



CANNABIS STOCKS TO BUY UNDER \$10

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PAY DAYS

Top Cannabis Stocks Under \$10

As I see it, you can't just buy one cannabis stock, or even one cannabis ETF, and call it good.

There's no "market" to buy... only a collection of 200-300 stocks that are all jockeying for a piece of the pie.

What's more, the cannabis industry's reach is wide and still growing, encompassing everything from recreational and medical "flower"... to concentrates and edibles... to big pharma drugs... to skincare creams... to pet products... and even building materials, and fabrics!

There will be many winners in *each* of these markets – so, as I said, you can't just buy one or two "pot stocks" and think you're well-positioned.

That's why I'm using my systematic approach to identify potential "moonshots" *all across the cannabis landscape...*

So far, my system and I have honed in on opportunities in the CBD space... in the dispensaries market... in biotech... in a "picks-and-shovels" supplier... in a major Canadian producer... and even in a *private equity* "back-door" play.

I personally don't know which one of these "seed" investments will turn out to be a moonshot. But since my historical analysis showed the potential to capture a 1,000% winner in 1 out of every 7 trades... odds are, the next cannabis moonshot is already in our model portfolio! (We've made 8 seed investments so far.)

Of course, since we'll be making as many seed investments as my system and I are able to identify, you'll want to make sure to spread your capital across as many recommendations as possible. And the golden rule of investing certainly applies: Never invest more than you're willing to lose.

But with many cannabis stocks still trading under \$10 – and some for far less – I think any serious investor should be able to get in on the action!

Here are five of my "top buys," all of which are trading for less than \$10 a share.

#1: Cannabis Growth Opportunity Corporation

Most folks can't invest in cannabis companies until they "go public" with an IPO, so lucrative private equity deals are out of reach. But I've found a "loop-hole" into these lucrative opportunities: a publicly-traded investment fund that *can* invest in private cannabis companies.

I originally recommended **Cannabis Growth Opportunity Corporation (OTC: CWWBF)** to early *Cannabis Paydays* readers on May 15, 2019, when the stock was trading at a 43% discount to its net asset value (NAV). That discount still exists and I think the fund is one of the best ways to gain access to private cannabis companies before they make their IPO debut.

I recommend making a seed investment in Cannabis Growth Opportunity Corporation up to a maximum price of \$1.70 per share. Here are the details, as I laid out in my original recommendation...

Private Opportunity

One gram of cannabis sells for around \$8 in Canada.

But the high-quality organic bud sold by Whistler Medical Marijuana manages to fetch \$18 a gram. That's a fat premium.

Whistler's success can be attributed to a few factors.

Founded in 2012, Whistler became one of the first 10 licensed producers (aka LPs) in Canada. It's one of only a small handful of LPs to be certified by the Fraser Valley Organic Producers Association and to conform to International Organic Growing Standards. And it's built a cult following for its premium brand, which draws on the iconic status of Whistler, British Columbia, and its 2.7 million annual visitors.

Proof of Whistler's success is in the pudding. The company has a proven track record of making profits. It has been cash flow positive since 2015, thanks in part to its premium pricing power, which affords its earnings before interest tax, depreciation and amortization (EBITDA) profit margins in excess of 30%.

Given all this, you might think that Whistler is a "buy." But it's not...

Whistler's Already Been Bought

If you want to buy a piece of Whistler's 30% margins and positive cash flow, you have to buy shares of **Aurora Cannabis Inc. (NYSE: ACB)**... the \$8 billion behemoth that reported *negative cash flow* of C\$36.6 million Q1 of 2019.

That's because Whistler was a *private* company prior to January, when Aurora acquired the "mid-sized" producer in a deal worth up to \$175 million.

And *you* — my dear "average retail investor" friend — cannot invest in *private* companies.

You can watch Whistler gain market share from the sidelines. You can fly up to BC and see what the buzz is all about.

But if you want to *invest* in Whistler... you've got to get in through Aurora's common shares, and all the good or bad that comes with that.

