



Fundamental Research Corp.

Investment Analysis for Intelligent Investors

Analysts' Ideas of the Week

Does AngloGold Ashanti's Financing Signal an M&A Event for this Gold Junior?

May 10, 2021

www.researchfrc.com

Reddit Discussed Stocks

Our last week's pick, Precipio, Inc. (NASDAQ: PRPO) went up from \$4.95 on last Monday's closing, to \$9.18 the next day (up 85%). We note that the Electric Vehicle (EV) sector is the most actively discussed among retail investors, followed by cannabis and sports betting. This week, we are observing strong retail sentiment around, Protagenic Therapeutics (NASDAQ: PTIX). Key parameters used may include – a) total number of mentions, b) percentage change in the number of mentions, c) stock sentiment, d) stock price trend, and e) market capitalization.

May 10, 2021

Company	Ticker	Sector
Protagenic Therapeutics, Inc.	PTIX	Diagnostics & Research

Source: FRC

FRC Top Picks

The following table shows last week's top five performers among our Top Picks, including four junior resource companies (two gold and two silver), and one Mortgage Investment Corporation. **The top performer, Corvus Gold (TSX: KOR), was up 18% WoW, due to a financing arrangement with AngloGold Ashanti.** Additional comments on Corvus are presented later in this report. Our reports on KOR can be viewed [here](#).

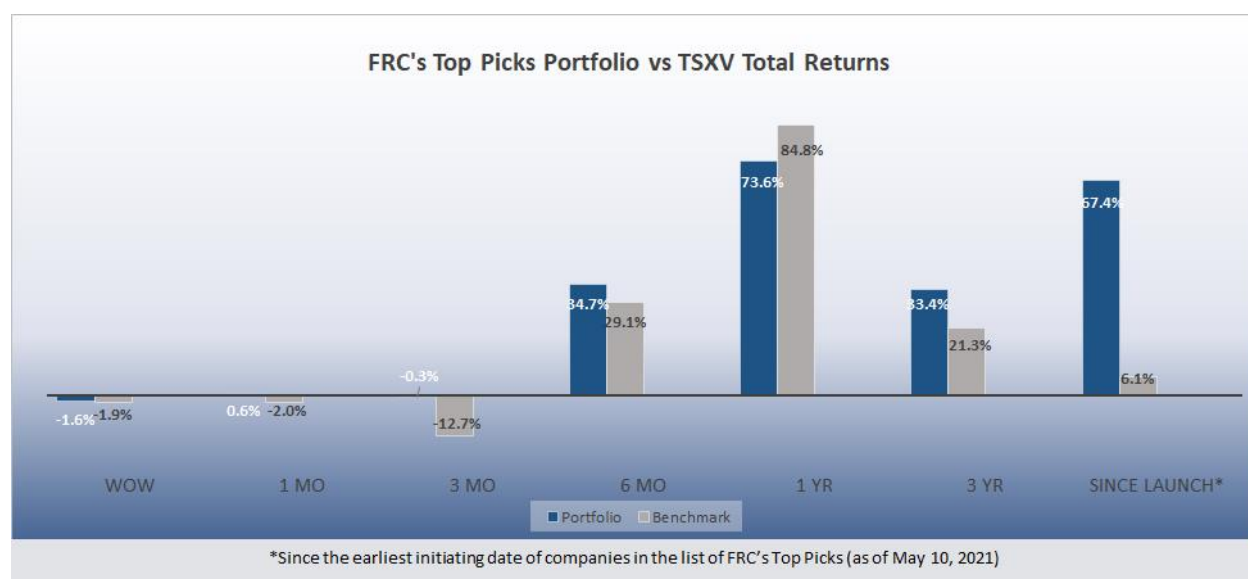
Top Five Performers Last Week

Top 5 Weekly Performers	WoW Returns
Corvus Gold Inc. (KOR.TO)	18.1%
Southern Silver Exploration Corp. (SSV.V)	13.7%
GR Silver Mining (GRSL.V)	12.7%
Cornerstone Capital Resources Inc. (CGP.V)	7.2%
Timbercreek Financial Corp (TF.TO)	3.3%

* Past performance is not indicative of future performance (as of May 10, 2021)

Source: FRC

Our portfolio (equally weighted) outperformed the benchmark (TSXV) in six out of seven time periods we track.



Performance by Sector

Total Return	WoW	1 Mo	3 Mo	6 Mo	1 Yr	3 Yr	Since Launch*
Mining	0.0%	2.7%	-3.4%	27.3%	83.6%	37.9%	97.7%
Cannabis	-7.0%	-11.7%	-10.0%	-6.4%	-25.4%	N/A	-0.1%
Technology	-12.6%	-7.9%	28.7%	82.1%	358.3%	83.3%	29.3%
Special Situations	-1.1%	-1.1%	10.3%	12.8%	14.3%	1.1%	7.2%
Private Companies	N/A	N/A	N/A	N/A	6.9%	20.4%	23.9%
Portfolio (Total)	-1.6%	0.6%	-0.3%	34.7%	73.6%	33.4%	67.4%
Benchmark² (Total)	-1.9%	-2.0%	-12.7%	29.1%	84.8%	21.3%	6.1%
Portfolio (Annualized)	-	-	-	-	73.6%	10.1%	7.2%
Benchmark² (Annualized)	-	-	-	-	84.8%	6.6%	0.8%

1. Since the earliest initiating date of companies in the list of Top Picks (as of May 10, 2021)

2. Green (blue) indicates FRC's picks outperformed (underperformed) the benchmark.

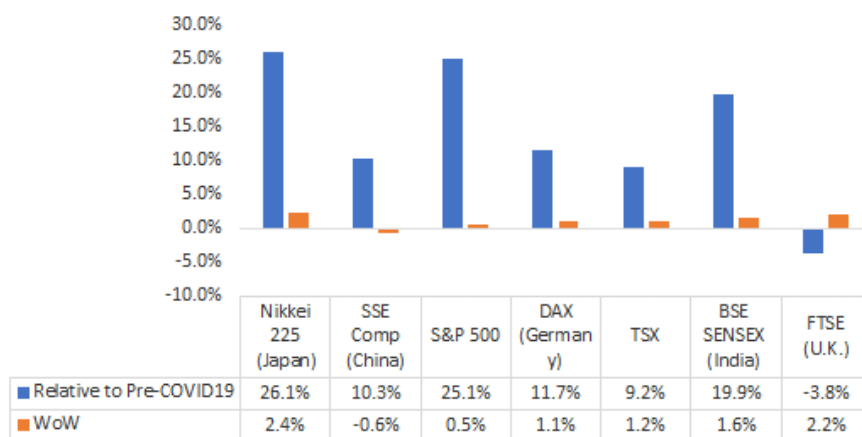
Source: FRC

Our complete list of top picks (updated weekly) can be viewed [here](#).

