preventative measures have been put in place to keep cannabis away from children and pets.

Four Reasons Why Legal Cannabis Costs More

1. Health Canada Enforces Stringent Growing Regulations for Licensed Producers

The growing conditions for legal cannabis are strictly monitored and regulated by Health Canada as set out in the federal *Cannabis Act*. These regulations mean regular inspections of production facilities, growing conditions and product storage.

Health Canada regularly makes unannounced visits to Licensed Producers to ensure they follow these strict regulations. Inspectors examine the facilities and may collect samples of cannabis products, soil, fertilizer and carrier oils to ensure compliant growing practices. Health Canada publishes the results of these inspections on a quarterly basis, you can read them <u>here</u>.

WHY IT MATTERS: Because the illegal market is not regulated, the full extent of its growing practices and conditions are unknown. When you buy legal cannabis, you know exactly where it was grown and that growing conditions meet federal standards.



2. Legal Cannabis is Subject to Strict and Rigorous Testing

All finished cannabis products undergo strict and rigorous testing for harmful substances by federally licensed third-party laboratories. Legal cannabis is tested for 97 unapproved pesticides and harmful contaminants such as: E.coli, Salmonella, Staphylococcus, Yeast, Arsenic, Lead, Mercury and much more. You can view the full list <u>here</u>.

Before cannabis can be approved for sale, each product requires a COA (Certificate of Analysis) and a SOA (Statement of Attestation) outlining the product's lot number with acceptable sample test results that have been checked and verified by a Heath Canada approved and designated laboratory.

WHY IT MATTERS: The illegal market does not have certifications or measures in place to demonstrate what is – or most importantly, what is not – in the product you purchase. Buying legal means all products are traceable by batch or lot if there are ever any concerns or issues.

3. The Exact Contents in Legal Cannabis are Published and Verified for Each Product Sold.

Strict regulations and testing mean that each product label clearly indicates the exact levels of the cannabinoids THC and CBD (as both a percentage and as a total percentage), weight, strain, package date and more — so you know exactly what you're consuming.

WHY IT MATTERS: When purchasing cannabis from the illegal market, product information, if presented, such as the THC or CBD potency potential, strain and the terpene profile, is not verified. Without the strict standards that are in place in the legal marketplace, the illegal market can label any product in a way to induce you to buy it without any basis or accountability.

4. Child-Proof Packaging Helps Keep Cannabis Away from Children and Pets.

Multiple measures are in place to keep cannabis out of the hands of youth and to inform the public on the health risks associated with consuming cannabis. Child-proof, tamper-evident packaging ensures that your product can be safely stored away from children, pets and others who could inadvertently be at risk. All legal cannabis containers are clearly labeled with health warning labels highlighting the risks of cannabis consumption. Standardized cannabis warning symbols are also found on any product containing THC, a psychoactive component found in some cannabis products. Photo identification is required at the point of sale or delivery to ensure products are only being sold or delivered to an adult.

WHY IT MATTERS: The illegal market does not protect children and youth from the dangers that are associated with cannabis use. Protecting the health safety of young people is a top priority for the legal market.

Given both the high volume and value of initial deliveries, OCS Wholesale has prioritized security to provide you with comfort that your investments will safely reach store shelves.

/ RESOURCES / Government of Canada: https://laws-lois.justice.gc.ca/eng/acts/C-24.5/FullText.html

Alcohol & Gaming Commission Of Ontario (AGCO): https://www.agco.ca/content/registrars-standards-cannabis-retail-stores Government of Ontario: https://www.ontario.ca/laws/statute/18c12 https://www.ontario.ca/laws/regulation/180468