

MANITOBA LIQUOR AND LOTTERIES CORPORATION

CANNABIS RETAILER APPLICATION TOOLKIT

GENERAL INFORMATION AND LICENCE INFORMATION

Manitoba Liquor & Lotteries (MBLL) is the exclusive wholesaler of non-medical Cannabis in Manitoba and sells to authorized private Manitoba Cannabis Retailers (the “Retailer”). Retailers can only purchase Cannabis through MBLL.

There are two categories of Licences an Applicant may apply for:

- Age-Restricted Licence – reserved for a standalone location; no persons under the age of 19 may enter or view the interior of the store (i.e. Bricks and Mortar)
- Controlled-Access Licence – reserved for a location within a core business; persons under the age of 19 may enter the core business (i.e. a store within a store – enclosed within an existing store, or convenience where the product is stored out of the view of customers)
- For complete details on the two categories of Licences, please visit:
lgcamb.ca/cannabis/retail-licences/

APPLICATION CRITERIA

Applications will be processed based on the following factors:

- One location, per application, per Applicant processed at a time,
- Applicants applying for an Age-Restricted Licence are restricted to no more than 15% of the Manitoba Cannabis retail market share based on Age-Restricted Licensed Cannabis stores in Manitoba,
- Application forms must be completed in full,
- Applicants must demonstrate financial capacity to support opening inventory requirements,
- Applicants must identify the type of location they are applying for:
 - Existing – secured and ready to renovate or in a ready state,
 - Identified – location identified but not yet secured (no lease/purchase in place),
 - Searching – unidentified location,
- Applicants must have community/municipal/band council approval,
- New applicants to the market will be prioritized.

The criteria listed is further explained throughout this Toolkit.

APPLYING

In order to become a Retailer, Applicants must successfully complete the application process, enter into a Cannabis Store Retailer Agreement with MBLL and be issued an applicable Licence from the Liquor, Gaming and Cannabis Authority of Manitoba (LGCA).

Applications will be reviewed for accuracy and completeness in the order that they are received. Processing applications in the order that they are received does not guarantee an Applicant to have their application completed before another Applicant. Individual application processing times will vary depending on (among other things) MBLL processing time/volume/resources, LGCA processing time/volume/resources, and the individual processing/response time of the Applicant.

Circumstances that may prolong an application timeline include but are not limited to the following:

- Duration of security background check
- Complexity of the corporate structure
- Incomplete application submissions requiring additional and/or multiple discussions with the Applicant
- Applicant delays in responding to either MBLL or LGCA when requesting clarifications or further information
- Applicant delays in providing MBLL with a signed Cannabis Store Retailer Agreement and supporting documents that form part of the Cannabis Store Retailer Agreement
- Outstanding approvals of all required municipal permits and approvals
- The location/site is not ready/does not meet initial LGCA inspection requirements
- The location/site is not ready/does not meet the final LGCA inspection requirements

Note: This list is not exhaustive as there are many factors that affect processing time.

Applicants wishing to apply for multiple locations may do so but must fill out a separate application for each location (one to one). **If an Applicant submits multiple locations on one application, their application will be denied.**

Applications are reserved for one (1) retail location at a time. Where an Applicant wishes to open multiple locations, MBLL will process one location at a time. Meaning, the Applicant should submit their applications in the order they wish to open their potential stores (priority based). When the first store is open, MBLL will then start working on the second application for the second store, and so on.

All Applicants are restricted to owning no more than 15% of the Age-Restricted Licensed stores in the Manitoba market. If you are a current Age-Restricted Licence holder, with one or more Licences, your current Licences will be factored into this calculation.

For the purposes of the application, 15% of the Age-Restricted Licensed stores in the Manitoba market shall be defined as the current number of Age-Restricted Licensed stores multiplied by 0.15.

Current number of Age-Restricted Licensed stores in Manitoba = 30

Maximum number of Age-Restricted Licensed stores per Retailer = $(30 \times 0.15 = 4.5)$

4 stores = 13.3% < 15%, allowed

5 stores = 16.7% > 15%, not allowed

As additional Age-Restricted Licensed stores are approved, the calculation will be modified to account for the most current number of Age-Restricted Licensed stores. **Note** – the more Age-Restricted Licensed stores that are approved, the more stores/locations the Applicant could apply for.

In the event an Age-Restricted Licensed store closes and their Licence is cancelled during the application process with an Applicant, MBLL will handle as follows:

- If MBLL has emailed the Applicant in response to their application advising the Applicant that their application is being worked on and within that email confirms the Applicant qualifies for a location (i.e. they meet the 15% ownership restrictions on the Age-Restricted Licence criteria) MBLL will continue working with that Applicant to open their location.
- If MBLL has not emailed the Applicant to advise they qualify for a location and their application has been received and is being worked on, the application will be set aside until the number of Age-Restricted Licensed stores increases. MBLL will communicate with the Applicant to let them know their application will be set aside until further notice.

Applicants will work with both MBLL and LGCA throughout their application process. When to work with either of these organizations is listed below in the Steps.

All aspects of all applications are subject to ongoing reviews by MBLL and LGCA.