So, for all practical purposes, you can't invest in Whistler.

Nor could you have invested in Dream Water, a private cannabis drink company that was acquired by a public company, Harvest One, May 2018.

Or Herbs Ltd., the *only* company with a large-scale cultivation license in Jamaica... because it's a *private* company.

Same goes for Israeli Medical Cannabis (IMC) Holdings Ltd., an Israeli medical cannabis producer authorized by the Ministry of Health. Israel has approved cannabis for exportation, by the way. But you can't invest in IMC Holdings... because it's a *private* company.

You see where I'm going with this.

Big Opportunity, If You Can Access Them

And that's where the Cannabis Growth Opportunity Corporation comes into play.

CGOC, for short, is a Canadian investment company that, quite simply, invests in cannabis companies.

Around 60% of its assets are invested in public companies — stocks you or I could buy on a Canadian or U.S. exchange. But 40% of the fund is invested in *private* companies — again, companies that you and I "average Joes" don't really have access to.

CGOC made an initial public offering (IPO) in January 2018 and immediately got to work deploying the roughly C\$38 million in capital it raised.

In February 2018, the company made an investment of C\$450,000 in a private company, Dream Water. Then in May, Dream Water got acquired by Harvest One... resulting in a return on investment (ROI) of 55% for CGOC, in just three months!

In April 2018, CGOC invested C\$2,009,000 in Whistler Medical Marijuana Corporation. Then less than a year later Aurora swooped in, acquiring Whistler and giving CGOC a profitable exit on its private equity investment.

CGOC's success has also come from investments in *private* companies that subsequently — and *quickly*, I'll note — went public, through reverse takeover (aka "RTO") transactions.

CGOC invested C\$750,000 in private company Next Green Wave in August 2018. Next Green Wave then went public in October, giving CGOC a 38% ROI in three months.

In July 2018, CGOC invested just under C\$2 million in private company Vireo. Then in March 2019, Vireo went public in Canada, giving CGOC an exit that resulted in a **188% gain in nine months**.

Of course, that's CGOC's *history* of successful deals. But I don't expect their *future* successes to be much different.

The company has reportedly made a half dozen new deals in April alone. And three of its current private holdings are expected to go public this year.

An Overlooked Opportunity

The CGOC is relatively young and small.

That may be one reason investors are currently overlooking the opportunity in this cannabis-focused investment company.

Another reason may be that *private equity access* just isn't on many people's radar. Most retail investors know private equity is out of reach. And maybe everyone's just hopped up on the biggest cannabis players hitting the major exchanges.

No matter the cause, **there's currently a significant discount in CGOC's share price relative to its net asset value (NAV)**.

I'll spare you the full explanation, but investment companies like CGOC operate

much like closed-end funds, which don't buy or redeem shares as investors want in or out.

Essentially, the fund's NAV is determined by the value of the investments it holds, whereas its share price is determined by open market forces: supply and demand, but you can think of it as "investor interest."

This creates a situation in which the stock can trade in the open market for *less than* the fund's NAV — a scenario we call "discount to NAV."

And that's where you'll find CGOC today...

The company calculates the net asset value of its investment holdings once a month. The NAV calculation done on April 15 resulted in a NAV of C\$3.54 per share.

But get this... shares of CGOC's stock are trading on the Canadian Stock Exchange (CSE) for just C\$2.02 per share — **a whopping 43% discount to NAV!**

If you believe the NAV is accurate — which I have every reason to believe after reviewing the company's financial statements and auditor's remarks — then buying shares of CGOC's stock in the open market is equivalent to **buying a \$100 bill for just \$57.**

That's an insanely attractive discount!

And while I'm typically skeptical of discounts to NAV *that* extreme, I think in this instance CGOC will prove to be the real deal and, eventually, investors will close the gap as they gain confidence in the value of the company's private holdings.

All told, CGOC's investment thesis is centered on building a diversified portfolio of international cannabis companies, both public *and* private.

