



Forget Marijuana: These 2 Unknown Canadian Stocks Have Returned up to 6,570% in 2018

Description

In a [highly volatile equities market](#) characterized by increasingly bearish investor sentiment across the world, some growth stars emerged and rewarded investors with potentially life-changing fortunes. Two relatively unknown stocks on the TSX Venture exchange have outperformed any cannabis investments and produced phenomenal returns of up to 6,570% this year.

Let's have a look.

Eastwood Bio-Medical Canada

Eastwood Bio-Medical Canada ([TSXV:EBM](#)) is one of the biggest gainers on a Canadian stock exchange this year, as shares in the pharmaceutical company rose a staggering 6,570% so far this year.

The company is a Vancouver-based biotechnology company whose tried-and-tested and now increasingly famous Eleotin® brand of products “provide natural sourced solutions for metabolic syndromes such as blood glucose control, obesity, and hypertension,” the company claims.

Eastwood's recent purchase of its parent company's producing assets this year allowed it to graduate from being a mere distributor into a fully integrated pharmaceutical firm with the flexibility to scale up production and expand into new markets as well as become a contract manufacturer of pharmaceutical products to other corporate clients, giving the company new and important revenue streams.

Asia has become a new strong growth market for Eastwood, and a distribution deal to South Korea, which promises to be a rapid growth catalyst, has generated high investor interest and resulted in a violent share price growth, but the fact that the company is closely controlled by Eastwood Bio-Medical Research, which holds 69.5% of the issued and outstanding common shares, could be another factor that has resulted in a massive share price growth due to a limited available float.

Management estimated a “revenue growth of roughly over 350% for Q4, ending October 31, 2018,” in

a November press release but cautioned that this may not be a sustainable growth rate.

The company has announced about 50 new products since April 2018 to expand its total product count in Canada to 68. Two of Eastwood's new products meant to meet market demands for cognitive health issues include Eleotin Solomon and Eleotin Philosophy, and these are cannabis products.

It will be interesting to watch how the cannabis product line evolves.

Perisson Petroleum

Perisson Petroleum ([TSXV:POG](#)) common shares traded at \$2.20 before a forward stock split in April 2018 increased outstanding common share count tenfold to 867,906,560. The share price has risen 1,350% since January this year.

The company owns oil- and gas-producing assets in the Twining area of Alberta, a 100% working interest in some oil assets in Colombia, and is in the process of acquiring a 28% equity stake in Ap-Nafta, a Kazakhstani operation that currently produces 1,100 barrels of sweet light oil per day from six producing wells.

There has been high activity at Perisson in 2018, as the company has been holding high-level equity investment negotiations with a Chinese private equity firm, while identifying and negotiating new business acquisition opportunities.

The company is nearing an acquisition of an oil refinery in China and recently inked a farm-in agreement with an oil field engineering firm CNOG, whereby CNOG will provide the funding and potential access to equipment and technical and logistical capabilities to assist in the development of the farm-in opportunities.

Perisson has been a high-risk speculative investment such that even the \$3 million convertible debenture holders demanded an 18% interest per annum on a two-year note.

That said, a US\$50 million financing deal with Lan-Cheng Limited this December, which gives the private investment firm a 5% equity stake in the company and could provide much-needed capital to finance Perisson's targeted acquisition and development deals in Canada and worldwide, and the company looks forward to developing partnerships with oil and gas companies with asset-rich prospects that require significant funding to exploit.

The Lan-Cheng deal is expected to close at US\$0.95413 a share early next year, which could have been at a massive 287% premium to the current market price (had it been an ordinary bought deal). However, the deal is a unique hybrid financing arrangement, which gives the fund a put option to sell back the equity units to the company in five years at the deal price plus a 12.5% premium and requires the deposit of "75% of field level cash flow from oil and gas assets acquired from the proceeds of the financing" into an "escrow account as collateral for buying additional properties or to secure the put option," reads the December 10th news release.

Perisson may be a worthy growth stock to watch in 2019, but retail investors should beware the new risk from the latest private equity deal, which gives a new minority investor an effective control of the company's cash flow.

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brianparadza

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