

[www.researchfrc.com](http://www.researchfrc.com)

## FRC Top Picks

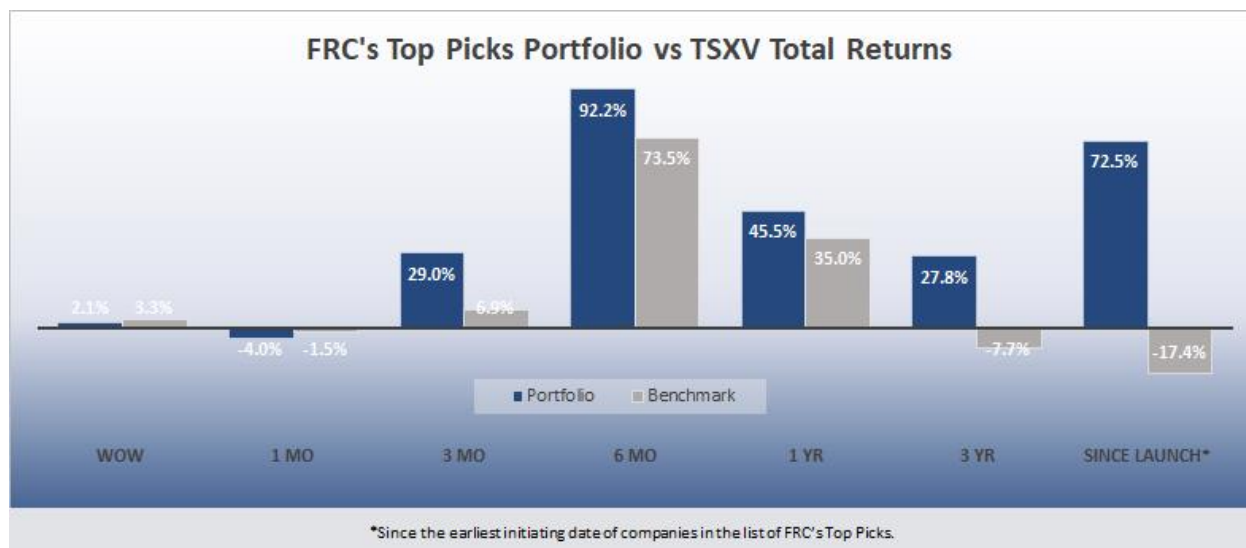
The following table shows last week's top five performers among our Top Picks, including two junior resource companies (one gold and one silver), and one each in the technology, cannabis, and real estate lending sectors. The top performer, Sirios Resources (TSXV: SOI), was up 23.1% WoW, with no company specific news. Our latest update on SOI can be viewed [here](#).

### Top Five Performers Last Week

Top 5 Weekly Performers	WoW Returns
Sirios Resources Inc. (TSXV:SOI)	23.1%
GR Silver Mining (TSXV:GRSL)	12.3%
Inner Spirit Holdings Ltd. (CNSX:ISH)	9.5%
Siyata Mobile Inc. (TSXV:SIM)	8.5%
Atrium Mortgage Investment Corporation (TSX:AI)	7.5%

\* Past performance is not indicative of future performance

**Overall, our portfolio (equally weighted) was up 2.1% in the past week versus the benchmark's (TSXV) 3.3%.** As shown below, our portfolio has outperformed the TSXV in every single time period except WoW and MoM:



## Performance by Sector

Total Return	WoW	1 Mo	3 Mo	6 Mo	1 Yr	3 Yr	Since Launch*
Mining	1.5%	-6.0%	35.1%	130.6%	68.3%	60.6%	107.5%
Cannabis	7.8%	-5.6%	-10.1%	17.7%	N/A	N/A	19.1%
Technology	1.7%	1.3%	31.8%	11.9%	-48.4%	-30.0%	2.6%
Special Situations	3.2%	2.5%	18.9%	26.9%	35.8%	8.1%	52.8%
Private Companies	N/A	N/A	N/A	N/A	6.9%	20.4%	23.9%
<b>Portfolio (Total)</b>	<b>2.1%</b>	<b>-4.0%</b>	<b>29.0%</b>	<b>92.2%</b>	<b>45.5%</b>	<b>27.8%</b>	<b>72.5%</b>
<b>Benchmark<sup>2</sup> (Total)</b>	<b>3.3%</b>	<b>-1.5%</b>	<b>6.9%</b>	<b>73.5%</b>	<b>35.0%</b>	<b>-7.7%</b>	<b>-17.4%</b>
Portfolio (Annualized)	-	-	-	-	45.5%	8.5%	8.3%
Benchmark <sup>2</sup> (Annualized)	-	-	-	-	35.0%	-2.6%	-2.8%