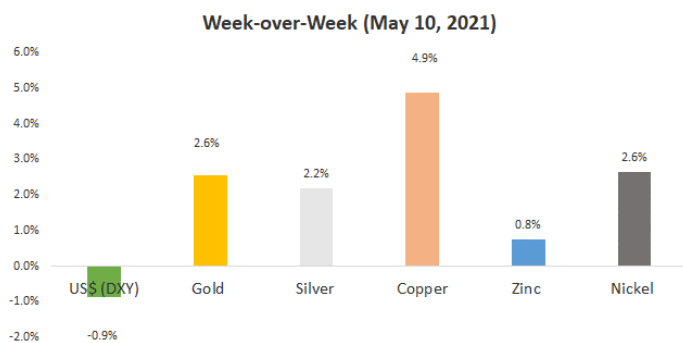
Weekly Mining Commentary

Six out of seven global equity indices we track returned positive returns last week.

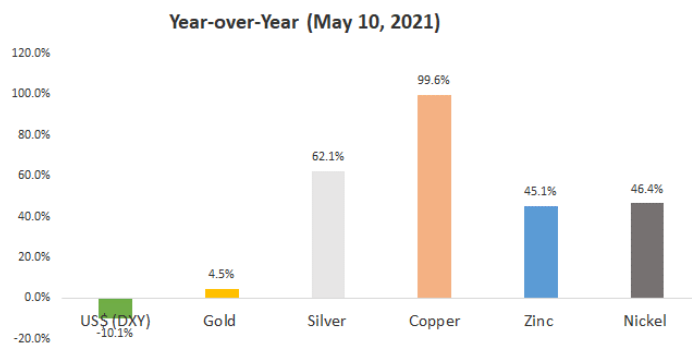
Current Vs Pre COVID-19 (as of May 10, 2021)



Weakness in the US\$ drove mainstream metal prices higher. Once again, copper was the best weekly performer, as inventory levels fell sharply on the LME, and manufacturing activities picked up in China last month. We recently uploaded a video on attractive copper targets on our [Youtube channel](#).

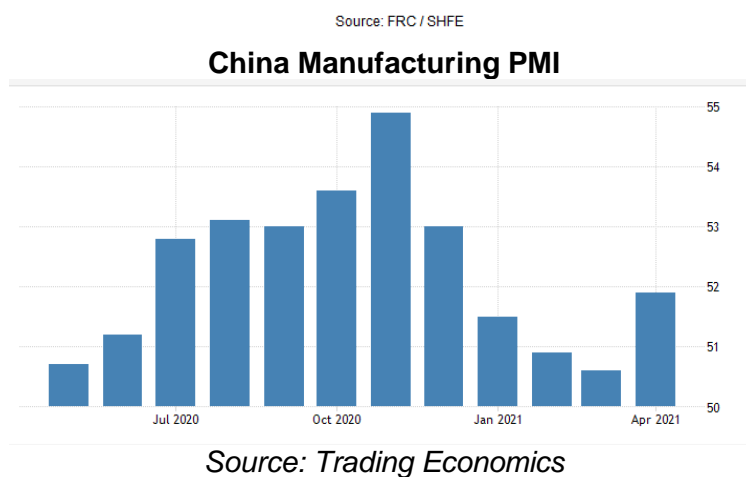
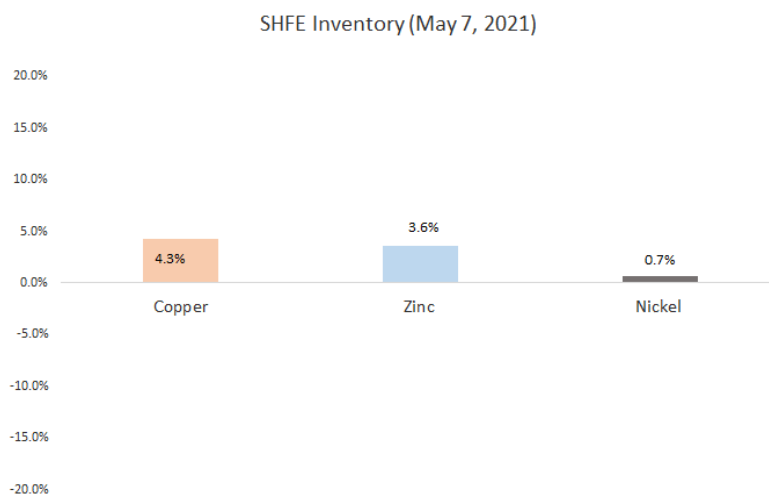
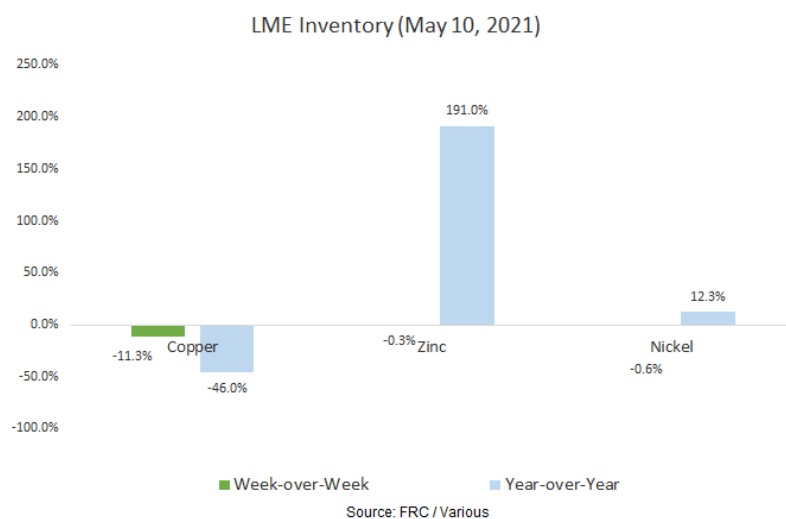


