



Forget Canopy Growth Corp.! Buy Aurora Cannabis Inc.

Description

Aurora Cannabis Inc. (TSXV:ACB) is starting to look like a major player in the marijuana space that could compete with the likes of **Canopy Growth Corp.** ([TSX:WEED](#)) and **Aphria Inc.** (TSX:APH). There's no question that the demand for marijuana is sky high right now. It's expected to increase even further once the drug becomes legalized across Canada, so more greenhouses are going to be needed to supply such fast-growing demand.

Canada's favourite pot stock, Canopy, can't keep up with the huge demand for marijuana by itself. It's also facing a class-action lawsuit right now because one of its subsidiaries, Mettrum Inc., is in hot water over the use of banned pesticides on its weed. It's a PR nightmare at Canopy, and it's going to be doing damage control for the short term. The reputation of the company has been tarnished in the very early stages, and that's not a great sign for a company with the ambitious goal of becoming one of the industry's leaders.

This is definitely a huge opportunity for Aurora Cannabis to show investors that it's a legitimate company that plays by the rules and can produce massive amounts of high-quality marijuana at a low cost.

Aurora Cannabis is disclosing its marijuana-testing data to the public

Pesticide contamination has been a growing fear in the marijuana space. Both investors and users of the drug have concerns over the matter, but Aurora Cannabis is going to ease these concerns by disclosing its testing data to show that it's got nothing to hide, and it's playing by the rules. This is terrific news for shareholders because there will be no surprise recalls or class-action lawsuits to kill short-term returns.

Aurora Cannabis is a licensed medical marijuana producer with a vigorous new disclosure process for third-party quality-control testing. This means that thorough testing will be done on the products, and buyers can be assured that the product they're receiving is pure and not contaminated by any carcinogenic chemicals. All weed sold by Aurora Cannabis now comes with a certificate of analysis by Anandia Labs, a medical marijuana testing laboratory. Anandia Labs tests for 51 pesticides in addition

to other harmful contaminants, such as bacteria or heavy metals.

Takeaway

Aurora Cannabis is growing ridiculously fast. Its Aurora Sky greenhouse project is under construction and projected to be one of the largest and cheapest ways to produce massive amounts of marijuana — approximately 100,000 kilograms per year worth once the project is operational. That's one huge grow op! This means high volumes and high margins together in one company.

The company is also easing the fears of investors with its thorough quality control process, and this will prevent any unexpected issues from arising. The management team isn't the most experienced in the weed industry, so I would take caution if you're thinking about making this company a core holding in your portfolio.

If you don't mind a little risk, then pick up a few shares, but don't panic if there's volatility down the road. Volatility is pretty much guaranteed with any marijuana stock.

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1. Investing

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2. TSX:WEED (Canopy Growth)

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