



My Top Marijuana Growth Stock for 2017

Description

Aurora Cannabis Inc. (TSXV:ACB) could easily be the next marijuana producer to hit the \$1-billion-market-capitalization milestone after front runner **Canopy Growth Corp.** ([TSX:WEED](#)). Investors could see massive gains on this counter in the next three months and a doubling in stock price sooner than they currently anticipate.

The company has made very significant strides to catch up with the runaway industry leader. Enough momentum has so far been amassed for the stock to shoot through the TSXV ceiling, a feat only Canopy Growth has achieved so far. Here is why Aurora investors could be in for big gains this year.

Aurora Sky: a game changer

The construction of the 800 000-square-foot Aurora Sky greenhouse facility at the Edmonton International Airport could be a massive game changer in the industry. With such a facility at its disposal, Aurora Cannabis is poised to be an international cannabis player by fall 2018.

Most interesting is the fact that the current industry giant, Canopy Growth, now has 656 000 square feet of licensed production area after the recent acquisition of Mettrum Health Corp. If Canopy doesn't expand facilities fast enough this year, Aurora will have biggest production area at 855 200 square feet come 2018.

Aurora Sky facilities will have the capacity to produce 100 000 kilograms of dried product annually. That would be a massive 107 000 kilograms of combined productive capacity for the entity, making it ready to fight it out with Canopy Growth in the market.

Aurora's new facility will be the largest yet constructed or envisioned in the Canadian cannabis sector, and management believes it will represent the most advanced, automated cannabis-production facility in the world.

Cash boost

Big sums of smart money are flowing into the company right now with a current private placement

financing round to boost Aurora's cash war chest by another \$60 million. Gross proceeds could rise to \$75 million if the underwriters take up the option to purchase the 6,667,500 additional units at the offer price of \$2.25 by February 23. It most likely will.

Canopy Growth was anticipating a cash balance of \$68 million after the Mettrum acquisition deal in January 2017.

Aurora is now more geared to compete with Canopy for the biggest piece of the marijuana pie. Net proceeds from the offering will be used primarily for the company's strategic growth initiatives.

Phenomenal client book growth

Aurora has seen the fastest organic growth than any other licensed marijuana seller. It grew from zero to surpassing 12,000 active registered patients by November 2016 in the first 12 months of product sales.

The growth rate in patient numbers in Canada has been phenomenal at a staggering 10% a month.

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