



PipeDreemz Inc.
Canada's Cannabis Consultants

Your Guide to
Success

IN THE CANNABIS INDUSTRY!

Together... we grow.



PipeDreemz Inc.

We are Canada's Cannabis Consultants!

Comprehensive Cannabis Act consulting
from an experienced team of experts.

We know how to get results.

At PipeDreemz Inc., it is the goal of our team of experienced and knowledgeable experts to assist you through the process of acquiring a licence under the Cannabis Act from your initial application to site selection, facility design, construction, and operational requirements. Our team can also address any issues that are delaying your current application to significantly accelerate the process.

PipeDreemz Inc. holds the greatest number of completed applications that have been accepted by Health Canada. Our list of clients includes Freedom Cannabis, Aurora Cannabis Enterprises Inc., DOJA Cannabis Ltd., RockGarden Medicinals Inc., PureSinse Inc., H2 Biopharma Inc., DelShen Therapeutics, The Green Organic Dutchman, and many more. Our large client base provides us with insight into current and upcoming changes to regulatory requirements allowing for a proactive approach in managing issues or concerns regarding your application or facility. Our expertise within the industry allows for a multifaceted approach in providing recommendations through all phases of the licensing process, such as overseeing any changes or modifications necessary to comply with the Cannabis Act and its Regulations, while maximizing production and reducing cost.

The path leading to obtaining a licence under the Cannabis Act begins with the dedicated team of experts at PipeDreemz Inc.

Standard Cultivation Licence

A standard cultivation licence allows you to possess and obtain dried or fresh cannabis, cannabis plants or cannabis seeds by propagating, cultivating, and harvesting. For the purpose of testing, you may alter the chemical or physical properties of the cannabis by any means.

This licence allows you to:

- Sell and distribute dried cannabis, fresh cannabis, cannabis plants or seeds to other licence holders (cultivators, processors, analytical testers, researchers, licenced cannabis users). You can sell and distribute cannabis plants or seeds to a licensed nursery. However, dried cannabis or fresh cannabis cannot be sold to the holder of a nursery licence.
- Sell and distribute cannabis products that are plants or seeds to a licence holder that is authorized to sell cannabis for medical purposes or to a person authorized to sell cannabis under a provincial or territorial Act.
- Send and deliver cannabis products that are plants or seeds to the purchaser at the request of a licence holder that is authorized to sell cannabis for medical purposes, or to a person authorized to sell cannabis under a provincial or territorial Act.
- To conduct ancillary activities such as drying, trimming, milling, etc.



A licensed standard cultivator has the ability to:

1. Expand to the size of the land you have and the supplemental energy requirements.
2. Provide a diversified environment for a number of skilled job seekers including individuals in agriculture.
3. Be able to tie into other licence classes on the same site, giving the holder flexibility in the competitive market¹.
4. Bring in cannabis plants and cannabis plant seeds into the operation that have not been attained under the former or upcoming regulations.
5. Supply a wide variety of cannabis products to the medical and recreational market.²

¹ Note: Health Canada places constraints on the types of licence classes that can be applied for on a single site.

² Note: Requires the standard cultivator to have a sales licence in order to sell and distribute accordingly.

Micro-Cultivation Licence

A micro-cultivation licence allows for the capability to perform all authorized activities specified by the licence, under the same regimen as a standard cultivator. Micro-cultivators can be seen as mini standard cultivators. Although, a micro-cultivation licence comes with a single constraint:

Micro-cultivation has a threshold under which harvestable classes of cannabis may be produced, specifically $\leq 200 \text{ m}^2$ ($\leq 2,152 \text{ ft}^2$) of canopy, including any surface area which consists of multiple surfaces (i.e., racking).

This constraint limits the potential for growth and flexibility within the industry.

A licensed micro-cultivator has the ability to:

1. Create a small family business.
2. Build a facility on a small plot of land.
3. Be operable with a decreased utility load.
4. Get small players into the market who wish to become a part of the market.
5. Benefit from decreased security requirements.
6. Bring cannabis plants and cannabis plant seeds into the operation that have not been attained under the former or upcoming regulations.
7. Be able to tie into other licence classes on the same site, giving the holder flexibility, among other cultivators of this class in the competitive market.¹

¹ Note: Health Canada places constraints on the types of licence classes that can be applied for on a single site.





Nursery Licence

A nursery licence is directed towards applicants who want to grow cannabis for the purpose of providing other licence holders (such as cultivators, processors, analytical testers, researchers, cannabis drug licence holders) with cannabis plants and seeds.

Holders of this licence class allows for most of the authorized activities a standard cultivator performs, although there are three operational constraints with regards to obtaining cannabis plant seeds.

A nursery has weight, destruction and surface area constraints within this licence subclass. The holder that cultivates cannabis for the purpose of obtaining cannabis plant seeds have a total surface area of $\leq 50 \text{ m}^2$ (538 ft^2) where all flowering cannabis plants are contained (including surface areas consisting of multiple surfaces), do not possess more than 5 kg of harvested flowering heads (with the exception of the cannabis plant seeds) and to destroy the remnants of the plants within 30 days from harvest.

