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The Canadian Marijuana index is still in bear status. Near term resistance is around 700. It looks like just another bear rally. In contrast the U.S. index broke to new highs in October, came down in the correction and looks like it could test recent highs. I believe the Canadian government botching the legalization process is the big difference. There simply is no or a very poor retail market in Canada, still waiting on the first stores in the largest market Ontario. Retail in the States that have legalized is far superior.



Green Organic Dutchman
Entry Price \$2.50

TSX: TGOD OTCQX: TGODF

Recent Price \$3.98

Opinion – hold, buy on break out at \$4.20

NNW did an interview with TGOD and makes a good update. The interview can be heard at <http://nnw.fm/r6ABR>.

TGOD CEO Brian Athaide recaps several recent milestones and how they feed into the Company's broader goals.

"We've come a long way if you look at progress on our two facilities in Canada ... We've been doing a lot of work in getting those facilities further along and actually have done a lot of redesign work based on learnings in the industry ... where people are facing bottlenecks and operational issues," Athaide says, noting that these efforts successfully increased TGOD's Canadian production capacity to more than 200,000 kilos.

In October 2018, TGOD [acquired HemPoland](#), a leading European manufacturer and marketer of premium organic CBD oils, providing the Company a strategic pathway into the European market.

"We're really establishing our business there by expanding the brand Cannabigold that we acquired from HemPoland and creating the sales and distribution infrastructure that we can then launch our TGOD THC brand on top of that, as more and more countries become legal from a medical cannabis side," says Athaide.

In Denmark, TGOD's joint-venture production partner, Knud Jepsen, was granted an initial cannabis business authorization. This license was a green light for Knud Jepsen to immediately begin importation of starting materials and to begin research and development related to the creation of elite cannabis genetics.

"We are partnering with ... Knud Jepsen, and they've been in the agricultural business growing flowers for about 80 years in greenhouses and have a lot of great capabilities ... that we believe will be transferable to cannabis," Athaide explains. *"We're looking forward to partnering with them in cultivating in Denmark for the Danish market, and then we're also looking at other places where we can cultivate at much lower cost in Europe ... so we're progressing well with our European strategy."*

TGOD also has interests in Mexico, where the Company has reached a joint-venture agreement with one of the country's largest pharmaceutical distributors. The joint venture is expected to provide TGOD more than 7,000 points of distribution in the country and create an "early mover advantage" should the new government legalize recreational cannabis.

On par with its operational advances, TGOD kicked-off 2019 with several internal achievements.

"We've reached the point where we're close to launching our brand ... we're now ready to go to the next stage," says Athaide, who then discusses additions to the Company's leadership to execute the next phase of development.

As host Smith notes, listeners can learn more about Athaide and the rest of the Company's management team in an earlier NNW audio interview at <http://nnw.fm/l4q8y>.

"You need to give it a good listen, because this is a great management team pushing forward a very ambitious company," says Smith.

Wrapping up the interview, Smith asks Athaide to discuss the state of the cannabis industry. Athaide forecasts that the crowded cannabis industry will shrink in size, with only the fittest companies prevailing.

TGOD's proven leadership, scalability and focus on premium organic crop, he says, will differentiate the Company from others.

"There's a lot of news in this industry ... a lot of money being raised and deployed, but it's really going to come down to execution in terms of who will be able to actually succeed and last in this market," he says. *"That's what we're focused on, is really being able to execute with excellence ... We're focused on really dominating that organic segment within the market."*

The stock needs to break resistance just above \$4.00, so a close at \$4.20 would be a good break out to buy on, otherwise a pull back below \$3.50. Next higher resistance is around \$5.00



Valens GroWorks
Entry Price \$1.05

CSE: VGW, OTC: VGWCF

Recent Price \$3.10

Opinion – take part profits on drop below \$2.80

This week Valens entered into a multiyear extraction service agreement, renewable annually after the initial two-year term, to provide cannabis and hemp extraction services to Tilray Canada Ltd., a global leader in cannabis research, cultivation, production and distribution.

Under the terms of the Agreement, Valens will extract a minimum annual quantity of 15,000kg of dried cannabis and hemp. The Company will receive and process the cannabis and hemp on a fee for service basis into crude, distillate or other cannabis oil derivatives as required by Tilray before bulk shipping the desired product back to Tilray for final processing and sale.

"Partnering with Tilray to support their existing and emergent product offerings marks another milestone for Valens," says Tyler Robson, CEO of Valens Groworks Corp. "We take pride in our proprietary extraction processes and are honoured our best in class extraction capabilities have been recognized by Tilray, a pioneer in the global cannabis market, which we believe is a testament to the quality and reliability of our services."

Valens has also expanded their annual extraction capacity significantly to 240,000 kilograms of dried cannabis input in order to prepare for customer demand for extraction services. With this expansion, Valens secures the spot as the largest third party extraction company in Canada.

We are building a footprint to not only meet the needs of our Canadian customers but meet the needs of the global cannabis marketplace," said Tyler Robson, chief executive officer of Valens Groworks. "With edibles and concentrates becoming available later this year in Canada, we must be ready for a shift in consumer demand and in turn be flexible and scalable in our offerings for our clients to meet that demand."

