

Indigenous Community Commits to Recreational Cannabis

by Mark Glenning

The Fort McMurray #468 First Nation has announced that it will produce and sell legalized cannabis, joining other Indigenous communities across Canada.

July 2019 should see the band build a growing facility on reserve land 40 km south of Fort McMurray, initially with a 24,000 sq ft capacity. However, it has ambitions that lay way beyond this, with plans to expand the operation's footprint by more than ten times. The Cree and Chipewyan government has reserves of approximately 31 sq km located near Fort McMurray, and is governed by Chief Ron Kreutzer and two councilors.

The facility will be called Sweet Grass, and it's hoped that when fully operational, it could produce thousands of kilograms of marijuana every year.

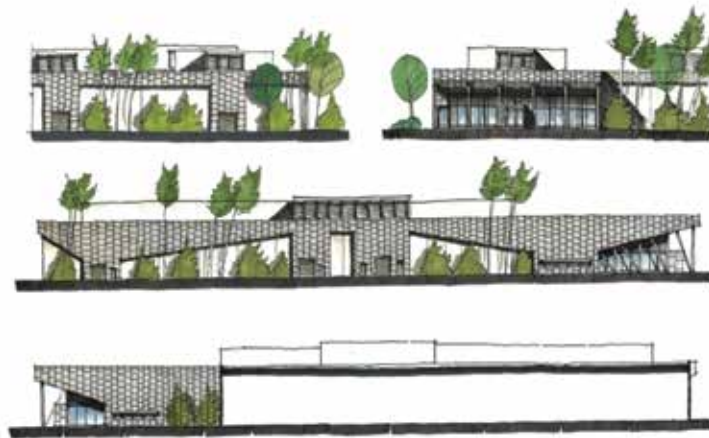
Looking Beyond Non-Renewables

Speaking to CBC news, Brad Callihoo, the CEO of the Fort McMurray #468 First Nation, related how the band wanted to move its business interests beyond the development of oil and gas. He said, "When the oil prices dropped, the Fort McMurray First Nation's business arm really suffered."

"Chief and council really focused on economic diversification and cannabis was definitely an area that we looked at along with a few others."

He added that the band had actually been considering the economic opportunities offered through becoming a federal and provincially-licensed supplier for the last five years, as it had studied industry trends and anticipated that legalization of recreational cannabis was a real possibility.

The announcement highlights a unique opportunity for that has been presented to Indigenous communities across Canada. The recreational cannabis industry is new, which makes for a more level playing field; many licensed producers and retailers are getting in at the ground floor instead of fighting to catch up with more established businesses. Licensed medical marijuana grower Indigenous Roots has focused on providing prescription cannabis to First Nations communities, but a recent partnership with Cronos—the first Canadian producer to



Courtesy of RavenQuest Biomed

trade on the Nasdaq—is an indicator of how serious Indigenous businesses are about the recreational industry as a whole.

Christina River Enterprises, the business arm of the #468 First Nation, is set to construct and operate the new growing facility. First, it plans to raise \$150 million in startup capital, but further down the line, it hopes to open up retail stores both on and off reserve land.

Industry Experts to Team Up

RavenQuest Biomed, a company that specializes in providing management services, technology solutions and ongoing support to clients designing and building cannabis production facilities, is partnering with the band. It will provide expertise in the engineering, architectural and geotechnical aspects of Sweet Grass as well as consultation on government relations.

George Robinson, CEO of RavenQuest, says, "We intend to emerge as the trusted provider of choice for Indigenous Peoples' Cannabis industry partnerships across Canada. This mutually beneficial agreement represents an important first step in this direction. We are extremely excited to enter into this unique partnership with Fort McMurray #468 First Nation."

Mathieu McDonald, who leads corporate communications for the company, reveals the potential scale of Sweet Grass reporting, "This facility will produce 2,600 kilograms of cannabis per year. That translates to approximately \$13 million per year in revenue."

This could be just the beginning for Indigenous peoples across Canada. Taking into account the United Nations Declaration on the Rights of Indigenous Peoples and the Truth and Reconciliation Commission of Canada, RavenQuest believes that the government will be motivated to pave the way for Indigenous communities to own as much as 20% of the overall Canadian cannabis market.

Opportunities Abound

Citing an analysis carried out by brokerage firm Canaccord Genuity, McDonald adds, "The medical and recreational sector together will generate annual revenues in Canada of \$7.8 billion by 2021. That's the size of the market just in sales of cannabis alone, not counting ancillary products such as vaporizers."

"As a company, RavenQuest has put a lot of work and passion into our relationships with Indigenous communities as we communicate with the federal government and develop investments in this burgeoning industry. This is a real opportunity for these communities to share in what we believe will be a huge industry in Canada."

The significance of the licensed recreational cannabis sector was underlined by Chief Ron Kreutzer, who explains, "Given the positive and sustainable economic development this partnership means for our community, we recognize the importance of being early movers as the cannabis industry continues its rapid expansion." ■