That's a great approach to this still-infantile industry. And I think once investors catch on, CGOC's stock will make big gains.

So, let's make a seed investment...

Note No.1: This stock trades over-the-counter (OTC) in the U.S. under ticker symbol **CWWBF**. While I quoted a market price of roughly C\$2.02 above, that price is for the company's CSE-listed shares (ticker: CGOC).

Note No.2: This is a thinly traded stock. It's only traded an average of 23,000 shares per day, or in the neighborhood of \$35,000-worth per day. I highly recommend using a limit order when you make your reasonably sized purchase. Please don't go in "big," or with a market order.

Action to take: Buy shares of Cannabis Growth Opportunity Corporation (OTC: CWWBF) up to \$1.70.

#2: Medicine Man Technologies Inc.

Novice cannabis investors may have a difficult time keeping up with the industry's rapidly-changing regulations, but the "insiders" are on top of it. And I found one market-leading dispensary that was clearly poised to pounce on Colorado's passage of a bill that opens the state to outside investors.

I originally recommended **Medicine Man Technologies (QTCQX: MDCL)** to early *Cannabis Paydays* readers on June 13, 2019... shortly after news broke of the passage of Colorado House Bill 19-1090.

The stock is still a buy up to \$4 per share. Here are the details on this opportunity...

New Colorado Law Opens Lucrative Opportunity

Marijuana laws in the United States are downright draconian. But they're *changing*, and therein lies new opportunity.

Yes, there's always the chance that someone, somehow, will step in and kill the party. I'm putting those odds at slim to none.

I think modern society's official acceptance of the 12,000-year-old plant is a train that has already left the station. And I expect we'll see an increasingly steady march toward full legalization, with many smaller legislative and regulatory "wins" along the way.

One small-step victory is Colorado's passing of House Bill 19-1090, which was signed into law by Governor Jared Polis in May 2019...

Essentially, House Bill 19-1090 allows publicly traded companies to hold a Colorado state marijuana license.

Yes, you read that correctly...

Colorado is well known as a pioneer state when it comes to cannabis. It decriminalized the plant in 1975... legalized medical marijuana in 2000... and became one of the first states to legalize *recreational* marijuana in 2012, with initial sales beginning January 1, 2014. **Yet, until May 30, 2019... a publicly traded company was not permitted to hold a Colorado state marijuana license.**

Well, that's all changed now. And even though the news cycle has been slow to pick up on it, this is a legislative change that's already opening lucrative doors for Colorado's early movers.

Medicine Man Technologies Inc. (OTCQX: MDCL) got in on the ground floor of Colorado's marijuana industry. Incorporated in April 2014, the "advisory and consulting" company was able to go public in January 2016, since it didn't actually grow or distribute cannabis.

However, along with Medicine Man Technologies, founding brothers Andy and Pete Williams also founded Medicine Man Denver, a privately owned company, in 2014, and grew it into Denver's single largest marijuana dispensary.

The Medicine Man Denver *dispensary* was allowed to hold a Colorado state marijuana license, but the company was limited to private ownership...

Meanwhile, Medicine Man *Technologies* was allowed to go public, but it couldn't hold a license...

And again, this all changed on May 30, 2019, with the passage of Colorado House Bill 19-1090, paving the way for Medicine Man *Technologies* to complete acquisitions of state license holders.

Medicine Man Is Making Moves

Medicine Man Technologies is already making hay...

On May 30, the company praised the passing of 19-1090 and assured investors it would allow them to complete their acquisitions of Medicine Man Denver (the dispensary), along with another leading dispensary, MedPharm.

Then, on June 5, the company announced its acquisition of Colorado-based Los Suenos Farms, LLC, described as "North America's largest sustainable cannabis farm."

Also, on June 5, we learned that Medicine Man acquired Mesa Organics, a leading manufacturer of infused cannabis products under the Purplebee's brand.

