
Analyst Ideas of the Week - Recent News Indicates Wealth May Drill Shortly

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Wealth Minerals Ltd. (TSXV: WML / Share Price: \$0.61 per share/ FRC Fair Value Estimate: \$1.93 per share):

Announcement: Wealth announced today the appointment of a new CTO for its Chile operations. Cesar Jil was formerly a Manager of Lithium Extraction Technologies at Albemarle Corporation (NYSE: ALB). According to the company, Mr. Jil is “an expert in the latest technologies and methodologies regarding lithium beneficiation from natural brines, and has worked in the Atacama, Antofalla and Silver Peak salars/salt lake beds.”

Impact: Neutral - Positive

Outlook: We believe this appointment indicates that Wealth may be likely to start drilling shortly. In July, the company had announced delays as local community representatives expressed concerns about the project’s impact on the area. In September 2018, Wealth had announced that it has completed a detailed re-interpretation of geophysical data, and delineated a large 100km² area of anomalous data, which is interpreted to represent high-salinity brines at depth. The company has also commenced a geophysical survey on several additional properties in the area.

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Arctic Star Exploration (TSXV: ADD / Share Price: \$0.09 per share/ FRC Fair Value Estimate: N/A):

Announcement: On October 4, 2018, Arctic announced the final results of its drill program on the Timantti diamond project (Finland). The latest results showed a total of 559 diamonds identified in 350kg of Black Wolf kimberlite. Grey Wolf showed 144 diamonds from 202 kg, and the White Wolf kimberlite showed 1,032 diamonds from 410 kg.

Impact: Neutral

Outlook: Although the latest results from Black Wolf were not as positive as White Wolf, we were pleased to see that all of the kimberlites discovered to date contain diamonds. As there is evidence of more kimberlites in the area, the company's immediate primary focus is on identifying more kimberlites. Programs will include geophysics, till sampling, excavator sampling and drilling.



**Anthony De Ruijter, B.A. (econ)
Analyst**

The Green Organic Dutchman Holdings Ltd. (TSX: TGOD / Share Price: \$6.63 per share / FRC Fair Value Estimate: \$9.20 per share) – On October 2, 2018, the company announced that they had closed the previously announced acquisition of HemPoland. The acquisition is expected to be reflected in TGOD's future financials through the accretion of HemPoland's revenues, which are derived from sales of hemp-derived CBD products.

- **Expected impact of news on valuation:** Neutral.
- **Reasoning:** We believe that the potential economic benefits of the acquisition have already been priced into TGOD's shares, and the most recent news acts only as a confirmation. We

are anticipating the next release of financials so we can see the actual performance of the acquisition, and impact on the company.

Abattis Bioceuticals Corp. (CSE: ATT / Share Price: \$0.17 per share / FRC Fair Value Estimate: \$0.30 per share) – On October 4, 2018, the company announced that phase one of their research project done in conjunction with Mitacs and the University of British Columbia was nearing completion. The research project relates to the development of nanoemulsified and liposomal platforms for transmucosal (stomach lining) delivery of CBD oil. The project comprises four phases and phase one was focused on confirmation that sublingual absorption is superior in terms of providing a higher percentage of successful cannabinoid reception into the bloodstream, relative to more conventional methods.

- **Expected impact of news on valuation:** Neutral.
- **Reasoning:** Though the findings may manifest in the future as products offered by Abattis, at current, it is too early to tell what financial impact the research project will have.

Isodiol International Inc. (CSE: ISOL / Share Price: \$3.56 per share / FRC Fair Value Estimate: \$10.10 per share) – On October 5, 2018, the company provided an update announcing that it had provided CBD isolate to pharmaceutical companies and research groups for research purposes at a pharmaceutical research convention based in Madrid, Spain.

- **Expected impact of news on valuation:** Neutral.
- **Reasoning:** Though the news is unlikely to benefit the company's valuation, we do see the news as an indication that Isodiol's product is considered a high-quality benchmark in the broader industry.

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