A licensed nursery has the ability to:

1. Produce high-quality starting materials for the industry.
2. Benefit from decreased security requirements.
3. Be able to tie into some other licence classes on the same site, giving the holder flexibility, among other cultivators of this class, in the competitive market¹.
4. Allow for the flexibility to increase the size of the facility within constraints.
5. Opportunity to produce novel genetics.
6. Allows applicants who wish to become a part of the market on a small scale.

¹ Note: Health Canada places constraints on the types of licence classes that can be applied for on a single site.

Standard Processing Licence

A standard processing licence is directed toward applicants who want to manufacture and sell cannabis products. This licence class gives the holder the authorized ability to possess cannabis, produce cannabis via synthesis and other means (excluding cultivation, propagation and harvesting of cannabis), to sell cannabis, and offer to produce cannabis via synthesis and other aforementioned means.

The standard processor has the capability to sell and distribute cannabis and cannabis products to an assortment of intra-industrial authorized licence holders. Cannabis and post-processed cannabis are directed to other processors, researchers, testers, other regulatory bodies and other authorized individuals. Fresh and dried cannabis, cannabis plant seeds and cannabis plants are sold and distributed to cultivators (except a holder of a nursery licence is subjected to cannabis plants and cannabis plant seeds).

A licensed standard processor has the ability to:

1. Create employment opportunities to job seekers with a scientific background.
2. Tie into other licence classes on the same site, giving the holder flexibility in the competitive market¹.
3. Create market influence and reputation for the upcoming amendments to the Cannabis Regulations for edibles.
4. Produce and supply a wide variety of cannabis products to the medical and recreational market.²

¹ *Note:* Health Canada places constraints on the types of licence classes that can be applied for on a single site.

² *Note:* Requires the standard cultivator to have a sales licence in order to sell and distribute accordingly.



Micro-Processing Licence

A micro-processing licence is directed to interested applicants who wish to manufacture cannabis products within a certain production limit. A micro-processor is similar to a standard processor, being a micro-sized standard processing operation. A Micro-processing licence allows you to possess, transport, research, develop, store and destruct, as well as allows for the intra-industry sale of products to other federal licence holders, as well as provincially- and territorially-authorized sellers.

These holders have the capability to perform all authorized activities of a standard processor.

Although, cannabis is obtained via synthesis and production limits associated with this licence class exist.

A micro-processor has a certain threshold limit that constrains the holder to no more than 600 kg of dried cannabis or equivalent within a given calendar year. This limit applies to the cannabis that has been sold or distributed to them. This limit does not apply to a micro-processor who also holds a licence for micro-cultivation in relation to the same site, although the cannabis sold to the micro-processor attains cannabis exclusively from that site.

A licensed micro-processor has the ability to:

1. Create opportunities for individuals seeking scientific knowledge and applying that knowledge on a small scale.
2. Create a small family business.
3. Build a facility on a small plot of land.
4. Be operable with a decreased utility load.
5. Get small players into the market who wish to become a part of the market.
6. Be able to tie into other licence classes on the same site, giving the holder flexibility, among other processors of this class, in the competitive market¹.
7. Benefit from decreased security requirements.

¹ Note: Health Canada places constraints on the types of licence classes that can be applied for on a single site.





Analytical Testing Licence

An analytical testing licence allows the holder the authorization to possess cannabis, obtain cannabis via chemical or physical alteration and offer to alter cannabis.

In order to produce cannabis for medical or recreational use, extensive chemical and microbiological analyses are needed to comply with good production practices and testing is required to substantiate its concentration and strength.

Constraints applied to this licence class are solely attributed to the destruction of samples, within 90 days after completion of testing and 120 days if testing has not been performed.

A licensed analytical tester has the ability to:

1. Test for a wide variety of extraneous materials unfit for human consumption.
2. Alert the provider of the cannabis products of non compliance with pharmacopoeia standards.
3. Be able to tie into all other licence classes on the same site, giving the holder flexibility among other testers of this class in the competitive market¹.
4. Test for cannabinoid content.
5. Directed at job seekers with a higher level of scientific background.

¹ *Note: Health Canada places constraints on the types of licence classes that can be applied for on a single site.*



Research & Development Licence

A research and development licence permits you to possess, produce, transport, send, or deliver cannabis between sites, for the purposes of research, that are authorized by the licence.

You are permitted to sell cannabis plants or seeds to a cultivator, another researcher, cannabis drug licence holders, the Minister, or an exemption holder.

In general, research licence holders will be required to destroy all cannabis in their possession upon the completion of their research project as part of the terms and conditions of their licence.

They may be authorized to conduct limited sale and distribution activities such as the sale of cannabis plants and seeds to another researcher or a cultivation licence holder.

A Research & Development Licence permits:

1. Performing in vitro and in vivo studies.
2. Working with plant genetics to hybridize or genetically modify cultivars that can assist with certain types of illnesses.
3. Determining phytocannabinoid pathways and how interactions occur with different types of illnesses.
4. Developing novel cultivars.
5. Getting into the market of synthetic cannabinoids.
6. Operating with health care practitioners and perform clinical trials².
7. Being able to tie into all other licence classes on the same site, giving the holder flexibility, among other testers of this class, in the competitive market¹.
8. Directing towards higher level scientific individuals, including health care, pharmacy, biochemistry individuals and more.