And on June 12, the company announced its acquisition of Green Equity S.A.S., the owner of a 271-acre farm in Bogota, Columbia... paving the way for Medicine Man's international expansion plan.

Phew! Busy couple of weeks for these guys! And some great things on the horizon!

Attractively Priced

What's more, shares of Medicine Man Technologies appear to be priced nicely compared to many of the big names you'll read about in the news.

According to the company's latest investor presentation, **MDCL trades at just a 10-times multiple to its sales.**

Compare that to Aurora Cannabis (ACB), which trades at 151-times...

And Canopy Growth (CGC), which trades at 197-times...

And you'll see that this stock isn't over-hyped or over-priced just yet!

All told, Medicine Man is already generating positive income from operations... driving massive revenue growth (168% year-over-year)... and is on executing decisively on its expansion plan, which is now "cleared for takeoff" thanks to the passing of Colorado House Bill 19-1090.

I expect the buzz around Medicine Man's plan to grow as more people digest the implications of 19-1090 and the company's expansion plans.

Let's make a "seed" investment in this dominant early-mover...

Action to take: Buy shares of Medicine Man Technologies Inc. (OTCQX: MDCL) up to \$4.

Liquidity should not be a significant issue, as an average of 697,000 shares per day have traded. As always though, a limit order is recommended over a market order.

#3: Planet 13 Holdings

For some consumers, venturing into the cannabis space for the first time will be all about the “experience.” And as Apple has shown, creating a unique shopping experience can be enough to set you apart from the competition.

While some cannabis dispensaries may intimidate new clientele, Planet 13’s Las Vegas store is all about giving shoppers an epic, one-of-a-kind experience. And that’s why I think this shop will soon become a much-talked-about household name.

I originally recommended **Planet 13 Holdings (OTCQX: PLNHF)** to early *Cannabis Paydays* readers on June 6, 2019. The stock is still a buy, up to \$2.40 per share, and here are the details on this opportunity...

This is THE Dispensary You Want To Visit

Forbes wrote about Planet 13 in March, calling it “[The World’s Largest Cannabis Entertainment Concept](#).” At 112,000 square feet it’s the largest cannabis store in the world. But it’s so much more than just a store...

Yes, the brick-and-mortar shop sells cannabis flower and vape pens — worth more than \$5 million *a month*, to be exact.

Though the real value in **Planet 13 Holdings (OTCQX: PLNHF)** is in the *brand* it’s building... a brand that screams “come for an epic experience” as much as it says, “we have SKUs to sell you.”

This picture of Planet 13’s “budtender” associates certainly conjures likenesses to Apple Genius Bar associates...



Planet 13 Staff at Entrance PLANET 13

Though the Planet 13 brand goes well beyond a top-notch sales staff...

The complex is designed to offer visitors a one-of-a-kind experience, as explained in a January *Engadget* review:

The dispensary is an entertainment destination in and of itself with an array of art installations created by designer Todd Moyer and high-tech activities designed to delight visitors, whether they've toked beforehand or not.

Customers are greeted by a number of these installations even before they step foot in the facility. The main entrance to the dispensary is guarded by a massive 18-foot diameter LED-studded water globe that emits fog and mist to create a hypnotic and decidedly Bellagiatic effect. Additionally, a series of 15-foot tall acrylic lotus flowers line the roof. At night, visitors to the 24-hour dispensary can actively control the flowers' LED lights via a pair of command consoles located at ground level. You can also make your mark on the building itself via Planet 13's interactive art wall with laser-tipped "spray paint" cans. The effects are especially impressive after dark. Once inside the building, after signing in with the front desk, visitors can get their Billie Jean-era Michael Jackson on thanks to a pressure-sensitive floor display that reacts every time you step on it.

Now, I'll admit at this point that I'm typically skeptical of the "not a product, but an *experience*" pitch. It's sometimes just a marketing ploy.

But I don't think that's the case with Planet 13.

The company's founders focused on creating a differentiating dispensary experience from Day 1. The "experience" wasn't an afterthought or a marketing angle — it's been core to their strategic plan all along.

