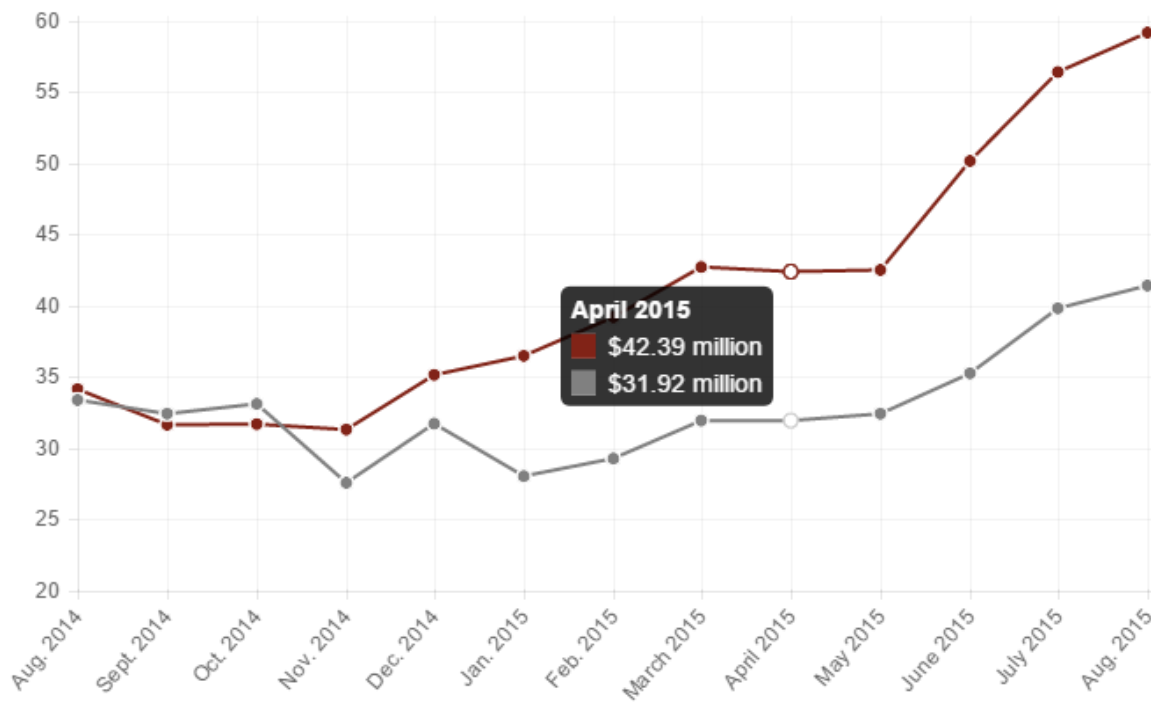


Size of the cannabis market based on Colorado Department of Revenue reports



Sales stats for Colorado weed

A month-by-month look comparing sales of recreational and medical marijuana

2015 Recreational total (8 months)
\$369,062,012
2015 Medical total (8 months)
\$269,979,424
2015: \$639,041,436
2014 Recreational total (12 months)
\$313,226,353
2014 Medical total (12 months)
\$385,972,452
2014: \$699,198,805

Source: Colorado Dept. of Revenue; graphic by Kevin Hamm, The Denver Post

2015 combined recreational and medical sales = \$639,000,000 / 8 = \$79,875,000 per month x 12 = \$958,500,000 annualized projected revenue for Colorado

Population Data (2014)

Source: United States Census Bureau

Colorado 5.356 million (Denver/Colorado Springs Metro 3.4 million)

New Mexico 2.086 million (ABQ Metro 904,587)

Nevada 2.839 million (Las Vegas/Reno Metro 2.2 million)

Arizona 6.731 million (Phoenix/Scottsdale/Tucson 5.1 million)

Based on 2014-2015 trend and actual, projected revenue for 2016 for Colorado is
\$1.313B

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Use 40% of revenue in Colorado for New Mexico population projected revenue if adult use is approved. Forty percent of \$1.313B = **\$525 million annual projected revenue for marijuana sales in the state of New Mexico.** This takes into account an adjustment for population.

At a 25% tax rate, tax revenue would be \$131,250,000 per annum

At 20% tax rate, tax revenue would be \$105,000,000 per annum

At 15% tax rate, tax revenue would be \$78,750,000 per annum

[note: Colorado has an effective 25% tax rate on recreational and a lower tax rate for medical. We are estimating a blended rate or 15% for New Mexico]