

Tsi Nahò:ten Karihwanákere Nó:nen'k

PRESS RELEASE

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MCK announces new developments regarding Cannabis file

For immediate release

(Kahnawake – 30, Onerahtókha/April 2021) The Mohawk Council of Kahnawà:ke wishes to inform the community that the Council of Chiefs have approved two items in regard to the Cannabis file, as per the *Kahnawà:ke Cannabis Control Law* ("the Law"). The items were approved at the duly-convened Council Meeting this past Monday, April 26, 2021.

The first item was in relation to **cultivation of cannabis for personal medical purposes**. In order to protect the health & safety of the community while respecting individual rights, the MCK has mandated the Kahnawà:ke Cannabis Control Board (KCCB) to draft additional oversight and information-sharing into the *Regulation Concerning Access to Cannabis for Medical Purposes*. The Council of Chiefs agreed that the option of Health Canada registration with KCCB oversight best meets the needs of the community.

"We are doing everything to ensure the spirit and intent of the Law is respected even as it pertains to cultivation for personal medical purposes, stated letsénhaienhs Tonya Perron, who is the Lead on the Cannabis file..

"The Law applies to all activities related to cultivation, including cultivation for personal medical purposes," she added. "The regulations being developed for the Law are essential for its operation and success. It is very important that those persons who are cultivating for their own medical needs are doing so safely and that any potential risks or harms, to themselves or others, are mitigated or completely eliminated. Furthermore, the regulations will aim to ensure that medically cultivated cannabis is not diverted into the illicit market."

The second item approved was in relation to the revision of the **Mandatory Community Contributions** section of the *Regulation concerning Prices, Royalties* and *Contributions*. The Council of Chiefs approved the request to revise the regulation to permit the MCK discretion to forego ownership or equity interest in a non-exempt license holder.

Notwithstanding section 16.4 of the Law (*please note section 16.4 detailed below*), the Council of Chiefs would review the matter of the ownership or equity interest on a case-by-case basis.

"Regarding the 'permission to forego the ownership or equity interest' decision, a number of issues which were unforeseen in the initial drafting of the Law and the regulations has resulted in the decision of the Council of Chiefs to revisit this matter," said letsénhaienhs Perron.

Additionally, it was recommended that all 'non-exempt' license holders, regardless of license category or corporate structure, be required to pay mandatory community contributions annually, beginning with a rate of 0.5% of gross revenue in Year 1 and increasing by an additional 0.5% annually through to Year 5 (for a total of 2.5%)

"It was made very clear to us by Kahnawa'kehrò:non that anyone holding any commercial Cannabis license must be required to pay a mandatory community contribution to assist in the administration of the industry as well as providing a financial benefit to the community," letsénhaienhs Perron concluded. "The Council of Chiefs is satisfied that these contribution rates are both reasonable and beneficial to the community as a whole."

letsénhaienhs Perron is available to answer any questions that may arise from prospective license applicants or community members regarding the Law or the Regulations.

Section 16.4 Kahnawà:ke Cannabis Control Law: Notwithstanding any other provision of this Law or the regulations, a Standard Cultivation License and Standard Processing License will only be issued to an entity in which Council, or an entity created by Council on behalf of the Community of Kahnawà:ke, has an ownership interest to ensure community-wide benefit. (Note: section 16.4 of the Law is a mechanism to limit the large cultivation and processing facilities to community-owned facilities given the potential size and drain on resources)