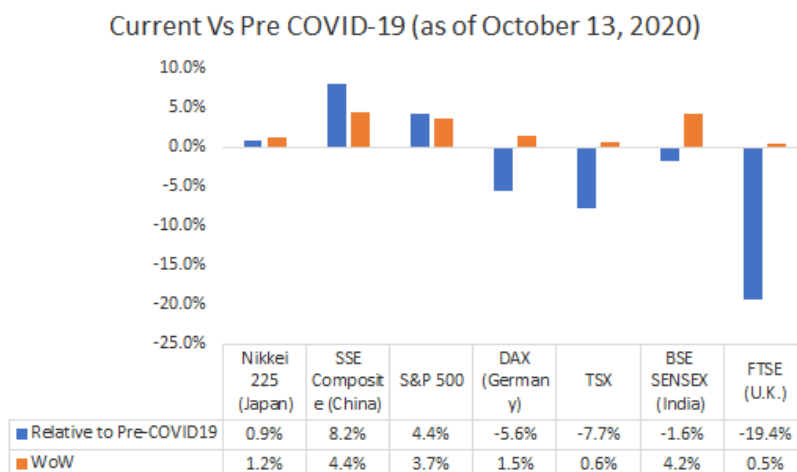
1. Since the earliest initiating date of companies in the list of Top Picks

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

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

## Weekly Mining Commentary

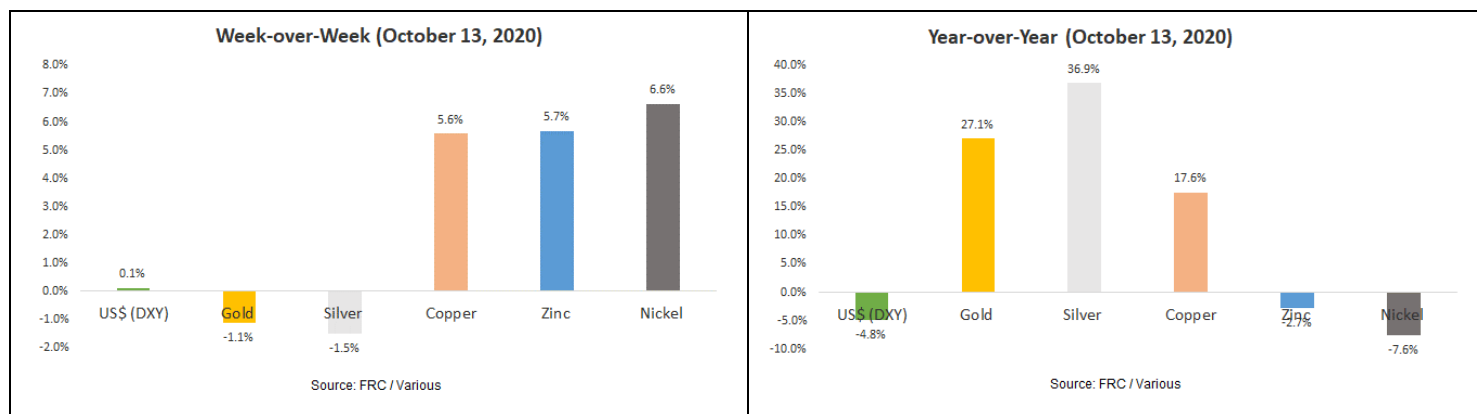
Global equity markets rallied for a third consecutive week. The S&P 500 was up 3.7% WoW vs 1.3% in the prior week. **Three out of seven indices** we track (The S&P 500, SSE Composite/China, and Nikkei 225/Japan) are **trading higher than pre-COVID19 levels**.



Source: FRC / Various

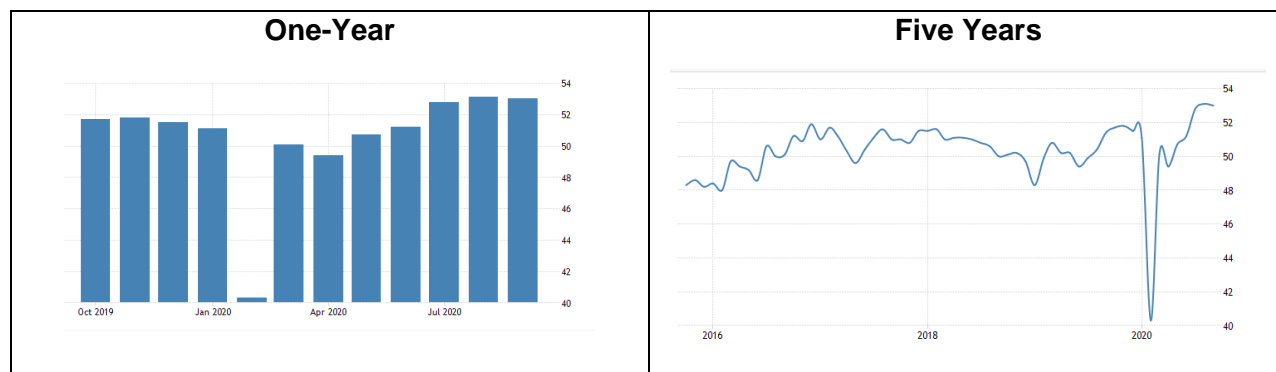
Base metals also reported strong gains last week. **Copper is the only base metal that is up YoY.**





