



Why CanniMed Therapeutics Inc. Soared 17.18% on Thursday

Description

What?

Canadian medical cannabis producer **CanniMed Therapeutics Inc.** (TSX:CMED) watched its stock roar 17.18% higher in Thursday's trading session following its announcement that it has postponed its special shareholders' meeting to vote on its proposed takeover of **Newstrike Resources Ltd.** (TSXV:HIP) in order to discuss a possible transaction with **Aurora Cannabis Inc.** ([TSX:ACB](#)).

So what?

Aurora had originally tried [to acquire CanniMed](#) in November, but CanniMed was not a fan of the deal and has done everything in its power to prevent it, including launching its takeover of Newstrike Resources and filing a [\\$725 million lawsuit](#) against Aurora, but it seems like the two sides are finally on speaking terms and will meet to discuss a potential deal.

Aurora has been accumulating shares of CanniMed since announcing its intention to take the company over on November 24, with its most recent press release showing an aggregate number of shares purchased at 700,600, which have a market value of approximately \$22.84 million at the close of trading on Thursday, but it has agreed to not acquire any additional shares during the standstill period that will last until January 21 at 11:59 P.M. (EST).

Now what?

Cannabis is right up there with cryptocurrency and blockchain technology as one of the most-talked-about topics in the investment world today, especially in Canada, and it has been one of the most active in terms of deal making as well. I think a deal between CanniMed and Aurora would make the combined company an absolute powerhouse in the industry with far greater long-term growth potential, and it would give it elite status alongside **Canopy Growth Corp.** and **Aphria Inc.** in my mind, so I am definitely rooting for the deal to get done.

With all of this being said, I would avoid making new investments in CanniMed or Aurora until we know more about the possible deal on January 21, so stay tuned!

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