And you know what, it's working!

The Numbers Say It All

Planet 13's Las Vegas Cannabis Entertainment Complex (aka the "SuperStore") opened its doors in November 2018.

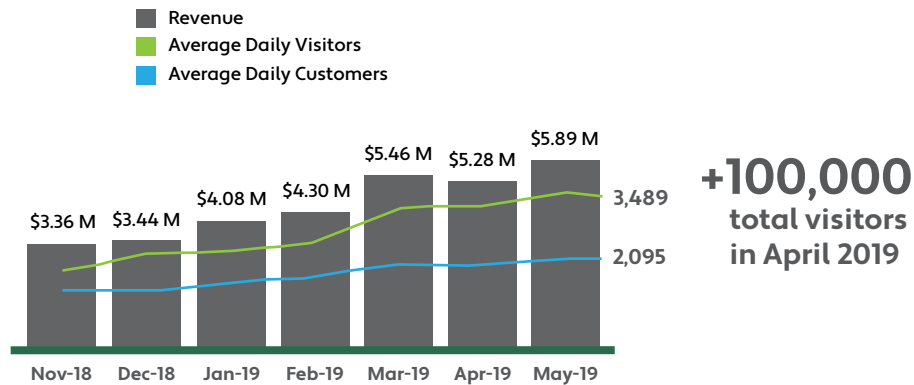
Here's what it's done so far:

All told, Planet 13 has been off to a really strong start.

According to [the company's latest earnings release](#), the SuperStore's sales accounted for more than 8% of the entire state's cannabis sales in January and February. It's now generating more than \$5 million a month in revenue...

And it netted \$2.6 million in cash flow from operations in Q1.

Financial Growth



What’s more, management is confident the roughly \$20 million cash on hand will be more than enough to execute the company’s growth plans, which you can see here:

Building Momentum



“Phase II” centers on the build out of a coffee shop, pizzeria, and event space. And “Phase III” involves building a lounge where cannabis consumers can actually *consume* the product (this is still pending the passage of state laws allowing such establishments).

Sandwiched between Phases I and II — and likely to be executed in the second half of this year — is a statewide launch of the company’s own brands.

Planet 13 Holdings owns the Trendi, Medizin, and Leaf & Vine brands, which it currently sells in its SuperStore location. Eventually, a statewide and even national roll-out of these brands could lead to quite a windfall.

And realize, these already-in-the-works growth initiatives only take us into next year!

Planet 13 has even greater ambitions and is currently scouting locations across the United States for its *next* SuperStore. Here's a map showing the cities they're considering...

Planet 13 Expansion



Trade Instructions

Planet 13 is a truly unique dispensary. It's already a hit and the money's rolling in. But I think the best is yet to come.

Let's make a "seed" investment today...

Action to take: Buy shares of Planet 13 Holdings (OTCQX: PLNHF) up to \$2.40.

Liquidity should not be a significant issue, as an average of 381,000 shares per day have traded. As always, though, a limit order is recommended over a market order.

#4: cbdMD Inc.

I'm sure you've heard of CBD... everyone's talking about it these days. Yet, thanks to lower barriers of entry and the simple fact that the market segment is so lucrative (\$20 billion!), there are plenty of “fly-by-night” CBD companies that will eventually go out of business.

cbdMD is one of the “good guys.” They run a quality operation and are already making a name for themselves.

I originally recommended **cbdMD (NYSE: YCBD)** to early *Cannabis Paydays* readers on May 22, 2019. The stock has gotten knocked down a bit since, largely due to uncertainty over how quickly the FDA will set guidelines for CBD, but I'm still confident in cbdMD's long-term prospects. The stock is still a buy, up to \$6 per share, and here are the details on this opportunity...