We believe the key drivers of both equity markets and base metal prices have been strong employment figures and growing consumer sentiment globally. China's manufacturing index (see charts below), although down slightly MoM in September, seem to indicate that the country is on recovery. Another positive is that China's new export business grew at the fastest rate since August 2017. **The country's manufacturing activities are currently at historical highs (as shown by the five-year chart on the right), indicating why copper and some of the major global equity indices are trading higher than pre-COVID levels.**

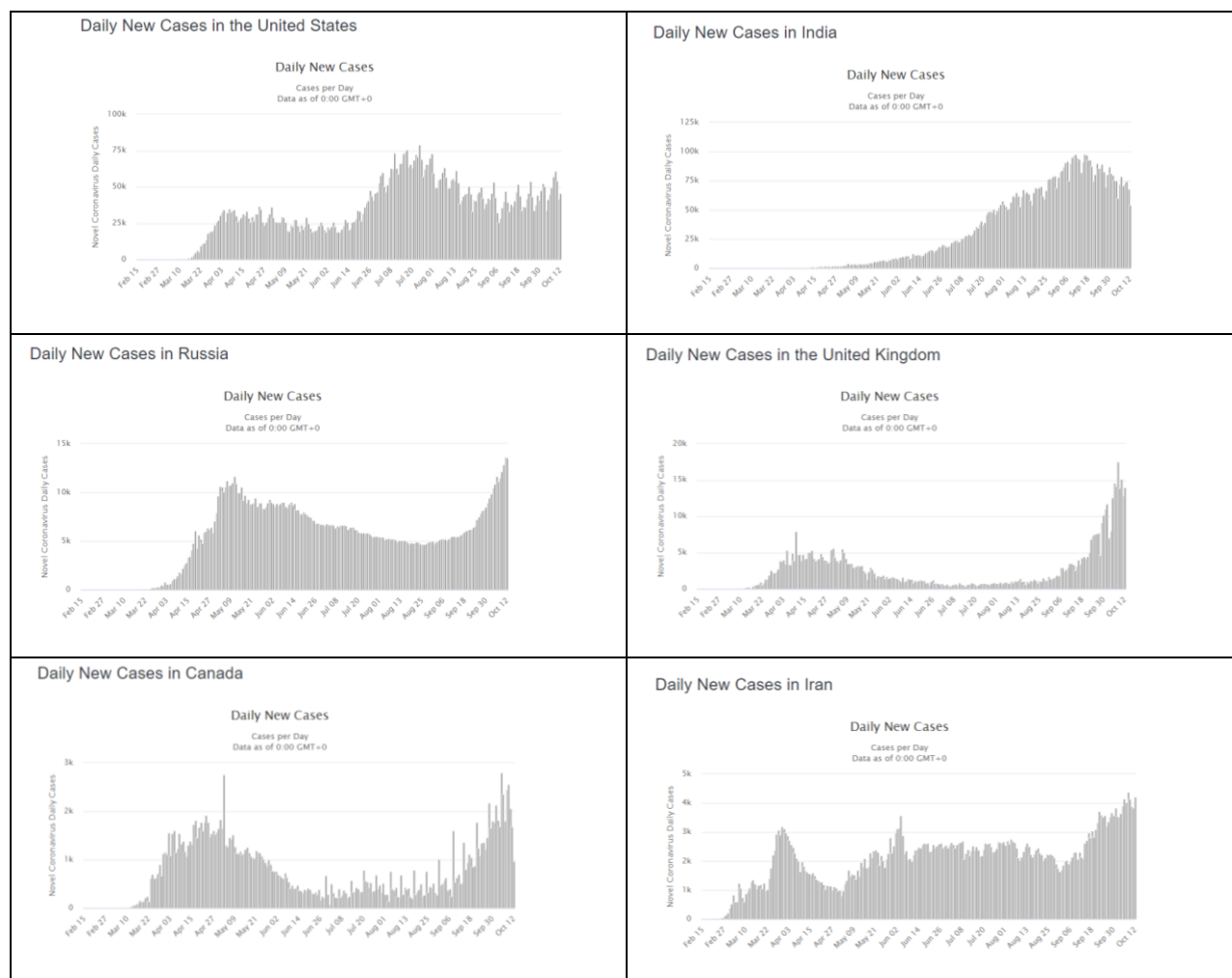
#### China Caixin Manufacturing PMI



Source: [tradingeconomics.com](https://tradingeconomics.com)