Source: FRC / Various

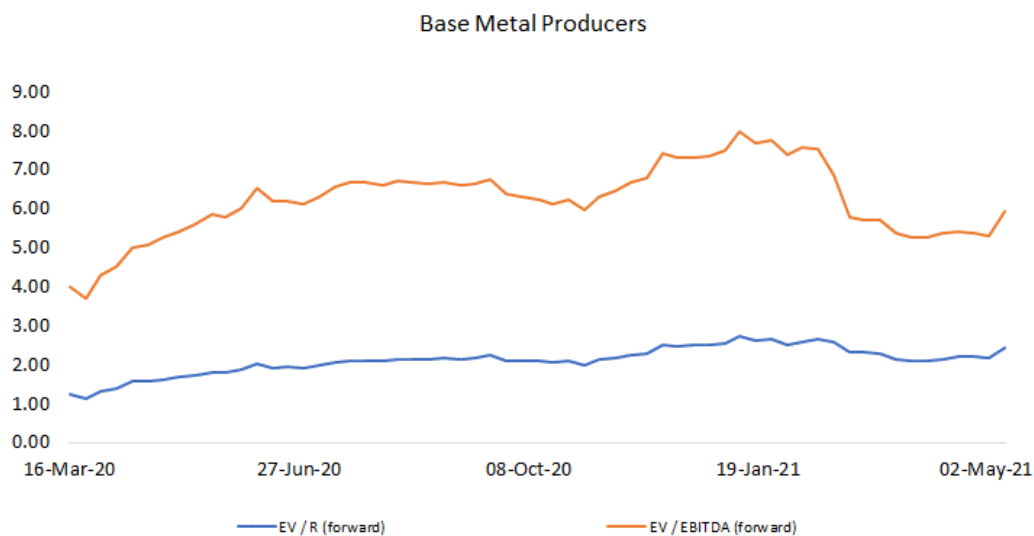
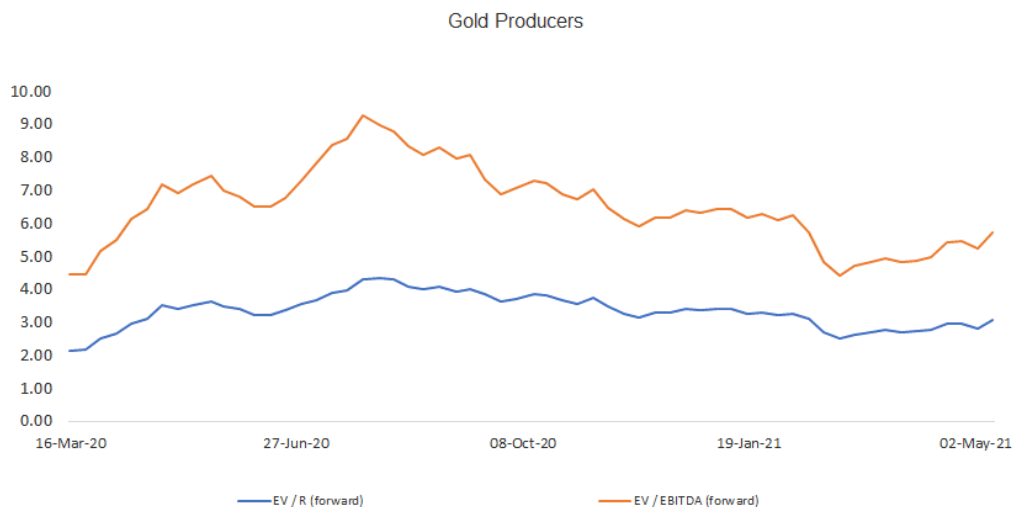


Source: FRC / Various

Source: MarketWatch



Valuations of gold producers were up 9% WoW; base metal producers were up 12%.



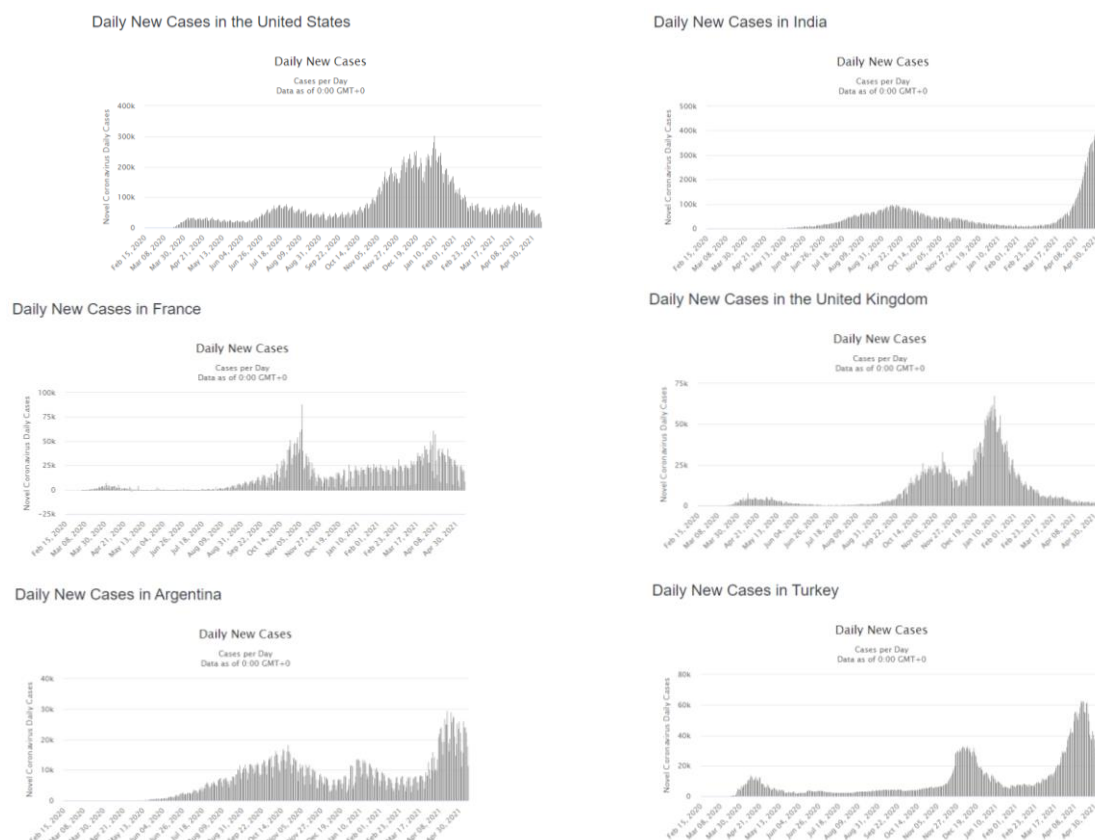
Gold Producers		26-Apr-21		03-May-21		10-May-21	
		EV / R (forward)	EV / EBITDA (forward)	EV / R (forward)	EV / EBITDA (forward)	EV / R (forward)	EV / EBITDA (forward)
1	Barrick	3.88	7.06	3.77	6.91	4.18	7.65
2	Newmont	4.02	7.56	3.90	7.45	4.20	7.98
3	Polyus	5.81	8.27	5.30	7.55	5.85	8.34
4	Agnico Eagle	4.27	8.75	4.21	8.44	4.62	9.17
5	AngloGold	2.03	4.16	2.00	4.10	2.19	4.48
6	Kinross Gold	2.31	4.85	2.23	4.70	2.45	5.16
7	Gold Fields	2.36	4.13	2.30	4.03	2.50	4.42
8	Sibanye	1.15	2.51	1.13	2.48	1.10	2.27
9	Yamana	3.18	5.51	3.02	5.43	3.32	5.89
10	B2Gold	2.88	4.38	2.72	4.21	2.89	4.47
11	Alamos	3.44	6.08	3.16	5.78	3.52	6.46
12	Harmony	1.00	3.24	0.94	3.05	1.02	3.32
13	Eldorado Gold	2.26	4.59	1.95	4.02	2.24	4.63
Average (excl outliers)		2.97	5.47	2.82	5.24	3.08	5.71
Min		1.00	2.51	0.94	2.48	1.02	2.27
Max		5.81	8.75	5.30	8.44	5.85	9.17