The CBD Market Will Stand on Its Own

Imagine for a minute a scenario like this:

- In 2018 and 2019, everyone sees full U.S. legalization of marijuana as a forgone conclusion — “not if, but *when*.” This includes THC products that get you high.
- Then, in 2019, or maybe 2020... *something happens* — I have no idea what — and **marijuana legalization is quashed**. Maybe the U.S. government even reserves course and begins to clamp down on cannabis operators, even ones operating in states that have already passed laws in support of the industry.

Now, I truly don't think this scenario will unfold. But consider what would happen *if* it did...

One answer to the question is: Nothing... well, at least for companies focused solely on CBD.

The premise underpinning this thought experiment is that companies who are currently focused on the CBD market *specifically*, rather than the broader cannabis market (and all the still-pending legal and regulatory issues it's subject to), should enjoy a competitive advantage in these earlier stages of the industry's growth.

Think of the CBD market as a “bird-in-hand,” whereas the *potentially legal* THC-beverage market... or the *potentially revolutionary* biotech market... or the *potential “acceptability”* of smoking pot on the streets... are all, at this point, still “two-in-the-bush” scenarios.

Of course, this doesn't mean we must avoid any company that touches THC products, nor deny the likelihood of future legal and regulatory progress — and

position ourselves accordingly in advance. (Note: Our current holdings fall into this category to varying degrees.)

But it does mean we should have exposure to a CBD “pure play,” which could prove to be just as lucrative over the long run, and, importantly, a more “sure thing,” for as long as full legalization of cannabis — including THC — hangs in the balance.

The size of the CBD market is projected to reach \$20 billion in the U.S. by 2024, with current compound annual growth rate (CAGR) in the neighborhood of 40%!

In short, the CBD market will stand on its own two feet, regardless of what happens with the full legalization of marijuana and THC-containing products. And it may prove to be a less risky space, since it’s already legal and generating substantial revenues.

So, let me introduce you to our next seed investment: **cbdMD Inc. (NYSE: YCBD)**

When you have a chance, pull up a web browser and check out www.cbdmd.com.

If you need to educate yourself on CBD, this is a great place to start. And that’s reflective of cbdMD’s overall mission: to educate and build awareness for the many potential benefits of the CBD compound.

The company’s New York Stock Exchange-listed ticker symbol — “YCBD” — is even a playful wording of the question on everyone’s mind these days: “*Why* CBD?”

It’s clearly a question the company is motivated and qualified to answer. But of course, cbdMD Inc. is going after this market for the money... not merely to provide educational content.

And CEO Scott Coffman has a pretty impressive track record of pulling big money out of new markets. He started the company that makes BLU brand e-cigarettes back in 2009... and then sold the company to cigarette giant Lorillard in 2012 for a cool \$135 million.

Mr. Coffman then formed cbdMD Inc. in 2017, specifically to target the soon-to-be legal CBD market. And with his expertise in e-commerce, he quickly established cbdMD as a trusted online source for direct-to-consumer CBD products.

The company’s early success was enough to attract an acquisition by Level Brands (previously traded under ticker “LEVB”), which closed last December. Mr. Coffman stayed on board and continues to drive cbdMD’s expansion.

If you haven’t heard much about cbdMD Inc. yet — particularly among talked about *investable* cannabis companies — it’s probably because of the recent

acquisition and a change to the new company's ticker symbol.

Prior to December 2018, cbdMD Inc. was a private company. And it was only earlier this month that the company got approval to change its ticker symbol from LEVB to YCBD, which is now obviously referencing the CBD market. Catchy, right? Just wait until it catches on!

All told, I think this stock is still flying under the radar.

But considering that it's already NYSE-listed — which is possible since cbdMD doesn't sell THC products in the U.S. — YCBD has attracted a seed group of institutional investors, including Vanguard and Blackrock, and is generating impressive revenue growth...

I don't think this opportunity will stay under the radar for much longer.

On their most recent, May 16, earnings call, cbdMD Inc. reported first quarter net sales of \$5.7 million, an **84% increase year-over-year**.