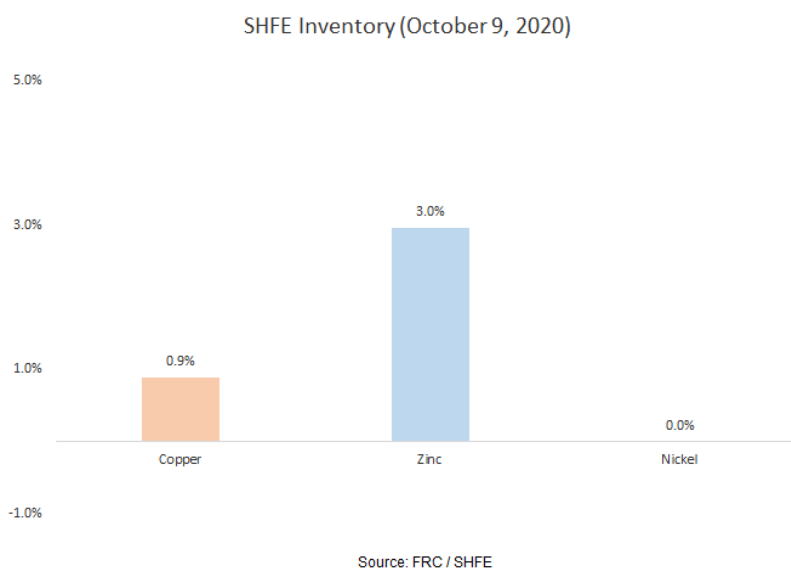
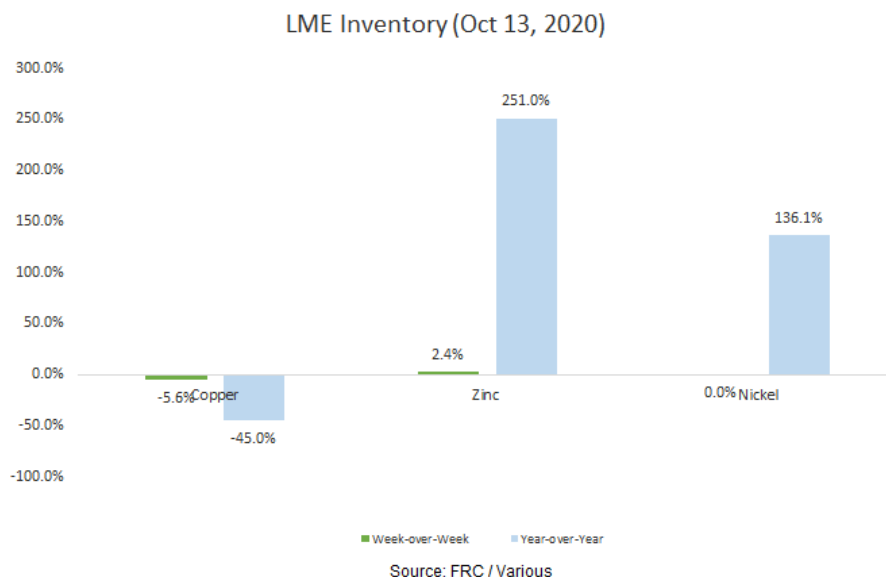
The strong growth in China and advanced economies prompted the International Monetary Fund ("IMF") to revise its outlook, in an announcement yesterday. **The IMF now has an improved outlook in 2020 (-4.4% vs -4.9% global GDP growth) and a slightly weaker outlook in 2021 (+5.2% vs +5.4%).** That said, the IMF did state that it expects a *"long, uneven and uncertain"* recovery.

**The above-mentioned developments have improved our outlook for an economic recovery.** We do continue to expect a U-shaped recovery as we are yet to get the pandemic under control. Although India continues to experience a decline in new cases, several countries are reporting a strong surge - such as Russia, the U.K., France, Iran, and Canada. Johnson & Johnson (NYSE: JNJ) announced yesterday that it has **temporarily suspended clinical trials** for a potential vaccine after an unexplained illness in a study participant. AstraZeneca (LSE: AZN) had also suspended its trials last month of a vaccine under development with Oxford University.