Base Metal Producers		EV / R (forward)	EV / EBITDA (forward)	EV / R (forward)	EV / EBITDA (forward)	EV / R (forward)	EV / EBITDA (forward)
1	BHP Group	3.46	5.69	3.37	5.47	3.74	6.17
2	Rio Tinto	2.57	4.20	2.51	4.13	2.81	4.61
3	South32	1.64	6.58	1.64	6.49	1.78	7.02
4	Glencore	0.42	5.32	0.42	5.25	0.46	5.81
5	Anglo American	1.61	3.51	1.59	3.43	1.77	3.82
6	Teck Resources	1.94	5.10	1.98	5.14	2.22	5.88
7	First Quantum	3.69	7.27	3.66	7.20	4.16	8.25
Average (excl outliers)		2.19	5.38	2.17	5.30	2.42	5.94
Min		0.42	3.51	0.42	3.43	0.46	3.82
Max		3.69	7.27	3.66	7.20	4.16	8.25

Source: S&P Capital IQ & FRC

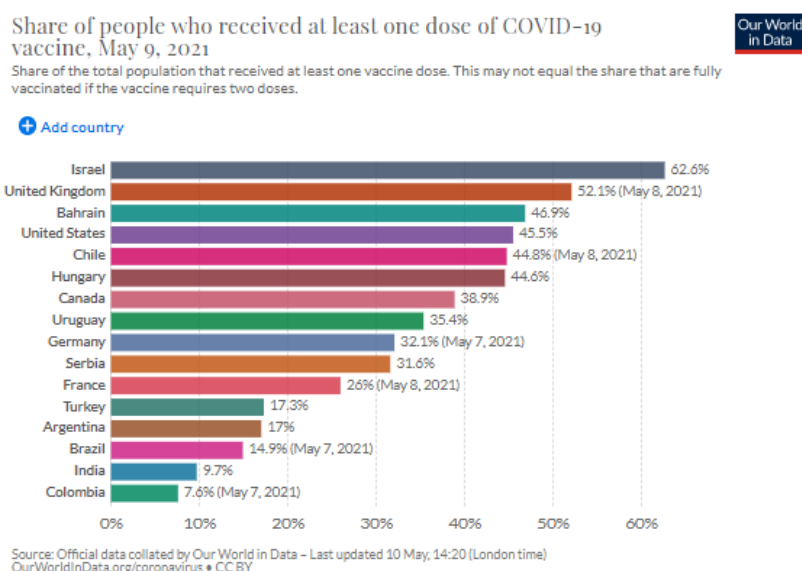
Source: S&P Capital IQ & FRC

For two weeks in a row, India was the only country among the top 15 hardest hit nations to report a WoW increase in new COVID-19 cases. Only 9.7% of India's population has received a dose of vaccine vs 9.2% at the same time last week. At current rates, we expect India to take 10 more months to vaccinate 50% of its population.



Source: <https://www.worldometers.info/coronavirus/>

Highly vaccinated nations such as the U.S., the U.K., and Israel, continued to report flat or declines in new cases. 45.5% of the U.S. population has received vaccinations (at least one dose) vs 44.0% at the same time last week. This compares to 52.1% in the U.K. (up from 50.8%), and 38.9% in Canada (up from 33.6%). We note that the vaccination rate has declined steeply in countries that have over 40% of its population vaccinated (at least one dose). For example, the U.S.' weekly vaccination has declined from 4% of its population in April 2021, to 1.5%. This has been the case with the other five countries that have surpassed 40%. **We believe the primary reason for this is vaccine hesitancy among a high percentage of the population.** We continue to estimate that 50% of the U.S. population will be vaccinated by June. At current rates, we estimate that Germany/France/Italy are expected to reach 50% by July/August. South American countries are expected to hit 50% by October.



Source: <https://www.worldometers.info/coronavirus/>

We are maintaining our metals price forecasts.

	Current Price	FRC Forecasts	
		2021E	Long-Term (2024+)
Gold (US\$/oz)	\$1,837	\$1,800	\$1,400
Silver (US\$/oz)	\$27.43	\$22.50	\$18.00
Copper (US\$/lb)	\$4.73	\$3.50	\$3.00
Zinc (US\$/lb)	\$1.32	\$1.15	\$1.10
Nickel (US\$/lb)	\$8.14	\$7.50	\$8.00

Source: FRC

The table below summarizes the changes we made in ratings/fair value estimates/EPS projections of companies under coverage in this report.

Company	Ticker	Rating
Galane Gold Ltd.	TSXV: GG	Dropping Coverage ¹
Trillion Energy International	CSE: TCF	Suspending Coverage ²

1. Completed deliverables per our agreement with the company.
2. Management has been unwilling to provide us with responses to our questions regarding their recent 2020 year-end financial results.

In the following section, we review companies that announced key developments in the past week.

Mining / Exploration

Company Name:	Ticker Symbol	Current Share Price:	FRC Fair Value Estimate:	Date of PR:
Corvus Gold Inc.	TSX: KOR	\$3.15	\$3.75	May 6, 2021
PR Content Entered into a US\$20M loan agreement (at 1.1% p.a.) with AngloGold Ashanti (NYSE: AU) to fund ongoing permitting and pre-development work at the North Bullfrog project, and exploration at its Mother Lode and Lynnda Strip projects.		FRC Opinion Positive – This is a vote of confidence from AU, especially considering that AU already owns 19.7% equity. We have previously stated that KOR is an attractive acquisition target for majors. This move by AU is an indication that an M&A event is around the corner. A recently completed PEA on the NB project had returned an ATNPV5% of US\$452M, with an AT-IRR of 47%, using US\$1,500 per oz gold. Corvus' current MCAP is C\$397M, implying that the market is not only discounting NB's value, but also assigning zero value to Mother Lode.		