Online direct-to-consumer sales still make up 70% of overall revenue, but the company is also expanding the number of brick-and-mortar stores it sells in, which is up to 2,000 currently, from just 600 last December.

There are also a few potential catalysts on the horizon...

cbdMD is set to "go live" with its line of pet products in June, a move that could position it to gain one of the top market-share positions in the pet segment.

And the company also claims it will be the first to bring a CBD transdermal patch to market. Huge potential there!

All told, I think the company's current online sales channel is enough to fuel sustainable growth and significant market-share capture. Anything additional could simply be icing on the cake.

Let's make a seed investment today...

Action to take: Buy shares of cbdMD Inc. (NYSE: YCBD) up to \$6.

Liquidity should not be a significant issue, as an average of 234,000 shares per day have traded. As always, though, a limit order is recommended over a market order.

#5: Intrexon Corporation

This is a “sleeper” opportunity, for sure...

Everyone’s talking about the enormous money to be made in THC and CBD *extracts*, which currently involves growing plants to maturity, then extracting their chemical compounds.

But what if you could “manufacture” the same chemical compounds, *without* having to grow a single plant?

I’ve found one company that’s doing just that, and it stands to make bank on its trove of patented technologies.

I originally recommended **Intrexon Corporation (Nasdaq: XON)** to early *Cannabis Paydays* readers on June 20, 2019, shortly after the company inked a new deal with one of Florida’s largest dispensaries. The stock is still a buy up to \$8.50. Here are the details on this unique opportunity...

Earning Royalty Checks on Patented Technologies

Imagine that you somehow owned the patent to cannabis seeds — not one particular strain, but *all* cannabis seeds.

Your company, “KingCanna Seeds LLC,” may or may not want to actually grow cannabis. It is a lot of work.

Though you’re certainly willing to enter into licensing agreements with cannabis growers around the world, so long as they agree to pay you a royalty on each cannabis seed they plant...

You want to grow my seed into premium organic flower? Fine, just pay me a royalty.

You’re growing my seed into outdoor flower for extraction? Fine, pay me a royalty.

You want to grow hemp for CBD? Great, just pay me my royalty.

This would be an ideal enterprise. You could just kick back on a beach in Jamaica and watch that royalty money roll in.

The Next Best Thing?

You can't own the rights to all cannabis seeds. But there are several opportunities for enterprising companies to inject their patent-protected technologies into the cannabis supply chain... establishing lucrative, royalty-based revenue streams for years to come.

One avenue is what you can think of as "high-tech agriculture" techniques. For instance, there's an established biotech company who's developed proprietary non-GMO tissue culture technology that's "designed to enable rapid production of clean plants with product consistency and reduced phytosanitary risk."

Basically, any technology that can help producers grow cannabis plants more efficiently, more cheaply, or of higher quality, will be incorporated into best-practice growing processes. And the owner of that technology will be able to monetize it as the industry's adoption and growth gains momentum.

Another avenue is *biosynthesis*.

How do I explain biosynthesis? It's a geeky topic.

Currently, almost all "extract" products are just that... chemical components, like THC and CBD, that are extracted from a grown cannabis plant. There's nothing wrong with this process. But it does take a good deal of time, effort, and money. And biotech geeks have found a better way.

Biosynthesis is a process that produces cannabinoids, including CBD. It produces them by means of natural, biological processes... but it completely bypasses the cannabis plant altogether.

Essentially, scientists have figured out how to introduce the DNA components that code for CBD into yeast, which then "grows" the CBD molecules that everyone is interested in... molecules that are identical to the CBD that's currently extracted from grown cannabis plants.

I know. This sounds like something from a Sci-Fi movie. And I'm sure Bob Marley would be rolling in his grave if he heard how his beloved cannabis plant was getting bypassed for its now-yeast-grown components.

But even as unnatural as it may sound, I'm convinced that biosynthesis is the future, and will rather quickly be adopted as the fundamental platform for the mass commercialized production of cannabinoids.