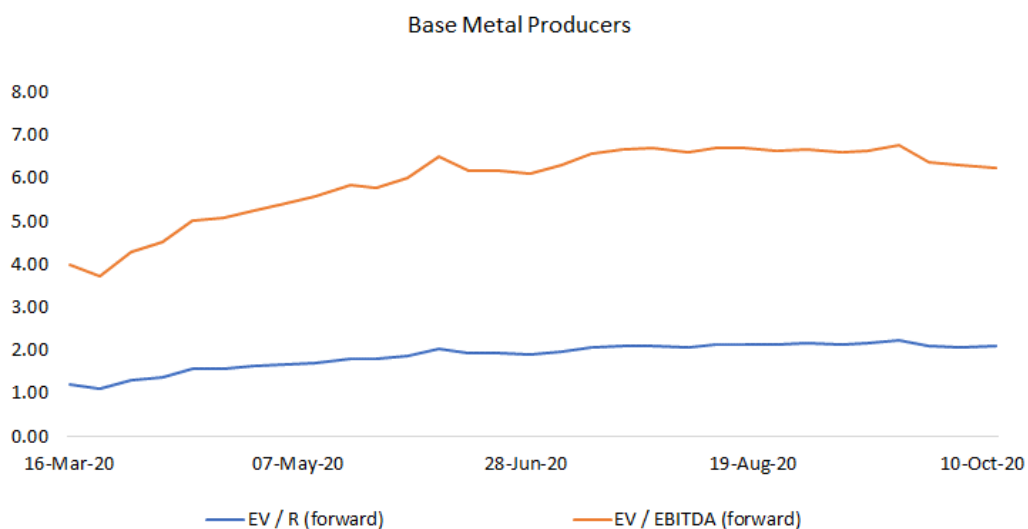
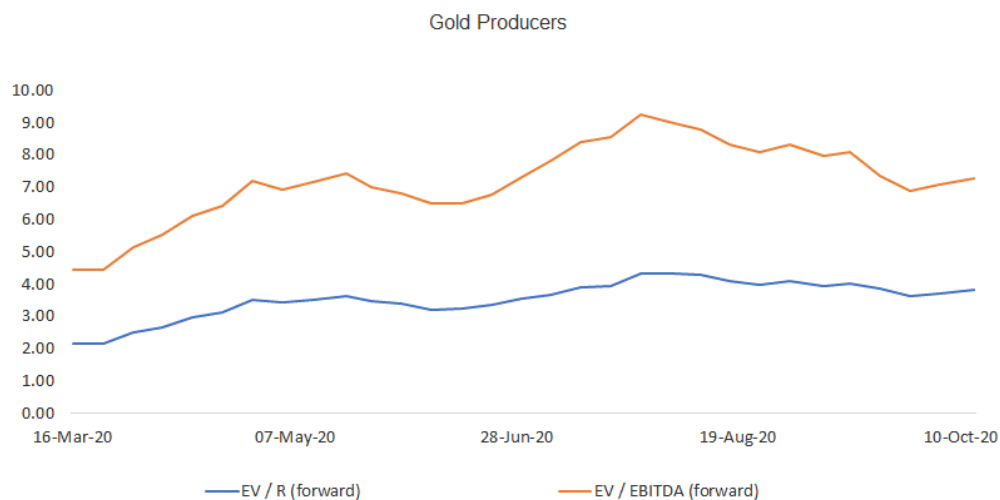


Source: <https://www.worldometers.info/coronavirus/>

Inventory levels at the LME (London) and SHFE (Shanghai) **showed mixed signals** last week, and did not provide us any insights to gauge demand.



**Despite lower gold prices, the valuation of both gold and base metals producers increased due to the rally in equity markets.** The market continues to have a positive outlook on gold prices as the current global average EV / R (3.8x) and EV / EBITDA (11.5x) are approximately 30% higher than their four-year averages (Data Source: S&P Capital IQ). The global average EV / R (1.5x) and EV / EBITDA (8.3x) of the Diversified Metals and Mining sector are in line with their past four-year averages, implying that the market does not expect any further upside in base metal prices.



