

# David Sutton on innovation in the cannabis market and what's next for NanoSphere Health Sciences

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"Listing in Canada gave us enormous exposure as well as helped us identify a partner, a licensed producer, there that could help us expand our exposure to the cannabis market. Canada is on the forefront of doing this on a global basis. It made sense to look to Canada and to Delta 9 as providing that avenue...They are very innovative in how they are growing. They are using new technologies to ensure a better product. They are using these pots. We saw their innovation and our innovation in how to deliver cannabis as a match made in heaven." States David Sutton, President and Director of [NanoSphere Health Sciences Inc.](#) (CSE: NSHS), in an interview with InvestorIntel Corp. CEO Tracy Weslosky.

**Tracy Weslosky:** David we know that InvestorIntel audience members like the jockey. It is a very competitive market out there. You have quite the reputation for actually turning transformed concepts into profitable businesses. You selected NanoSphere. Can you tell us why?

**David Sutton:** Absolutely. This technology has disruptive capabilities in multiple industries. When you have a piece of technology that can do that, the potential for profitability and revenue growth is phenomenal.

**Tracy Weslosky:** David, in addition to selecting NanoSphere as a candidate you want to turn into a profitable business, are there

any benefits on listing and being based in Canada? How does this Delta 9 fit into this program?

**David Sutton:** Listing in Canada gave us enormous exposure as well as helped us identify a partner, a licensed producer, there that we could expand our exposure to the cannabis market. Canada is on the forefront of doing this on a global basis. It made sense to look to Canada and to Delta 9 as providing that avenue.

**Tracy Weslosky:** David I obviously do not have my head around Delta 9. Can you tell us a little bit more about this competitive technology?

**David Sutton:** They are very innovative in how they are growing. They are using new technologies to ensure a better product. They are using these pots. We saw their innovation and our innovation in how to deliver cannabis as a match made in heaven.

**Tracy Weslosky:** Speaking of Canada and, of course, North America, you just recently announced that you began production through one of your vertical companies in California. Can you give us some highlights of this deal please?

**David Sutton:** Absolutely. The company is actually called Vertical Companies. Why we selected them to license our technology to is, as the name suggests, they are vertically integrated from grow all the way through distribution, which is key in the California market as they require a third-party distribution to get your products into retail outlets.

**Tracy Weslosky:** You have just moved into Indiana with your NanoSerum Hemp solution. This sounded kind of fun. Can you tell us a little bit more about this?

**David Sutton:** This is our hemp-based CBD product that can now be

shipped across state borders. Has a lot of the similar benefits that our other products do, but now we have a wider audience. Not everyone likes to get high every day, but everybody likes to take a dietary supplement or receive the benefits of CBD every day. It is an enormous market that we are launching in the Midwest to start.

**Tracy Weslosky:** The ten story vantage point for NanoSphere really has to do with your patent for the nanoparticle delivery system. I think it is a good time to remind us all about this competitive advantage.

**David Sutton:** Absolutely. We have 2 patents. The first patent revolves around our nano encapsulation technology and how we put that together no matter what we put inside of it. It provides us protection in any industry that we are operating in. Now our cannabis patent that utilizes what we call the master patent provides us wide protection in the cannabis space. It provides better bioavailability, consistent dosages and unique benefits that you cannot find anywhere else...to access the complete interview, [click here](#)

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## How to Lose Money in Cannabis.

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“Some of the massive cannabis stocks will die and disappear. The global market simply is not large enough to justify the combined market caps of these stocks. Why? It’s a risk-return scenario

and a lot of cannabis investors happily sit back chewing on a bag a Doritos instead of looking at the risks underlying the market and police involvement in Canada is a massive risk.” States Peter Clausi in an interview with InvestorIntel Corp. CEO Tracy Weslosky.

**Tracy Weslosky:** Today I have the pleasure of speaking with Peter Clausi about Canada’s legalization of marijuana. How are you today Peter?

**Peter Clausi:** Overall I am very pretty good but I am still confused about the process.

**Tracy Weslosky:** Are you confused about the legalization process or what exactly are we talking about here?

**Peter Clausi:** I have been calling for decriminalization for years. You knew it was coming. No reason why it shouldn’t have come but the Liberals have a done a terrible job in managing this process and as a result municipalities are unprepared, provinces are unprepared and most importantly police departments are unprepared. There is going to be a terrible social cost to the Liberals mishandling of this process.