Biosynthesis won't kill *all* plant-growing operations. There will always be a market for flowers, which have to be grown. But the THC and CBD that goes into vape pens, edibles, drinks, lotions, and pharmaceuticals... that's all fair game for biosynthesis.

It's simple economics. If a vape pen manufacturer can buy biosynthesis-produced CBD for \$1, or extraction-produced CBD for \$1.50, they'll choose the former every time.

All told, biosynthesis should be able to produce higher volumes, with better consistency, and at a lower cost than traditional extraction methods currently allow.

Introducing Intrexon Corporation

The company description for **Intrexon Corporation (Nasdaq: XON)** says it “engages in the engineering and industrialization of biology in the United States.”

Sounds pretty wonky and esoteric, right?

Intrexon is basically a biotech firm that develops better ways to grow better products. This involves geeky things like gene-regulation programs, DNA sequencing and plant-cloning technologies.

Don't get bogged down by the details. We're looking at making a seed investment in Intrexon because of three licensing deals it's done with major cannabis companies this year:

- On January 15, Intrexon announced it secured a strategic licensing agreement with Next Green Wave Holdings Inc., a Canadian producer with inroads into the California market. The deal will give Next Green Wave access to Intrexon's proprietary Botticelli technology, which promises to be a meaningful improvement in the plant cloning process growers currently use.

Note: Next Green Wave is positioned very well in California, which is the largest regulated cannabis market in the U.S. currently, making up around one-third of all North American cannabis sales revenue. More on Next Green Wave in a future update of Cannabis Paydays...

- On March 4, Intrexon announced a strategic licensing agreement with Surterra Wellness, one of the fastest-growing multi-state operators in the U.S., for the access to the same Botticelli technology.

Note: Surterra Wellness currently owns one of only 14 currently issued vertically integrated medical marijuana licenses in Florida, one of only three such licenses in Texas, and recently acquired a Massachusetts-based operator. More on Surterra Wellness in a future update of Cannabis Paydays...

These deals are a clear sign that Intrexon's intellectual property assets are quite valuable to the cannabis industry. But the company's most recent deal holds

even more potential.

- On June 18, we learned [On June 18, we learned Intrexon Corporation and Surterra Wellness partnered in a \\$100 million deal to advance commercial scale fermentation-based cannabinoid production.](#)

Watch the Royalties Roll into Intrexon

I think these partnerships are a big deal for Intrexon.

The company reported revenues in the \$23 million range in Q1 of 2019, so a \$100 million deal is nothing to sneeze at!

And in the long run, this could prove to be just the tip of the iceberg for Intrexon's success with injecting its proprietary technology into the cannabis supply chain and collecting fat royalty checks for years to come.

Let's make a "seed" investment in this potentially transformative biotech innovator today...

Action to take: Buy shares of Intrexon Corporation (Nasdaq: XON) up to \$8.50.

Liquidity should not be an issue, as an average of 2.9 million shares per day have traded. As always, a limit order is recommended over a market order.

You've Got to Be "In It" to "Win It"

While the cannabis industry will be extraordinarily lucrative, I should temper your expectations just a bit. Not every seed investment we make will pay out.

That's normal for a new, high-growth market like cannabis. And it's actually a common feature of trend and momentum systems, whereby a relatively small number of "big" winners can easily make up for a number of much smaller losses.

My historical analysis shows my strategy's potential to lock in \$53 in average profits, for every \$1 in average losses, so we certainly have this asymmetry working in our favor!

Of course, to achieve anything close to those results we'll have to persevere through opportunities that fizzle and fail to meet their promise.

And, when we do hit on a big winner... we'll have to be willing to take our money and run!

I'll of course walk you through this endeavor step-by-step, with specific instructions about what to do with each seed investment in my weekly emails to you.

You can also learn more about my "Trader's Way" approach in your *Cannabis Paydays* trading manual.

All told, some of the seed investments we make won't see the light of day. But the ones that do grow into big deals should hand us "paydays" that make this all very worthwhile!

Let the adventure begin!