Gold Producers	28-Sep-20		05-Oct-20		13-Oct-20	
	EV / R (forward)	EV / EBITDA (forward)	EV / R (forward)	EV / EBITDA (forward)	EV / R (forward)	EV / EBITDA (forward)
1 Barick	4.92	10.03	4.95	10.24	5.00	9.92
2 Newmont	4.58	9.31	4.62	9.30	4.65	9.33
3 Polyus	6.10	8.42	6.32	8.72	6.35	8.82
4 Agnico Eagle	6.47	13.59	6.58	13.83	6.82	14.23
5 AngloGold	2.85	5.05	2.87	5.04	2.92	5.37
6 Kinross Gold	2.89	5.65	2.94	5.77	3.00	5.86
7 Gold Fields	3.09	6.22	3.20	6.35	3.21	6.34
8 Sibanye	1.17	3.26	1.27	3.55	1.36	3.87
9 Yamana	3.92	7.12	4.04	7.36	4.25	7.69
10 B2Gold	3.73	5.59	3.84	5.77	4.10	6.16
11 Alamos	4.40	8.76	4.42	8.80	4.69	9.43
12 Harmony	1.13	2.87	1.21	3.17	1.25	3.30
13 Eldorado Gold	1.93	3.74	2.01	3.84	2.32	4.43
Average (excl outliers)	3.63	6.89	3.71	7.06	3.84	7.29
Min	1.13	2.87	1.21	3.17	1.25	3.30
Max	6.47	13.59	6.58	13.83	6.82	14.23

Base Metal Producers	EV / R (forward)		EV / EBITDA (forward)		EV / R (forward)		EV / EBITDA (forward)	
	EV / R (forward)		EV / EBITDA (forward)		EV / R (forward)		EV / EBITDA (forward)	
1 BHP Group	3.42	6.52	3.35	6.28	3.26	6.05	3.26	6.05
2 Rio Tinto	2.65	5.39	2.65	5.31	2.65	5.21	2.65	5.21
3 South32	1.22	5.42	1.20	5.24	1.21	5.24	1.21	5.24
4 Glencore	0.39	6.49	0.39	6.51	0.40	6.40	0.40	6.40
5 Anglo American	1.62	5.22	1.62	5.16	1.64	5.12	1.64	5.12
6 Teck Resources	1.97	7.18	1.98	7.19	1.93	6.87	1.93	6.87
7 First Quantum	3.34	8.31	3.33	8.36	3.49	8.70	3.49	8.70
Average (excl outliers)	2.09	6.36	2.07	6.29	2.08	6.23	2.08	6.23
Min	0.39	5.22	0.39	5.16	0.40	5.12	0.40	5.12
Max	3.42	8.31	3.35	8.36	3.49	8.70	3.49	8.70

Source: S&amp;P Capital IQ &amp; FRC

Our commodity price forecasts (unchanged) are shown below. Our copper price forecast for H2-2020 is US\$2.90/lb vs the spot of US\$3.07/lb. **We remain positive on gold as our Q4-2020 forecast is US\$1,925 per oz vs the spot of US\$1,893.**

	Current Price	FRC Forecasts	
		2020E	Long-Term (2024+)
Gold (US\$/oz)	\$1,893	\$1,730	\$1,400
Silver (US\$/oz)	\$24.03	\$20.00	\$18.00
Copper (US\$/lb)	\$3.07	\$2.70	\$3.00
Zinc (US\$/lb)	\$1.10	\$1.00	\$1.10
Nickel (US\$/lb)	\$6.90	\$6.00	\$8.00

Source: FRC

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:
<a href="#"><u>Gran Colombia Gold Corp</u></a>	TSX: GCM	\$6.52	\$11.41	Oct 12, 2020
<a href="#"><u>Caldas Gold Corp</u></a>	TSXV: CGC	\$2.37	\$3.76	
<b>PR Content</b> GCM produced 58.5Koz of gold in Q3 (from Segovia and Marmato), up 4% YoY, and 21% QoQ. Management's 2020 guidance remains unchanged at 218 Koz and 226 Koz of gold.  As for CGC, Q3 production was 6.9 Koz, up 79% QoQ, and 11% YoY. 2020 guidance remains unchanged at 23 Koz – 6 Koz of gold		<b>FRC Opinion</b> <b>Positive</b> – GCM's production is line with our 2020 forecast of 222 Koz. However, we feel CGC will beat our 22 Koz estimate.  GCM is planning to start paying quarterly dividends (\$0.015 per share) this month, implying a yield of 0.9% p.a. GCM has a strong balance sheet, and our models indicate that the company will be able to easily meet the dividend payments (\$4 million per year).		

Company Name:	Ticker Symbol	Current Share Price:	FRC Fair Value Estimate:	Date of PR:
<a href="#"><u>FPX Nickel Corp.</u></a>	TSXV: FPX	\$0.64	\$1.34	Oct 7, 2020
<b>PR Content</b>		<b>FRC Opinion</b>		
Pursuing a \$4M financing at \$0.55 per share. In addition, Chairman Peter Bradshaw, is converting his \$4.26M loan into shares at \$0.55.		<b>Positive</b> – The company's ability to pursue an equity financing with no free warrants is highly encouraging. Also, the Chairman's loan to equity conversion at the same pricing reflects his conviction on the company's potential. A recently completed updated PEA on the Baptiste nickel deposit had returned an AT-NPV at 8% of US\$1.72 billion and an AT-IRR of 18.3%, based on US\$7.75/lb nickel. FPX's market capitalization is C\$101M.		

