



Know when to hold-em!
Know when to fold-em!
Know where to set stops!
Know when to run!
Never count your portfolio
Until the sells are done..

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We did very well with Talaris as a takeover target. My next pick here is [Nkarta Inc. NASDAQ: NKTX](#)

Recent Price \$3.20 Shares outstanding 47 million

NKTX is a takeover target, selling below cash value as well as a potential short squeeze.

As of September 30, 2023, Nkarta had cash, cash equivalents, restricted cash, and investments of \$278.4 million. **So the stock is trading well below cash value of about \$5.90**

A colleague of mine analyzed the institutional share ownership. He summarized that new owners bought 20% of the company in October, and around 10% of the company was shorted to them. He figures 80% of the stock is unlikely to sell. With 14% of the company shorted, there's a high likelihood of a short squeeze to cash value which is around \$5.65/sh., when we consider some cash burn since Sept 30th.

It is also a take over target to a company like Vertex because both Vertex and Nkarta are partnered and using the same CRISPER technology, a type of cell therapy:

- Vertex at \$407 per share has a market cap of \$105 billion
- CRISPER at \$62 has a market cap of \$5 billion
- Nkarta at \$3.00 has a market cap of only \$141 million

CRISPER's gene therapy treatment got it's first FDA approval. Vertex has popped higher after news on December 8th, [Vertex Pharmaceuticals Incorporated](#) (Nasdaq: VRTX) and CRISPR Therapeutics (Nasdaq: CRSP) announced that the U.S. Food and Drug Administration (FDA) has approved CASGEVY™ (exagamglogene autotemcel [exa-cel]), a CRISPR/Cas9 genome-edited cell therapy, for the treatment of sickle cell disease (SCD) in patients 12 years and older with recurrent vaso-occlusive crises (VOCs). This approval means that for the first time, approximately 16,000 patients with SCD may be eligible for a durable one-time therapy that offers the potential of a functional cure for their disease by eliminating severe VOCs and hospitalizations caused by severe VOCs.

“CASGEVY’s approval by the FDA is momentous: it is the first CRISPR-based gene-editing therapy to be approved in the U.S. As importantly, CASGEVY is a first-in-class treatment that offers the potential of a one-time transformative therapy for eligible patients with sickle cell disease,” said Reshma Kewalramani, M.D., Chief Executive Officer and President of Vertex. *“I want to convey my deepest gratitude to the patients and investigators whose trust in this program paved the way for this landmark approval.”*

“When our company was founded, we had a vision to translate CRISPR technology into multiple breakthrough therapies. So, this U.S. approval of the first-ever medicine using CRISPR gene

editing is breathtaking, and a truly humbling moment for me personally and for the whole organization,” said Samarth Kulkarni, Ph.D., Chairman and CEO of CRISPR Therapeutics.

CRISPR Therapeutics (Nasdaq: CRSP), is a biopharmaceutical company focused on creating transformative gene-based medicines for serious diseases. In early December they provided an update on its immuno-oncology pipeline of CRISPR/Cas9 gene-edited allogeneic chimeric antigen receptor (CAR) T cell product candidates. And more important and expansion into Autoimmune Disease.

Nkarta is also partnered with CRISPER but their treatment is at an earlier stage of the FDA approval process.

Nkarta is a clinical-stage biotechnology company advancing the development of allogeneic, off-the-shelf natural killer (NK) cell therapies. By combining its cell expansion and cryopreservation platform with proprietary cell engineering technologies and CRISPR-based genome engineering capabilities, Nkarta is building a pipeline of future cell therapies engineered for deep therapeutic activity and intended for broad access in the outpatient treatment setting.

The company has been focusing their **NKX101 therapy in acute myeloid leukemia (AML)**. In June 2023, Nkarta reported updated clinical data from its Phase 1 clinical trial evaluating NKX101 in patients with relapsed or refractory (r/r) AML. In patients that received NKX101 after LD comprising fludarabine and cytarabine (Flu/Ara-C), 4 of 6 achieved CR/CRi. Flu/Ara-C LD is expected to be the basis of NKX101 development moving forward. Nkarta plans to present a poster at the American Society of Hematology annual meeting in December 2023 with follow-up data on the six patients from the June 2023 report that received NKX101 after Flu/Ara-C LD.



Short term the stock is over bought and approaching the first resistance area. However, this hopefully provides liquidity for buyers. Stock will most often move up to close previous gaps on the way down and that is what I expect NKTX will do and move up between \$4.50 and \$5.00. We could do much better if there is a take over offer and/or positive news on their therapy treatment.

Tax Loss Candidates

Every year around this time I do a little house cleaning on the Selection List. It is not always stocks that are in a loss position, but this year has been unprecedented as being a severe bear market in Canada's junior market. Simply put it is the worst in history, **since the TSX Venture index was created in 1990, then around 900**. This bottom is with record low volume, although not quite as low as 2020. In 2020 it was just a short bottom with a 'V' shape recovery. This bear market bottom has been drawn out for one and a half years, somewhat like the 1998/99 post BreX bottom.

That said we did close out Talaris at year end for a large gain.



Mammoth TSXV:MTH Recent Price \$0.01

Sell

Sassy Resources CSE:SASY Recent Price \$0.05

Sell

Gander CSE:GAND Recent Price \$0.05

Sell

Rockridge TSXV:ROCK Recent Price \$0.015

Sell

SixWave CSE:SIXW Recent Price \$0.025

Sell

Versus NASDAQ:VS Recent Price - \$0.18

Sell

Tatt Global CSE:TATT Recent Price \$0.22

Sell

We can always buy these stocks back if something changes and if you do not need the tax loss, consider selling in January because often juniors have a bounce up in January from over sold positions. **Keep in mind if you sell for a tax loss, you cannot buy the stock back until after 30 days.**

I will mark these stocks sold on the Selection List at their December 27th price, the last day for tax loss selling. The tax loss selling season has probably already peaked and it was wide spread this year because so many sectors and stocks were down on the year.

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