¹ Note: Health Canada places constraints on the types of licence classes that can be applied for on a single site.

² Note: Applicant or holder must first obtain a 'no objection letter' from Health Canada.



Sales for Medical Purposes Licence

A sales licence for medical purposes is directed towards distributors of cannabis and cannabis products solely for medical purposes while having the flexibility to be integrated into all other licence classes.

You can sell or distribute cannabis products:

- To a client and/or a licence holder (with the exception of a cultivator).
- That are dried, fresh, plants or cannabis seeds to a micro-cultivator or a standard cultivator.
- That are plants or plant seeds to a licenced nursery.
- Other than plants or seeds to a hospital employee under certain criteria.
- To registered clients authorized to use cannabis for medical purposes.



The sale of cannabis for medical purposes has strict measures regarding cannabis products and their packaging.

Extraction Labs

Carbon Dioxide (CO₂) extracts are made by passing liquid or supercritical CO₂ through cannabis tissues at high pressure, then reducing the pressure to separate the extract from the CO₂. It has also become one of the most popular new ways to extract pure, high-CBD cannabis oil from the cannabis plant. Both subcritical and supercritical methods have become beloved by the medical and recreational cannabis industries—and the people who buy from them.

CO₂ extraction can be fine-tuned to get the best possible finished product. Depending on the specific temperature, pressure, and duration of each extraction run, the resulting

extract can vary in colour, viscosity, and content of cannabinoids, terpenes, waxes, and lipids. The extract can then be further processed depending on its consistency and the intended form of the end-product.

As a safe alternative to many hydrocarbon solvents, and boasting exceptional opportunities for tuneability, CO₂ has become one of the most widely used supercritical solvents in the industry.

For more information on CO₂ extraction, and how it works, visit: <https://vitaliset.com/co2-science/>



*Information provided by Vitalis.

Standard Operating Procedures (SOPs)

We can supply you with recommended procedural guidelines (SOPs) for processes within a facility:

Oil Production

Oil production is directed at processors or other facilities within the same site that are authorized to process under their licence. The production of dried and fresh cannabis allows the holder to manufacture a higher-value product. Oil extraction is a post-processing step that turns cannabis into an oil.

Procedures for attaining oil start from preparation of the cannabis and equipment prior to extraction, selection of cannabis and milling size of cannabis, determining the number of processing runs (i.e., subcritical and supercritical), further physical and chemical alterations (i.e., winterization and distillation) procedures to the finished product ready to be packaged.

Quality Assurance and Quality Control

The quality assurance and quality control (QA/QC) procedures required for compliance under federal regulations. For all licence classes, QA/QC procedures are critical to achieve a high level of quality with any cannabis and cannabis products.

These procedures conform to good manufacturing and production practices to establish compliance under federal regulations. Standardized documents associated with different licence classes allows for the holder to follow the requirements set forth by Health Canada.

Security

To a varying degree, all licence holders require security specifications that correspond to the proposed activities set forth in their licence. Security applies to all personnel responsible for, or concerned with, the protection of staff and resources from conditions which could result in personal injury or death, property loss or destruction, or disruption of the company's operations.

The security procedures contain a comprehensive overview of the facility's security program, and in some sections, refers to other relevant plans and procedures.

Cannabis Production

Cannabis production procedural documents ensure compliance with good manufacturing and production practices. Production procedures outline the manner in which the plants are grown at each stage of the cycle, with attention to compliance under the Cannabis Act.

All required processes are referenced, as well as any data collection tasks that are required by the Cannabis Act.

Record Keeping

Traceability and Health Canada go hand-in-hand as record keeping is required for all licence classes. To be able to accurately track all personnel and operations with cannabis, a software system that complies with the Cannabis Act and its Regulations is required.

These record keeping procedures include screenshots, integrated SOPs and forms on how the software creates a lawful representation of Cannabis Act and its Regulations.

Sanitation

With no exception, all licence classes require stringent sanitation protocols that become more demanding as the level of complexity of the processes and activities occurring within the facility increase. Due to the nature of the exclusive growing process, it is vital that all equipment used in relation to all activities, especially those in relation to cannabis, be sanitized accordingly.

It is the goal within all facilities to produce a product of unparalleled quality within the marketplace. To maintain this standard, sanitation procedures provide guidelines for establishing a system that combats bacterial, fungal, viral, and chemical contamination, ensuring a high-quality product.

Our Partners



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Complete Cannabis software solution. Comprehensive business platform designed for the cannabis industry.

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CSB Security

Consulting services in the Canadian Cannabis sector: site suitability assessments, compliant security system designs, CTLS application documents (security related), security installation tender documents, installation project management, pre-attestation site visits and video hosted attestations (evidence gathering).

www.csbsecurity.ca



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We know how to get results.

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Information in this booklet is subject to change.

Together... we grow.