**Tracy Weslosky:** I am going to ask you to dumb that down for some of us that are involved more specifically in investing in the cannabis sector. How is this going to impact cannabis stocks?

**Peter Clausi:** You remember WorldCom? Too big to fail? It failed. How about Global Crossing? Too big to fail? It failed. Enron, the list goes on and on. Some of the massive cannabis stocks will die and disappear. The global market simply is not large enough to justify the combined market caps of these stocks. Why? It’s a risk-return scenario and a lot of cannabis investors happily sit back chewing on a bag a Doritos instead of looking at the risks underlying the market and police involvement in

Canada is a massive risk...to access the complete interview, [click here](#)

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# C02 GRO's John Archibald on Revolutionizing the Cannabis Market through Technology

written by InvestorNews | November 5, 2018

"It is based on the fact that we grow it more quickly and we are getting a higher bud grade. When you take those two things together we are getting 45%. To add to that the THC levels have increased as well. We did not include that in that 45%. In our second set of results we actually increased it to 60% and we did include the fact that we had increased the THC levels for total bud value." States John Archibald, CEO and Director of [C02 GRO Inc.](#) (TSXV: GROW), in an interview with InvestorIntel Corp. CEO Tracy Weslosky.

**Tracy Weslosky:** John, so happy you could join us because I thought this headline was substantial, [C02 GRO Revolutionizing Cannabis with a 45% Bud Value Increase](#). Okay, is it just me or is that not phenomenal?

**John Archibald:** That is very, very, very good. It is based on the fact that we grow it more quickly and we are getting a higher bud grade. When you take those two things together we are getting 45%. To add to that the THC levels have increased as well. We did not include that in that 45%. In our second set of results we actually increased it to 60% and we did include the

fact that we had increased the THC levels for total bud value.

**Tracy Weslosky:** For everybody out there in InvestorIntel that is interested in the cannabis market and they are looking for ways to get involved, but maybe not quite directly due to the challenges with legalization, and there is a lot of confusion in this market. CO2 GRO, if I dumb this down a little bit, is actually a technology that can be utilized in any agribusiness opportunity. Is that correct?

**John Archibald:** Certainly. Basically it is the foliar spray of water that is saturated with CO2. What happens is that the CO2 goes onto the leaf and the leaf cuticle is a semi permeable membrane and the CO2 will go into the leaf and it causes it to grow more quickly. In essence that is what happens. It is a very, very simple process that can be integrated into almost everybody's irrigation systems.

**Tracy Weslosky:** Of course, in the cannabis market we have a race with all these companies trying to attract everybody's investment dollars. They must be lined up at your door because if I understand correctly, is this correct, instead of maybe having 4 crops a year they can have 5? It is that significant. Is that what we are talking about?

**John Archibald:** They could have an extra crop per year, yes. We are certainly talking to a lot of big LPs right now about doing trials with them.

**Tracy Weslosky:** What about your patent? I think we discussed this last time. Can you give me an update on this process?

**John Archibald:** Certainly. We had filed a provisional patent. We had filed the provisional patent and then done all the research work to back up our claims. We have done all that work in the past 12 months. Now the patents have been totally submitted and

are pending. They have gone from a provisional status to a patent pending status.

**Tracy Weslosky:** C02 GR0, which is GROW on the TSX Venture, last month you were up like 45%. What should we as shareholders anticipate this next month because this news has just come out in the last week?

**John Archibald:** I think we are going to see the share price keep going up. As we start doing some real work with the LPs I think you will see that the share price surge ahead again...to access the complete interview, [click here](#)

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# Smoked! Govt Finally Admits No Marijuana Legalization by July

written by Peter Clausi | November 5, 2018

The cannabis market continues to be a trader's market. It's not for investors. The difference is the inexplicable random gyrations in the trading of the public marijuana companies' shares. Up three dollars, down two, up four, down two, then sideways... that's the average weekly chart in the cannabis space.

It's a strange market. Good news can send share prices down. News that should crater the stock instead pushes it up. It brings back memories of the [internet boom in the late 1990's](#).