STEPS

There are four (4) steps involved in the application and licensing process. The time required to process an application varies among applications; however, if an Applicant qualifies for Step 2, Applicants should expect an approximate processing time of two (2) to four (4) months. Applications will be processed concurrently, subject to volume and resources. MBLL, or LGCA, may request additional information at any time as required.

Step 1: Application Process

Applicants participating in Step 1 will solely be working with MBLL during this step.

Part A:

Applicants will be required to submit their application details through mbllpartners.ca under the Become a Cannabis Retailer page (mbllpartners.ca/cannabis-partners/become-cannabis-retailer).

Note – any field on the application form shown with an asterisk (*) is mandatory information and must be submitted with the application. **Failure to complete these fields shown with an asterisk will result in an application being denied.**

See definitions below for clarity on how to complete the application form.

Part A

Applicant Information

Full legal name of individual or entity submitting application (“Applicant”) *

If the Applicant is an individual, provide the individual’s full legal name. If the Applicant is an entity, provide the entity’s registered name/number on file with the Manitoba Companies Office. Note: MBLL will conduct a Manitoba Companies Office search of the entity to confirm that it is registered to carry on business in Manitoba. If the entity is not so registered, the application will be denied.

Usual business name of Applicant (if known)

This is the business name that you intend to call your Cannabis store. This information may not be decided on yet and is not mandatory to fill out. If the intended business name is not already registered in Manitoba, such registration will be required in Step 2.

Full mailing address and telephone number of Applicant*

This is the mailing address and telephone number for the Applicant.

Full retail location address (if known)

If you already have a secured location for your Cannabis store, indicate that address in full. Please ensure the address matches what is on file with Canada Post. If you do not have a location yet, this is not mandatory to fill out.

Contact Information

Contact Person*

This is the person to be contacted throughout the application process in case of any questions, and/or requests for additional information/documents.

Title*

The position title of the Contact Person.

Address, Telephone Number, and Email*

The contact information for the Contact Person.

Part B

Type of location*

- **Existing location:** Secured and ready to renovate or in a ready state
- **Identified location:** Location identified but not yet secured (no lease/purchase in place)
- **Searching for a location:** Unidentified location

Are you looking to open a Cannabis store*

- **Within the City of Winnipeg:** any location for which the City of Winnipeg would issue a building and occupancy permit
- **Outside the City of Winnipeg:** any location outside the City of Winnipeg, for which the applicable municipality or First Nation would issue a Conditional Use Order, band council resolution or similar approval document from the municipality or First Nation approving a Cannabis store to be located within the city/town/First Nation.

Type of Licence*

- **Age-Restricted Licence** - reserved for a standalone location; no persons under the age of 19 may enter or view the interior of the store (i.e. Bricks and Mortar)
- **Controlled-Access Licence** – reserved for a location within a core business; persons under the age of 19 may enter the core business (i.e. a store within a store – enclosed within an existing store, or convenience where the product is stored out of the view of customers)

Do you have municipal/First Nation approval for your location (proof will be required in Step 2)*

- **Within the City of Winnipeg,** a copy of the occupancy permit, or confirmation of occupancy will be required.
- **Outside the City of Winnipeg,** a copy of the occupancy permit, or confirmation of occupancy, or Conditional Use Order document or another similar approving document from the municipality approving a Cannabis store to be located within the city/town.
- **First Nations land,** a copy of the band council resolution approving a Cannabis store to be located within the First Nation will be requested.

Note – MBLL will not approve an application if the municipality has opted out of having a Cannabis store.

Do you have financial capacity to support owning and operating a Cannabis store*

For the purposes of this application:

- If planning to open a Cannabis store within the City of Winnipeg (with an Age-Restricted Licence), the Applicant should have a minimum of \$75,000.00 - \$100,000.00 Canadian dollars to pay (up front) for their opening inventory; additional funds will be required for subsequent ordering.
- If planning to open a Cannabis store outside the City of Winnipeg (with an Age-Restricted Licence), the Applicant should have a minimum of \$25,000.00 - \$50,000.00 Canadian dollars to pay (up front) for their opening inventory; additional funds will be required for subsequent ordering.

Note – The opening inventory amounts shown are estimated and are in no way a mandatory stipulation for the Applicant. It will be up to the Applicant, if granted an opportunity to open and operate a Cannabis store, to choose the appropriate amount of product(s) to open their store with. The information shown is based on historical data for Age-Restricted Licences only and is stated in order to assist the Applicant during this application process. Controlled-Access Licences are new, and no historical data is known at this time. It is assumed that Controlled-Access Licences will require less financial capacity than stated above due to location size differences compared to Age-Restricted Licence holders. **All Cannabis must be purchased through MBLL and paid for ahead of receiving product(s).**

Are you a current holder of an Age-Restricted Licence*

Do you currently have a Cannabis Store Retailer Agreement signed by MBLL and hold an Age-Restricted Licence from LGCA?