Company Name:	Ticker Symbol	Current Share Price:	FRC Fair Value Estimate:	Date of PR:
Golden Minerals Corp.	NYSE: AUMN	US\$0.76	US\$0.92	May 6, 2021
PR Content Reported \$1.8M revenue in Q1, with an operating profit of \$0.2M. Produced 1,559 oz, and sold 1,054 oz gold equivalent in the quarter.		FRC Opinion Positive – We note that it is highly unusual for a brand new producer to report operating profits in the first quarter of production. AUMN commenced production at Rodeo in January. Management's 2021 production guidance remains unchanged at 12,000 to 14,000 oz. We are expecting US\$12M in operating cash flows this year, with US\$800/oz in cash costs. The company maintained a strong balance sheet at the end of Q1, with \$8M in cash.		

Company Name:	Ticker Symbol	Current Share Price:	FRC Fair Value Estimate:	Date of PR:
K9 Gold Corp.	TSXV: KNC	\$0.53	\$0.65	May 4, 2021
PR Content Announced a \$2.25M private placement at \$0.30 per unit. Spratt is expected to subscribe for \$2M. Each unit will consist of a share and one full warrant (exercise price of \$0.40 for three years).		FRC Opinion Positive - Shares are up 53% since we initiated coverage on February 25, 2021. Funds will be used towards an upcoming drill program on its Stony Lake project in central Newfoundland. Stony Lake lies along a 27 km trend between Marathon Gold's (TSX: MOZ) Valentine Lake project and Sokoman Minerals' (TSXV: SIC) Moosehead project, and on a parallel structure to New Found Gold's (TSXV: NFG) Queensway project.		

Company Name:	Ticker Symbol	Current Share Price:	FRC Fair Value Estimate:	Date of PR:
South Star Mining	TSXV: STS	\$0.21	\$0.52	May 10, 2021
PR Content Entered into a MOU with a European industrial company for an offtake agreement for 4,000 tonnes of flake graphite. Terms were undisclosed.		FRC Opinion Positive - Management is working on multiple other similar offtake agreements. The company is preparing to start construction of Phase 1 (5,000 tpy) this year, with commercial production targeted for Q4-2022. STS has all the required permits to advance to construction, commissioning, and production. Per a recent PFS, STS' Santa Cruz graphite project in Brazil has an ATNPV5% of US\$81 million. STS' MCAP is \$15M.		

Company Name:	Ticker Symbol	Current Share Price:	FRC Fair Value Estimate:	Date of PR:
Rio2 Limited	TSXV: RIO	\$0.79	\$1.40	May 4, 2020
PR Content Provided an update regarding its progress on the Fenix gold project in Chile. Preparations are ongoing to commence production in late 2022. The company expects to receive an Environmental Impact Assessment approval in H1-2022, followed by a construction permit.		FRC Opinion Positive - We are pleased to see that management has maintained their production timeline of H2-2022. A recent PFS, which used US\$1,400 per oz gold, had shown an AT-NPV5% of US\$181M, with an AT-IRR of 36%. RIO's current MCAP is C\$158M.		

Company Name:	Ticker Symbol	Current Share Price:	FRC Fair Value Estimate:	Date of PR:
Blue Lagoon Resources	CSE: BLLG	\$0.56	\$1.03	May 5, 2021
PR Content The toll milling arrangement with Nicola Mining (TSXV: NIM) has been extended for two years, through to March 2023. In April, BLLG sent its first truck of gold and silver mill feed to Nicola.		FRC Opinion Positive - The Dome Mountain gold mine project can be advanced to production for under \$2M in CAPEX. The toll milling arrangement allows for a quick route to production. BLLG also has aggressive exploration plans as 90% of its 19,000 ha land package is untested.		

Company Name:	Ticker Symbol	Current Share Price:	FRC Fair Value Estimate:	Date of PR:
Colibri Resources Corporation	TSXV: CBI	\$0.135	\$0.17	May 4, 2021
PR Content Preliminary met tests conducted by partner, Tocvan Ventures (CSE: TOC), on the Pilar gold project, returned gold recoveries of 91.6% and 90.6% from two samples. Tocvan has completed 1,394 m of a planned 2,400 m drill program.		FRC Opinion Positive - Tocvan is in year two of a five-year option agreement to earn a 51% interest in Pilar. Most of our fair value estimate on CBI comes from the Pilar project; we have a 150 Koz preliminary estimate on it. We will be publishing an update report shortly.		

Company Name:	Ticker Symbol	Current Share Price:	FRC Fair Value Estimate:	Date of PR:
Grid Metals Corp.	TSXV: GRDM	\$0.25	\$0.54	May 5, 2021
PR Content Additional results from the drill program at the East Bull Lake ("EBL") palladium property in Ontario returned very high grades: ➤ 0.54 m of 37.6 g/t palladium and 21.3% copper ➤ 1.0 m of 11.5 g/t Pd		FRC Opinion Positive - The current program is an encouraging follow up to the 2020 program. EBL is an early stage/relatively untested property in Sudbury. GRDM has yet to announce plans for its flagship advanced stage nickel-copper-palladium asset in Manitoba. A 2014 PEA had returned an AT-NPV7.5% of \$97M, based on US\$3.4/lb copper, and US\$8.5/lb nickel. Grid's MCAP is just \$19M.		

Company Name:	Ticker Symbol	Current Share Price:	FRC Fair Value Estimate:	Date of PR:
GR Silver Mining Ltd.	TSXV: GRSL	\$0.73	\$0.98	May 6, 2021
PR Content Made the final option payment of \$2.5M, and issued 1.5M common shares to SSR Mining (TSX: SSRM) to increase its ownership in San Marcial to 100%.		FRC Opinion Positive – As we had expected this move, we are maintaining our fair value estimate. The company is preparing maiden resource estimates on its Plomosas and San Juan projects (expected in Q2). Note that our fair value estimate is solely based on San Marcial, which has an indicated resource of 36 Moz, and an inferred resource of 11 Moz. GRSL is well funded via a recently completed \$11.5M bought deal financing.		

Company Name:	Ticker Symbol	Current Share Price:	FRC Fair Value Estimate:	Date of PR:
Doubleview Gold Corp.	TSXV:DBG	\$0.36	\$0.47	May 7, 2021
PR Content Initial flotation tests demonstrate that it is possible to produce a high-gold/low cobalt-copper concentrate, and a high-cobalt/low gold pyrite concentrate from its Hat copper-gold-cobalt project in B.C. These tests showed potential recoveries of 82% copper, 87% gold, and 74% cobalt.		FRC Opinion Positive - These recoveries are encouraging. We are expecting a maiden resource estimate on Hat this year. Our fair value estimate is based on just 10% of our preliminary resource estimate (540 Mt at 0.57 gpt AuEq) on Hat.		