Canopy Growth Corporation (TSX: WEED) is the largest cannabis

company in Canada. Its current market cap is \$5.5Billion, with close to 200,000,000 shares outstanding. Its year high was \$44 a share, but those same shares can be bought today for around \$28. That's a \$14 per share difference, and that share price difference represents about \$2.8Billion in market cap difference. But the company is substantially the same – that \$2.8B market cap delta was not driven by a fundamental change in anything except investor sentiment. Value created and destroyed by mere perception, not facts. And that, is a trader's market.

If further proof is needed, look at Aurora Cannabis Inc. (TSX: ACB | OTCQX: ACBFF). It's one of our long-term favourites to survive the inevitable carnage in this sector. Its low over the past 12 months was \$1.90. One hundred and ninety pennies. Today, it's trading about \$11, after stretching to hit a high of \$15.20. With 470M shares out, the market perceives Aurora having created about \$4.7B of value over the past 12 months. Not even Aladdin with his magic lamp could do that.

The main reason for the irrational exuberance (thank you Alan Greenspan) is the federal government's campaign promise to decriminalize cannabis. Investors know the medical market is limited in size, and the real \$\$\$ will be in the recreational space, if it ever happens. Almost everyone takes it for granted that decrim will happen, on schedule, on July 1, 2018, despite the well-known fact a politician on a campaign trail makes more empty promises than does Harold Hill.

Also take into account the potential size of the market. Don't trust the numbers from people in the market who have a clear vested interest in a huge number. Instead, look to independent data sources, such as the [survey of 1,500 Canadians](#) conducted by Abacus Data on behalf of *Maclean's* as part of [The Canada Project](#). It found that 84 per cent of respondents over 18 *never* smoke marijuana, and of the 16 per cent that do, daily users

amount to only 5 per cent, and 3 per cent say they use a few times a week.

5 per cent of 32 million Canadians is 1.6M daily users. That sounds like a lot, but consider there are 89 licenced producers with many more applications in the pipeline. That's not a lot of users to spread around, and it gets worse when you consider that taxation and price controls have not yet been finalized. For many of the LP's, the only end game will be consolidation or bankruptcy.

Public consultation by the feds only closed three weeks ago on January 20, 2018. The infrastructure issues are so deep, so broad, so regulated by at least three other levels of government, that there is no way decrim can be implemented on the Liberals' schedule.

We've been warning about this since the Liberals started promising in 2014. This will be the fourth year that we've warned investors not to trust the government. Every time we've pointed this out, traders have objected: "The Liberals promised it and the govt needs the tax revenue. *Of course* cannabis will be decriminalized."

The Senate has already indicated it will not simply accept the Liberals' legislation, and there are still the persistent barriers created by international treaties like the [Single Convention](#) that need to be overcome. Even if those huge challenges are overcome, the implementation of the legislation requires a previously unheard-of level of co-operation at the municipal level, across Canada, across ten provinces and three territories.

But the federal government just told the market, NO. The first paragraph from an article in last week's [Globe and Mail](#) summarizes the facts: "Canadians will have to wait until late in

the summer before they will be able to legally consume cannabis under a new timeline laid out by the federal government – even if the Senate votes in favour of the legislation by May or June.”

In a slippery bit of news that fell sideways into the media, Health Minister Ginette Petitpas Taylor told certain members of the Senate that the feds will wait 8 to 12 weeks after the legislation is passed (if it ever is passed) before actually decriminalizing cannabis, to give provinces and municipalities the time to create an implementation structure. If the legislation is passed for July 1/18, that means the earliest you can buy weed legally would be for your Thanksgiving party. This dovetails with our warnings that the government’s timeline was impossible (see for example our detailed [article from Sept/17](#)).

That interim period is important. It matters because it negatively impacts cash flow. It negatively impacts balance sheets. It impacts business plans and human resources decisions. And those impacts will play out in the market. The market is always wrong in the short term and right in the long term.

If you’re looking for comfort, the Liberals are not the place to look for it. How about [this](#) recent blumphus from Public Safety Minister Ralph Goodale: “Our goal is this summer in an orderly fashion with all the pieces sequenced in the right order so that they are effective.” What does that even mean?

So what to do. One, be realistic. Recognize the reality of the real timetable for decrim. You will not be able to legally buy marijuana outside of the medical market on July 2, 2018. Second, avoid business plans whose survival depends on decrim happening at all. Third, avoid business plans whose survival depends on decrim happening in 2018. Fourth, be a nimble trader, not an investor. Wait to be an investor after the cannabis market has

its inevitable severe correction.

Or, you can believe the government's election promise.