Valens is also well positioned for the beverage market when it is opened later this year, however the stock is at all time highs and I am concerned of a triple top. Given the improving fundamentals and their great market position, I believe the stock should break out above the \$3.30 area and go on to new highs. I like the fact we have been trading above \$3.00 for several days, unlike the past two tops. We are sitting good with 200% profits and to play it safe, I would take part profits, maybe selling 1/3 if the stock dips below \$2.80. That could be a signal that a triple top is in and we go lower. Otherwise, if we go higher, we will take part profits at a higher level.



Rise Life Science CSE:RLSC OTC: MCUIF Recent Price - \$0.20
Entry Price - \$0.25 Opinion - buy

Rise has been our laggard in the sector but the fundamentals are just starting to take hold with the company. Rise just started sales in Southern California in June/July so their last financials only reflect about one month of sales, which was \$141,783. They have just raised \$5.5 million and have expanded into Mexico.

End of January Greg Mills, formerly head of RBC's global equities, joined the Rise board of directors. Mr. Mills joined RBC Capital Markets in 1998 as head of equity trading and in 2005 was promoted to head of global equities and served in that position until 2018. Mr. Mills's key responsibilities included business planning, risk management, global profit and loss, client relationships employee governance, and equity research.

In early February Rise selected Solcanna SA de CV to act as a distributor of its Life Bloom Organics brand of cannabidiol-based health and wellness products in Mexico.

Life Bloom Organics' proprietary Nano hemp extract oral sprays can be found at natural health food markets, chiropractic offices, specialty retailers and medical dispensaries in Southern California, as well as on-line. The initial purchase order executed with Solcanna will see Life Bloom Organics' wellness formulation initially placed in three key Mexican markets: Mexico City, Guadalajara and Monterrey.

Solcanna and Rise have planned this launch in the Mexican marketplace with an initial order of approximately \$350,000 to place product at retailers in Mexico City, Guadalajara and Monterrey. The expectation is for recurring orders to be placed, additional Mexican markets to be launched, and additional products to be added to Rise's Mexican portfolio.

Delivery of product to Solcanna is subject to regulatory approval from COFEPRIS, the Mexican Secretariat of Health's agency responsible for the regulation of a variety of food- and health-related products in Mexico, to which application has been made.

Mexico is a huge market with a population of over 123 million people and the [government is moving towards legalization](#). The government controls the house so no major set backs are expected.

The stock rallied from 15 to almost 30 cents. This recent pull back provides a nice buying opportunity.



Auxly Cannabis TSXV:XLY
Entry Price \$0.95

Recent Price \$0.80
Opinion – hold

The stock is struggling, but we took part profits around \$2.70 and are riding a free position. Thus far their streaming model has not started to generate revenue and since we are sitting on free stock, I am content to ride it out for a while and see how it goes. They are in good shape with about \$230 million in cash.

The chart is not looking very good, but as long as the 70 cent bottom holds, it could turn around. I would like to see their streaming revenue kick in and a stronger bottom on the chart before suggesting to buy again. Like I said, we should all be riding free stock so can afford to wait it out.



Transcanna Holdings
Entry Price \$0.92

CSE:TCAN

Recent Price - \$2.75
Opinion – hold

TCAN arranged a \$10 million financing at \$2.00 and judging by the stock this is in strong hands.

The company intends to use the net proceeds of the offering to partially finance the acquisition of the 196,000-square-foot cannabis facility as announced on Feb. 4, 2019, and for working capital and general corporate purposes. The company still anticipates it will seek a commercial lending facility to secure the full purchase price for the facility, and once it has executed definitive documentation for such a facility, it will provide a further update on the progress of the acquisition. The completion of the offering will be conditional upon the company being in a position to complete the facility acquisition.

On February 22, Transcanna executed a letter of intent to lease a new 15,000-square-foot facility currently under construction with a completion date of April 30 in Adelanto, Calif. This multifaceted facility is intended to be one of four strategically located satellite facilities located throughout California. The Adelanto facility will serve the densely populated southern California marketplace with industrial-scale production, distribution and transportation capabilities. Pursuant to the non-binding LOI, the lease will have a five-year term at a monthly leasing rate of \$225 per sq ft commencing in May, 2019.

"Our mandate is to build and operate a high-margin enterprise by owning our own branded products and control all aspects in the ecosystem. Being in escrow for one of the largest vertically integrated, cannabis focused facilities in the U.S., which will serve as our hub, and now with an LOI on a satellite facility puts us squarely in the centre to deliver on our mandate," states Jim Pakulis, chief executive officer of Transcanna.

The stock has only been trading less than 2 months and I like how it has moved and consolidated gains both times. Volume so far has not be all that much and once this company becomes more well known we could see much higher prices. I am looking somewhere over \$3.00 before 1st profits.

Lexaria Bioscience **CSE:LXX** **OTC:LXRP** **Recent Price \$1.80**
Entry Price C\$0.16 **Opinion – buy on weakness**

Not much new with LXX since my January 20th update. The stock was \$1.90 and I suggested to buy on weakness and it did drop to around \$1.70. I would consider buying below \$1.70. For now the biggest driving force on the stock will be results from the Altria \$12 million investment on nicotine research. This is much larger than the cannabis market.

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