Company Name:	Ticker Symbol	Current Share Price:	FRC Fair Value Estimate:	Date of PR:
Mammoth Resources	TSXV: MTH	\$0.14	\$0.27	Apr 22, 2021
PR Content Encouraging results from an additional two kilometres of 3D drill target modelling from a geophysical survey recently completed at its Tenoriba gold-silver property in Mexico.		FRC Opinion Positive – MTH is continuing with its modeling to identify drill targets. The company has a permit to drill up to 139 holes. Note that Tenoriba is only partially tested, and has characteristics associated with high sulphidation epithermal precious metal systems over a large 15 sq. km area.		

Technology, Energy, and Special Situations

Company Name:	Ticker Symbol	Current Share Price:	FRC Fair Value Estimate:	Date of PR:
Banxa Holdings Inc.	TSXV: BNXA	\$5.25	\$13.30	May 5, 2021
PR Content Announced record \$110M in Total Transaction Value (TTV) in April 2021, exceeding the \$100M mark for the first time. In the first ten months of FY2021 (ended April 30, 2021), the company's TTV was \$510M.		FRC Opinion Positive – Our TTV estimate for FY2021 (12 months ending June 30, 2021) is A\$700M (unchanged), with A\$18M in revenue.		

Company Name:	Ticker Symbol	Current Share Price:	FRC Fair Value Estimate:	Date of PR:
BIGG Digital Assets Inc.	CSE: BIGG	\$1.37	\$5.11	May 5, 2021
PR Content Announced record monthly trading volume of \$147M in April (vs \$264M in Q1-2021), with monthly revenue of \$1.55M, up 31% MoM. Management announced a delay in annual filings due to a longer than anticipated auditing process.		FRC Opinion Positive – We are estimating 2021 full-year trading volume of \$930M, and revenue of \$15M (unchanged). We are not overly concerned with the delay in filing as the crypto space is new, and we feel auditors are likely to take more time to complete their process. That said, we will be closely monitoring the company's developments and issue updates/notes as required.		
Company Name:	Ticker Symbol	Current Share Price:	FRC Fair Value Estimate:	Date of PR:
Diginex Limited	NASDAQ: EQOS	\$5.33	\$24.70	May 4, 2021
PR Content Announced that spot and derivative trading volumes on its platform exceeded \$2B in the 30 days ended May 4th, with 300% MoM growth.		FRC Opinion Positive – We are pleased to see Diginex positing strong April numbers, as did the other companies we cover in the crypto space. For 2021, we are estimating \$17B in trading volume, and \$10.2M in revenue (unchanged).		

Cannabis

Company Name:	Ticker Symbol	Current Share Price:	FRC Fair Value Estimate:	Date of PR:
Halo Collective Inc.	NEO: HALO	\$0.09	\$0.24	May 5, 2021
PR Content Announced April 2021 revenue of \$3.6M from retail product sales in Oregon and California. Management also announced an at-the-market equity financing program to potentially raise up to C\$20M.		FRC Opinion Positive – We are pleased to see the company’s products being well received in the Oregon and California markets. With multiple expansion projects underway, the equity financing option adds more flexibility to the company. We are maintaining our estimate of \$80M in revenue in 2021, with approximately 90% of it coming from its U.S. operations.		

Weekly Cannabis Commentary

Cannabis Industry Performance

May 7, 2021

U.S. Companies	YTD	1-Week	1-Year
Curaleaf Holdings Inc.	22%	2%	242%
Trulieve Cannabis Corp.	26%	-5%	298%
Green Thumb Industries Inc.	28%	-4%	350%
Cresco Labs Inc.	30%	-1%	292%

Canadian Companies	YTD	1-Week	1-Year
Aphria Inc.	121%	-13%	261%
Aurora Cannabis Inc.	0%	-1%	-6%
Canopy Growth Corp.	-3%	-8%	42%
Cronos Group Inc.	6%	-6%	19%
Tilray Inc.	92%	-13%	113%
HEXO Corp.	90%	7%	214%
Organigram Holdings Inc.	97%	2%	63%
The Supreme Cannabis Co., Inc.	109%	-7%	35%

Canadian Average	64%	-5%	93%
U.S. Average	27%	-2%	296%

Canadian MIN	-3%	-13%	-6%
U.S. MIN	22%	-5%	242%

Canadian MAX	121%	7%	261%
U.S. MAX	30%	2%	350%

Indices			
Canadian	YTD	1-Week	1-Year
HMMJ	27%	-5%	61%
MCAN	23%	-3%	73%
XCAN	22%	-3%	68%
U.S.	YTD	1-Week	1-Year
MSOS	15%	-1%	N/A*

*Launched on September 1, 2020

Source: FRC

Today, Florida-based Trulieve Cannabis (OTC: TCNNF) announced an agreement to acquire Arizona-based Harvest Health & Recreation (OTCQX: HRVSF) in an **all-share deal valued at US\$2.1B**, the largest U.S. cannabis transaction to date. **The implied EV/R acquisition multiple is 9x vs the sector average of 12x.** The combined entity has operations in 11 states in the U.S., with 22 growing and processing facilities, and 126 cannabis stores.

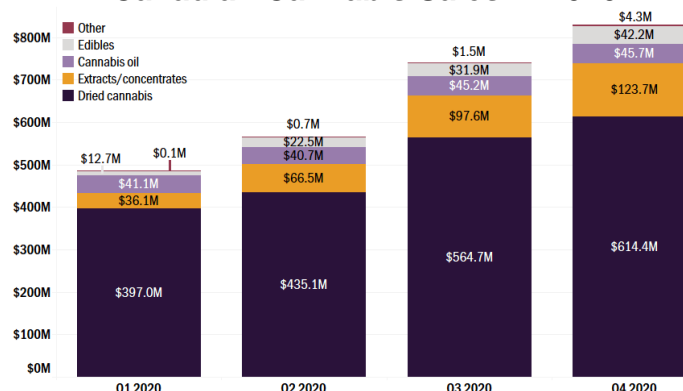
Trulieve and Harvest Health & Recreation Combined Operations			
	Trulieve	HARVEST	Combined Company
State Footprint	6 (FL, PA, MA, CT, CA, WV)	9 (FL, AZ, PA, MD, CA, CO, NV, UT, MA)	11 (FL, AZ, PA, MD, MA, CT, CA, WV, CO, NV, UT)
Operational Dispensaries	87	39	126
Sq. Ft. Active Cultivation & Production	~2.2M	~880K	~3.1M
Cultivation and Production Facilities	10	12	22
Brands & Brand Partnerships			15+ brands in portfolio
Employees	~6,400	~1,200	~7,600
Total Addressable Market (2025E) ¹	\$12.6B	\$17.4B	\$19.3B

Source: Company

In Canada, cannabis industry consolidation continues. On May 5, 2021, Sundial Growers (NASDAQ: SNDL) announced its plans to acquire Inner Spirit Holdings (CSE: ISH). The implied EV/R acquisition multiple of this C\$131M deal is 5x vs the sector average of 16x. **The acquisition price is 72% of our last fair value estimate (March 30, 2021).**

Recent data published by Statistics Canada showed that **cannabis extracts sales grew 242%, from Q1-2020 to Q4-2020, to reach \$124M.** Even with this sizeable growth, extracts and concentrates only accounted for 15% of Q4 total cannabis sales – indicating significant room for further growth. We note that mature markets such as Colorado have over 30% from extracts and concentrates.