Step 2: Cannabis Store Retailer Agreement and Licensing Process

If an Applicant successfully completes Step 1, as determined by MBLL, the Applicant will move to Step 2 and an MBLL representative and an LGCA representative will be assigned to the Applicant to start working on Step 2 requirements. These representatives will forward all applicable forms, information and documents to the Applicant.

MBLL and LGCA will work concurrently with the Applicant to complete this Step.

Step 2 MBLL Requirements Include:

- The Applicant will complete a Schedule “A” document (forms part of the Cannabis Store Retailer Agreement)
- Registration in Manitoba of the business name of the Cannabis store
- The Applicant will be required to provide a Certificate of Insurance for the store location
- The Applicant will be required to provide a Workers Compensation Board (WCB) Registration and In Good Standing Letter
- The Applicant will be required to provide store location approval - If planning to open within the City of Winnipeg, a copy of the occupancy permit, or confirmation of occupancy. If planning to open outside the City of Winnipeg, a copy of the occupancy permit, or confirmation of occupancy, or the Conditional Use Order document, or another similar approving document from the municipality approving a Cannabis store to be located within the city/town. If planning to open on First Nations land, a copy of the band council resolution approving a Cannabis store to be located within the First Nation will be requested.
- Cannabis Store Retailer Agreement for the store location duly signed by the Applicant.

LGCA Requirements

A Cannabis retailer requires a retailer Licence issued by the LGCA before opening their premises. There are a number of steps in the licensing process, including a satisfactory background review of the Applicant and its principles and inspection of the premises including surveillance and security requirements. The premises must comply with all applicable municipal zoning requirements and the Applicant must have obtained all required permits and approvals before a Licence will be issued.

Once the Applicant has satisfactorily completed all requirements within Step 2, MBLL will sign the Cannabis Store Retailer Agreement for the store location, and if the Applicant satisfies all LGCA requirements, a Licence from LGCA.

Note – the Applicant cannot engage with MBLL in ordering product(s) until both a Cannabis Store Retailer Agreement has been signed by MBLL **and** an LGCA Licence has been issued. The Applicant may also be required to attend New Cannabis Retailer Onboarding (see Step 3) prior to ordering product(s).

Step 3: New Cannabis Retailer Onboarding

If an Applicant receives a fully executed Cannabis Store Retailer Agreement from MBLL, signed by both the Applicant (now “Retailer”) and MBLL and a Licence from LGCA, the Retailer may be required to attend New Cannabis Retailer Onboarding.

- **If you are a new Manitoba Cannabis Retailer (no previous Cannabis retail location(s) in Manitoba or not an existing Licence holder), New Cannabis Retailer Onboarding is mandatory.**
- **If you are an existing Manitoba Cannabis Retailer who has received an additional Location(s)/Licence, New Cannabis Retailer Onboarding is optional while still encouraged.**

New Cannabis Retailer Onboarding sessions may be held in person (within the City of Winnipeg) or via conference call/PowerPoint. If a Retailer decides to travel to have the onboarding session in person, neither MBLL nor the LGCA is liable for any Retailer travel expenses. All costs are strictly borne by the Retailer.

MBLL does not charge the Retailer a fee to participate in the New Cannabis Retailer Onboarding session.

New Cannabis Retailer Onboarding sessions will be organized by MBLL and will be held as required. Sessions may be held with multiple Retailers in the room/on the call.

Note – Retailers will not be able to schedule a New Cannabis Retailer Onboarding session until both a Cannabis Store Retailer Agreement has been fully executed (signed by both the Retailer and MBLL) and an LGCA Licence has been issued.

Areas of coverage for the New Cannabis Retailer Onboarding session include, but are not limited to, the following:

- Who to contact at MBLL
- An overview of Cannabis in Manitoba
- The differences between MBLL and LGCA’s role with the Retailer
- Understanding the Cannabis Store Retailer Agreement
- Understanding the Cannabis Store Retailer Directives
- An overview of MBLL Suppliers and available products
- How to order Cannabis products
- How delivery works
- How receiving works
- How federal reporting (seed to sale reporting works)
- Opening inventory
- Operational next steps

After successful completion (if applicable) of the New Cannabis Retailer Onboarding session, the Retailer will be able to order product(s).

Step 4: Monitoring

After successful completion of the New Cannabis Retailer Onboarding session (if applicable), and the opening of the Retailer's store, MBLL will schedule individual quarterly calls/follow-up emails with the Retailer to cover the following (without limitation):

- Any questions the Retailer may have;
- Compliance with the Cannabis Store Retailer Agreement (Retailer performance);
- Compliance with the Cannabis Store Retailer Directives (Retailer performance); and
- Any comments or suggestions the Retailer may have for MBLL (process improvement).

An LGCA Licence is valid only with a current, signed Cannabis Store Retailer Agreement.

Retailers are encouraged to work with MBLL and to have open communication to ensure operations run smoothly throughout the term of their Cannabis Store Retailer Agreement.

LICENCE HOLDER RESPONSIBILITIES

For complete details about your legal responsibilities as a Licence holder, refer to [The Liquor, Gaming and Cannabis Control Act](#) which is available online or by contacting LGCA at 204-927-5300 or toll-free at 1-800-782-0363.