Company Name:	Ticker Symbol	Current Share Price:	FRC Fair Value Estimate:	Date of PR:
<a href="#">Renforth Resources Inc.</a>	CSE: RFR	\$0.065	\$0.12	Oct 6, 2020
<b>PR Content</b> Completed over 2,000 m (five holes) of a planned 7,000 m (12 holes) resource expansion / infill drill on its Parbec gold project in Quebec. RFR also completed a previously announced \$3.24 million equity financing with Radisson Mining (TSXV: RDS).		<b>FRC Opinion</b> <b>Positive</b> - RFR is now well funded with over \$8M in cash and securities. RFR's market capitalization is \$16M. The drill program at Parbec is expected to be completed in December.		

Company Name:	Ticker Symbol	Current Share Price:	FRC Fair Value Estimate:	Date of PR:
<a href="#">Azure Minerals</a>	ASX: AZS	A\$0.33	A\$0.45	Oct 12, 2020
<b>PR Content</b> The first hole of a 12 hole / 3,000 m drill program on its Andover nickel-copper project located in the Pilbara region of Western Australia returned strongly mineralised nickel and copper sulphide intersections.		<b>FRC Opinion</b> <b>Positive</b> – Although too early to speculate without seeing drilling results, we believe the initial results are encouraging. The company is drilling its second hole; results are expected in coming weeks. The project had returned high grade nickel values from a previous 2018 drill program: <ul style="list-style-type: none"> <li>7m @ 2.62% Ni &amp; 0.65% Cu within 26m @ 1.03% Ni &amp; 0.46% Cu from 43m</li> </ul> Oposura (Mexico) remains its flagship asset with an indicated plus inferred JORC resource estimate of 3.1 Mt at 5.0% Zn, 2.7% Pb, and 18 g/t silver. A 2018 PEA showed a BT-NPV at 8% of US\$84 million, and a very high BT-IRR of 76%, using US\$1.4/lb Zn, US\$1.1/lb Pb, and US\$16.2/oz Ag.		

## Special Situations

Company Name:	Ticker Symbol	Current Share Price:	FRC Fair Value Estimate:	Date of PR:
<a href="#">Newgioco Group, Inc.</a>	NASDAQ: NWGI	US\$2.05	NA	Oct 12, 2020
<b>PR Content</b> Planning to install up to 400 self-service kiosks throughout Italy. The first 100 will be deployed this year, and the remaining in 2021. According to NWGI, at full capacity, each terminal could generate approximately \$35 - \$40k per year in gross gaming and other value added service revenues. Therefore, 400 units can generate up to \$14 - \$16M per year.		<b>FRC Opinion</b> <b>Positive</b> – As NWGI's H1-2020 gross gaming revenue was \$18M, we believe this initiative has potential to be a significant revenue driver. The company has not announced the CAPEX & OPEX associated with each terminal for us to evaluate its impact on the bottom line. While NWGI's Italian business provides a baseline cashflow, we believe its upside potential comes from its new B2B betting technology/platform offering to gaming & betting operators in the U.S. Management expects to start operations with their first U.S. operator client by the end of 2020. Our recent webinar on NWGI can be viewed <a href="#">here</a> .		
Company Name:	Ticker Symbol	Current Share Price:	FRC Fair Value Estimate:	Date of PR:
<a href="#">Microsoft Corp.</a>	NASDAQ: MSFT	US\$223.10	US\$220.41	October 8, 2020
<b>PR Content</b> Announces partnership with GameStop (NYSE: GME), whereby GameStop will adopt MSFT's cloud business solutions, such as Dynamics 365, Teams, and Microsoft 365, and MSFT's Surface computing devices.		<b>FRC Opinion</b> <b>Neutral</b> – Next generation console game sales are expected to be much more widely distributed over the internet than through optical discs. Thus, we do not expect GameSpot to be a driver of Xbox game sales revenue, let alone a driver of corporate revenue. As the share price has surpassed our fair value estimate, we are adjusting our rating from BUY to HOLD.		

