



## How to Spot the Next 10-Bagger Weed Stock

### Description

Finding a cannabis stock to double, triple or even quadruple your money is not easy anymore. A few years ago, you could basically buy any company in the sector and wait for news to come out and then watch as the stock exploded higher.

Today if you want to find a stock like that you really have to do your homework. There are still such companies, but they are much harder to find due to the maturing environment in the sector and the vast number of companies that exist today.

Eventually, it will be impossible to miss these top companies, and when investors realise what is happening, the rush to bid up the prices could send them soaring.

In order to identify the next cannabis stock that will take off, there are a number of factors you have to look for.

It should have decent exposure and preparation for the edibles market, which is due to be legalized in October. Analysts have estimated that by the end of 2022, roughly \$5.3 billion will have already been spent on [edible](#) and beverage products.

It also needs to be a company that has the ability to be a first mover. In this type of industry, research and development is critical and one technique or discovery can be game-changing for the entire industry, which means being able to get a product to market the quickest could allow a company to grab vital market share and grow their brand's customer base.

It will also need a low-cost basis as well as strong brands that consumers will recognize and trust, for whatever needs they are shopping for.

One company that ticks all those boxes and more is **48North Cannabis Corp** (TSXV:NRTN).

### 48North

48North is a small-cap cannabis company with operations in Ontario. It's one of the smallest publicly traded companies with a market cap of just over \$130 million, giving investors the chance to get in early.

It has a large-scale, low-cost, 100-acre outdoor organic farm as well as two modern indoor facilities.

It expects to do 2,500 kilograms of production from its indoor facilities in 2019, as well as 40,000 kilograms from its organic farm, at some of the lowest costs per gram in the country at just \$0.25 per gram.

Its outdoor farm is the largest licensed organic cannabis farm in the country. Selling organic cannabis is a strategic move that will surely pay off down the line as most consumers are continuing to increase their organic consumption. More than half of Canadian consumers purchase organic products every week.

48North has also done some strategic planning by partnering with leaders in cannabis or consumer packaged goods sectors. It's also been building up high-quality formulations and manufacturing capabilities for a number of its proprietary products.

The company also recently acquired Quill, a vape pen manufacturer that sells in Washington and Oregon and is about to enter the Nevada and California markets. The acquisition is unique because it gives 48North an entrance to the U.S. market, while still keeping it onside with regulations.

It's also important as it builds up 48North's expertise, allowing it to start forming a distribution network in the U.S., which will be a huge competitive advantage when the U.S. becomes a legal operating jurisdiction for cannabis federally.

## Bottom line

It takes a number of things to go right in order for a company to have enough growth to start multiplying several times. 48North has that potential as it has been positioned well, makes strategic decisions and has top plans for the future and a network of partnerships throughout the industry.

It's important to do the research though and find the companies, as they still exist, but as the industry matures there will be less time to find these companies and you don't want to miss the chance to earn some handsome rewards.

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