Case No. 22UR010

Legal Description:

Lot 2 of Block 2 of Northstar Subdivision, located in Section 24, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota
Letter of Intent

1889 Farms LLC is the Cultivation arm of our vertically integrated company. 1889 is the year that South Dakota was founded and had legal medical cannabis until 1937 when the United States made marijuana illegal. For 48 years of South Dakota history we had legal medical marijuana. In November of 2020 the voters passed Initiated Measure 26 and legalized cannabis for medicinal use.

We started 1889 Farms to cultivate cannabis legally in Rapid City. Our team is 100% committed to bringing a safe and viable product to the shelves of all of South Dakota’s legal dispensaries. We are working with industry experts on best practices to ensure our cultivation facility is state of the art. Vulcan Construction, out of Colorado, is a team of consultants and contractors that is consulting our team on these best practices. Vulcan has built hundreds of dispensaries, millions of square feet in cultivation sites, manufacturing labs and everything ancillary to the needs of a cannabis production facility. They will be working with us to make sure that we are up to date on all things related to growing cannabis.

We will be utilizing around 7,500 square feet of the building for directly cultivating cannabis at all stages of life. With state of the art security cameras and door locks our facility will be just shy of a fortress with no unauthorized access. We do not plan on having any signs to show what we are doing at this facility for maximized security.

Approximately 1,000 square feet will be utilized for a manufacturing lab. The lab will go by the trade name The High Hills. The lab will not be utilizing any hydrocarbon extraction methods. This means we will not have any flammable materials to extract cannabis as you may be familiar with. We will be using low grade heat, pressure, ice and water to extract essential oils and THC from the cannabis plant. The Department of Health has deemed this as a “generally safe” practice in the rules set forward in ARSD. This method will allow us to produce very similar cannabis extracts that the market is familiar with, without running the risk of explosions or fire.

We will employ roughly 12 people with the first 10,340 square foot building. This part of the project is what we are calling “Phase One.” This will be the first building that is built and ready to produce cannabis by as early as December if timed perfectly.

Phase Two of the project will consist of a major amendment to the conditional use where we will be building an identical 10,340 square foot building just north of the existing building. Phase two will not have a manufacturing lab in it, but will expand our cultivation footprint. We do not have a timeline on this part of the project at this time, until we see the demand for cannabis in the South Dakota market. We will also plan on expanding into recreational marijuana, should the opportunity arise with the passage of the ballot initiative in November.