



## Can the Next Phase of Cannabis Legalization Create More Millionaires?

### Description

Predicting whether or not the cannabis industry will have another boom like the ones seen in the last few years is a difficult task. Knowing which stocks would benefit if it did boom is much easier.

As Canada's recreational cannabis industry continues to evolve, and as the government gets set to introduce the next phase of legalization, there are certain companies that are positioning themselves for this next chapter.

It's no longer only about the licensed producers, but rather the niche companies that are innovating and creating new markets for themselves. Since legalization isn't fully implemented yet, there are a number of products that have yet to have even been created.

The growing pains experienced in the industry thus far were somewhat to be expected, but some could argue they are worse than investors anticipated.

Nonetheless, the industry will continue to grow, and two top companies that are taking advantage of the future of cannabis are **Canopy Rivers** (TSXV:RIV) and **Neptune Wellness Solutions** ([TSX:NEPT](#))(NASDAQ:NEPT).

### Canopy Rivers

Canopy Rivers continues to be an intriguing company in the cannabis sector. It was created as a venture capital investing company that specifically targets companies that have exposure to the cannabis industry.

It is building itself an integrated platform of investments in a wide range of companies in numerous sub-sectors.

In addition to the expected return each investment will make Canopy Rivers, the marginal addition of each new investment is huge, as every new company presents further collaboration opportunities between each of its investments as well as its parent **Canopy Growth**.

To date, Canopy Rivers has already made 18 investments and has evaluated more than 1,500 opportunities.

Its strong management team has a wealth of venture capital experience and, coupled with the strategic partnerships it has and is continuing to make in the industry, Canopy Rivers has a ton of future potential.

At a market cap of about \$450 million, the stock has a long way to go if it all works out.

## Neptune Wellness Solutions

Neptune is a cannabis [extraction](#) company that also has operations in nutrition, which has given it a ton of industry knowledge and synergies, especially because it is focused on plant-based solutions.

Its stock has come down the last few months, offering investors an attractive price to get in before the second wave of legalization next month.

On the extraction side, it has already signed deals with some of the largest producers and is fully GMP certified. Its highly automated facility and top-quality oil extraction make it one of the best companies in the industry.

It also acquired a U.S. hemp extraction company headquartered in North Carolina to give itself exposure to the growing hemp industry south of the border. The acquisition also gives Neptune a leg up on some of its competition, if cannabis was to be legalized federally in the U.S.

Going forward, it's focused on continuing its industry-leading research and development as well as expanding its capacity to be able to meet the growing demand as the industry continues to mature.

At a market cap of about \$500 million, the stock is a screaming buy, and investors who get in won't be disappointed.

## Bottom line

Finding investments other than the licensed producers are an investor's best chance at striking it rich from this next phase of cannabis legalization.

That is not to say you can't make money in the large producers, it's just that the best opportunities will lie in the small-cap ancillary companies.

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1. Cannabis Stocks
2. Investing

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1. Cannabis

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1. OTC:NEPT.F (Neptune Wellness Solutions)
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## Date

2025/06/30

## Date Created

2019/09/22

## Author

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