Canadian Cannabis Sales in 2020



Source: MJBizDaily.com

Valuation

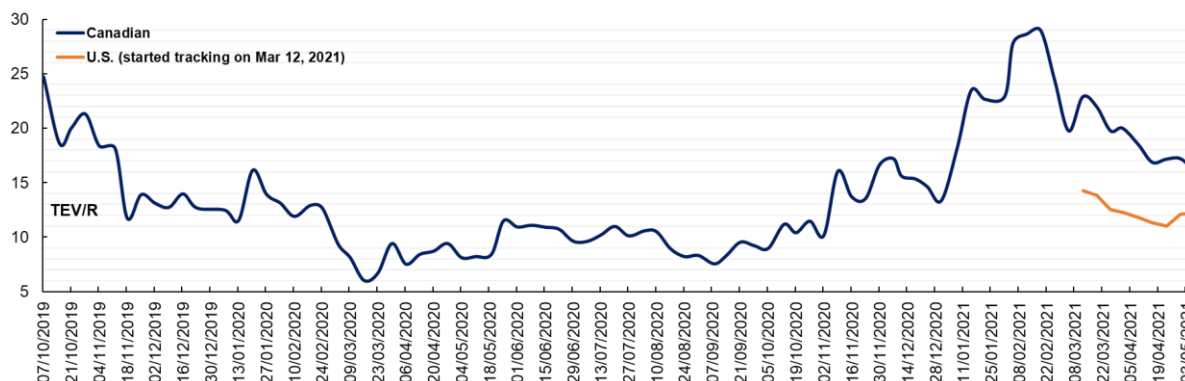
As of May 7, 2021, the Canadian big four LPs were trading at a **94% premium (down from 106% in previous week)** over their U.S. peers. The valuation gap between the two sectors decreased WoW as the Canadian sector underperformed, per our anticipation. Two factors contributed to this - declining Canadian cannabis sales data, and increased short position in Canadian cannabis stocks (discussed in the previous AIW).

April 30, 2021				May 7, 2021		
Canadian Companies	Ticker	TEV/Revenue	TEV/EBITDA	TEV/Revenue	TEV/EBITDA	
Aphria Inc.	TSX: APHA	11.0	NM	N/A	NM	
Aurora Cannabis Inc.	TSX: ACB	7.9	NM	7.8	NM	
Canopy Growth Corp.	TSX: WEED	23.7	NM	21.9	NM	
Cronos Group Inc.	TSX: CRON	49.9	NM	44.7	NM	
Tilray Inc.	NASDAQ: TRLY	17.2	NM	9.6	NM	
HEXO Corp.	NYSE: HEXO	8.7	NM	9.5	NM	
Organigram Holdings Inc.	TSX: OGI	13.3	NM	13.7	NM	
The Supreme Cannabis Co., Inc.	TSX: FIRE	6.1	NM	5.7	NM	
		AVERAGE	17.2	NM	16.1	NM
		MEDIAN	12.1	NM	9.6	NM
		MINIMUM	6.1	NM	5.7	NM
		MAXIMUM	49.9	NM	44.7	NM
U.S. Companies		Ticker	TEV/Revenue	TEV/EBITDA	TEV/Revenue	TEV/EBITDA
Curaleaf Holdings Inc.		OTC: CURLF	15.7	59.9	16.7	63.5
Trulieve Cannabis Corp.		OTC: TCNNF	10.1	21.28	9.9	20.95
Green Thumb Industries Inc.		OTC: GTBIF	12.9	45.2	12.6	44.2
Cresco Labs Inc.		OTC: CRLBF	9.6	38.35	9.6	38.43
		AVERAGE	12.1	41.2	12.2	41.8
		MEDIAN	11.5	41.8	11.3	41.3
		MINIMUM	9.6	21.3	9.6	21.0
		MAXIMUM	15.7	59.9	16.7	63.5
Canadian Big Four		Average	30.2	25.4		
WEED, APHA, TRLY, CRON		Median	23.7	21.9		
Implied Premium Over U.S. Big Four (Median)		106%		94%		

Source: S&P Capital IQ, FRC

The following chart shows the average EV/R of the companies we track in both sectors:

Average EV/R (October 2019 – May 2021)



Source: S&P Capital IQ, FRC

Canadian Retail Cannabis Pricing

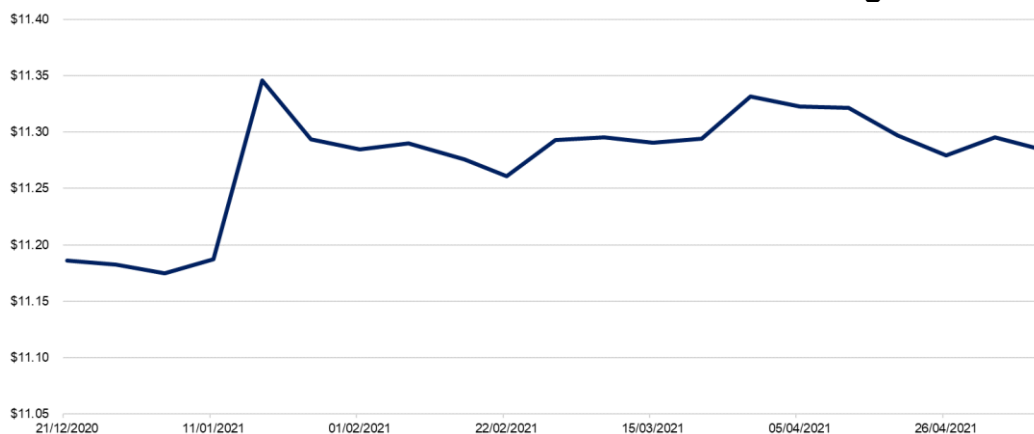
Province (As of 2021/05/10)	Average Price per Gram	Average Price per Gram THC	Average Price per Gram CBD	# of Products	Min. Price	Max. Price
B.C.	\$ 9.79	\$ 9.87	\$ 8.42	220	\$ 3.53	\$ 15.71
Ontario	\$ 9.58	\$ 9.77	\$ 7.93	356	\$ 3.66	\$ 22.66
Quebec	\$ 9.37	\$ 9.36	\$ 9.44	250	\$ 4.85	\$ 21.68
Alberta	\$ 10.95	\$ 10.95	\$ 10.82	375	\$ 3.52	\$ 22.00
N.B.	\$ 9.49	\$ 9.65	\$ 7.49	216	\$ 3.57	\$ 16.28
P.E.I.	\$ 9.65	\$ 9.67	\$ 9.34	170	\$ 2.20	\$ 23.30
Newfoundland	\$ 10.02	\$ 9.96	\$ 10.36	161	\$ 4.46	\$ 15.40
Yukon	\$ 16.33	\$ 16.92	\$ 13.95	5	\$ 13.68	\$ 22.28
N.S.	\$ 10.13	\$ 10.17	\$ 9.66	389	\$ 5.14	\$ 42.85
Nunavut	\$ 13.15	\$ 13.35	\$ 12.41	32	\$ 9.43	\$ 17.91
Northwest Territories	\$ 14.68	\$ 14.68		2	\$ 12.08	\$ 17.28
Manitoba	\$ 11.44	\$ 11.37	\$ 11.55	357	\$ 4.87	\$ 23.57
Saskatchewan	\$ 12.09	\$ 12.09	\$ 12.07	244	\$ 4.40	\$ 38.50
CANADA	\$ 11.28	\$ 11.37	\$ 10.29			

Province (As of 2021/05/03)	Average Price per Gram	Average Price per Gram THC	Average Price per Gram CBD	# of Products	Min. Price	Max. Price
B.C.	\$ 9.78	\$ 9.87	\$ 8.42	220	\$ 3.53	\$ 15.71
Ontario	\$ 9.61	\$ 9.80	\$ 7.93	356	\$ 3.66	\$ 22.66
Quebec	\$ 9.38	\$ 9.38	\$ 9.44	250	\$ 4.85	\$ 21.68
Alberta	\$ 11.01	\$ 11.01	\$ 10.82	375	\$ 3.52	\$ 22.00
N.B.	\$ 9.49	\$ 9.66	\$ 7.49	216	\$ 3.57	\$ 16.28
P.E.I.	\$ 9.65	\$ 9.67	\$ 9.34	170	\$ 2.20	\$ 23.30
Newfoundland	\$ 10.02	\$ 9.96	\$ 10.36	161	\$ 4.46	\$ 15.40
Yukon	\$ 16.33	\$ 16.92	\$ 13.95	5	\$ 13.68	\$ 22.28
N.S.	\$ 10.17	\$ 10.22	\$ 9.66	193	\$ 5.36	\$ 42.85
Nunavut	\$ 13.15	\$ 13.35	\$ 12.41	32	\$ 9.43	\$ 17.91
Northwest Territories	\$ 14.68	\$ 14.68		2	\$ 12.08	\$ 17.28
Manitoba	\$ 11.44	\$ 11.37	\$ 11.55	357	\$ 4.87	\$ 23.57
Saskatchewan	\$ 12.09	\$ 12.09	\$ 12.07	244	\$ 4.40	\$ 38.50
CANADA	\$ 11.29	\$ 11.38	\$ 10.29			

Source: Online Provincial Cannabis Stores, FRC

The average retail price per gram decreased week-over-week, from \$11.29 to \$11.28. The chart below shows the Canadian retail dried cannabis flower pricing trend:

Canadian Retail Dried Cannabis Flower Pricing

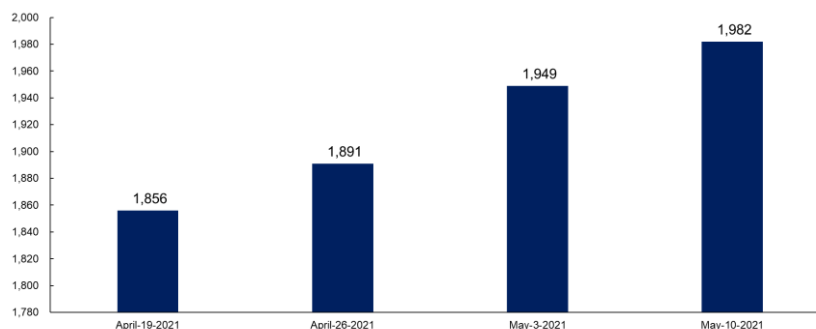


Source: Online Provincial Cannabis Stores, FRC

Canadian Retail Cannabis Stores

As of May 10, 2021, there are 1,982 retail cannabis stores, a week-over-week increase of 33 stores across Canada, with 23 in Ontario, and five each in Alberta and B.C.

Nationwide Store Count



Geographic Region	April-19-2021 Store Count	April-26-2021 Store Count	May-3-2021 Store Count	May-10-2021 Store Count	Population	Population / Store
Alberta	611	616	618	623	4,428,247	7,108
B.C.	331	331	333	338	5,120,184	15,148
Manitoba	73	73	80	80	1,379,121	17,239
N.B.	20	20	20	20	780,890	39,045
N.S.	24	24	25	25	978,274	39,131
Newfoundland	30	30	30	30	520,437	17,348
Northwest Territories	6	6	6	6	44,982	7,497
Nunavut	N/A	N/A	N/A	N/A	39,486	N/A
Ontario	622	652	692	715	14,745,040	20,622
P.E.I.	4	4	4	4	158,717	39,679
Quebec	68	68	68	68	8,552,362	125,770
Saskatchewan	62	62	68	68	1,181,987	17,382
Yukon	5	5	5	5	41,293	8,259
CANADA	1,856	1,891	1,949	1,982	37,971,020	19,158

Source: Provincial Websites, FRC

Weekly Psychedelic Commentary

Psychedelic Industry Performance

May 7, 2021

Company	YTD	1-Week	1-Year
COMPASS Pathways plc	-31%	-9%	N/A
Numinus Wellness Inc.	-19%	-16%	N/A
Mind Medicine Inc.	7%	-15%	N/A
Seelos Therapeutics Inc.	244%	-12%	810%

AVERAGE	50%	-13%	810%
MIN	-31%	-16%	810%
MAX	244%	-9%	810%

Index	YTD	1-Week	1-Year
PSYK	-9%	-8%	N/A*

*Launched on January 27, 2021

Source: TMX Money, FRC

Over the past week, PSYK was down 8%.

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