Company Name:	Ticker Symbol	Current Share Price:	FRC Fair Value Estimate:	Date of PR:
<a href="#">Apple Inc.</a>	NASDAQ: AAPL	US\$121.11	US\$113.45	October 13, 2020
<b>PR Content</b> Product announcement: <ul style="list-style-type: none"> <li>New Homepod featuring deeper integration with Siri and other Apple devices</li> <li>iPhone <ul style="list-style-type: none"> <li>Four iPhone 12 models with screen sizes of 5.8", 6.1", 6.5" and 6.7"</li> <li>The phone will be 4 times more resistant to drops.</li> <li>Magsafe – built-in magnets to allow the phone to be snapped to accessories and chargers</li> <li>Strong focus on AI processing and computer graphics. The camera is using it heavily to process photos.</li> <li>Two Pro models with better Cameras.</li> <li>Phones will no longer ship with chargers and earphones.</li> </ul> </li> </ul>		<b>FRC Opinion</b> <b>Neutral</b> – The hardware announcements are all in-line with previous leaks from the supply chain. We do not expect 5G to be a big driver of unit sales, as 5G signal coverage and applications are currently very limited. However, Apple is likely to benefit from Huawei's exit from the high-end phone market. The discontinuation of charger and earphones, combined with the introduction of Magsafe, should allow Apple to sustain growth in its accessory segment (up 17% y/y in the most recent quarter,) but the contribution so far is relatively small (~10% of revenue). We are maintaining our fair value estimate.		

Company Name:	Ticker Symbol	Current Share Price:	FRC Fair Value Estimate:	Date of PR:
<a href="#">Siyata Mobile Inc.</a>	Nasdaq: SYTA	US\$4.91	N/A	Oct 6 & 13, 2020
<b>PR Content</b>  <p>Announced a distribution agreement with Source Inc., a company that works on Verizon's (NYSE: VZ) B2B sales and activations in the United States. The agreement with Source will be for Siyata's Uniden® UV350, an LTE (Long Term Evolution) in-vehicle communications device.</p> <p>The company also hired a U.S. VP Sales for its Uniden® cellular signal booster portfolio.</p>		<b>FRC Opinion</b>  <p><b>Positive</b> – We are pleased to see Siyata partner up with a company that has access to Verizon's B2B customer network and also expand its sales team. UV350 is the primary revenue contributor of the company, and we expect it to contribute \$14.25 million to total revenue (80% of total) in 2020. We will publish an update when Q3 results are announced this month (expected this week).</p>		



## Cannabis

Company Name:	Ticker Symbol	Current Share Price:	FRC Fair Value Estimate:	Date of PR:
<a href="#">Indiva Limited</a>	TSXV: NDVA	\$0.26	\$0.55	Oct 6 & 13, 2020
<b>PR Content</b>  Management stated that Q3 revenue will be between \$2.8 million and \$3.1 million. The company also stated that it experienced record revenue in September, and led the edibles market in Ontario with a 28.8% market share. We were unable to independently verify this.  The company also announced a deal with Medical Cannabis of Shoppers Drug Mart Inc. to offer Bhang® Chocolate and Wana™ Sour Gummies through Shoppers' platform.		<b>FRC Opinion</b>  <b>Positive</b> – We are pleased to see Indiva continuing its QoQ revenue growth. Management's revenue guidance is inline with our annual projection of \$11.22 million for the year.  The deal with Shoppers is a major milestone for the company, as it will further boost sales of Bang Chocolates and the recently launched Wana Gummies. Our revenue outlook for the year (unchanged) has Bhang Chocolate contributing \$7.6 million and Wana Gummies contributing \$2.38 million.		

Company Name:	Ticker Symbol	Current Share Price:	FRC Fair Value Estimate:	Date of PR:
<a href="#">Namaste Technologies Inc.</a>	TSXV: N	\$0.26	\$0.69	Oct 6, 2020
<b>PR Content</b>		<b>FRC Opinion</b>		
Announced that it will be broadening CannMart's Cannabis 2.0 product offering through agreements with Phyto Extractions and Stigma Grow. The latter is a subsidiary of CanadaBis Capital Inc. (TSXV: CANB), an Alberta based cannabis producing company.		<b>Positive</b> – We are pleased to see CannMart continuing to expand its portfolio. As Cannabis 2.0 is a fairly new market in Canada, we have not been able to assess Phyto's position in the market. We found 20 reviews on lift.co and herbaldispatch.com combined, where the brand had an average user rating of 4 out 5. We found Stigma Grow products at gardenvariety.com and leafy.ca, but could not get any user reviews. We have a \$23.78 million revenue estimate for Namaste for 2020, and CannMart contributes 33% of it (unchanged).		

## Weekly Cannabis Commentary

### Cannabis Industry Performance

Company	YTD	1-Week	1-Year
Aphria Inc.	22%	19%	11%
Aurora Cannabis Inc.	-80%	3%	-89%
Canopy Growth Corp.	-7%	23%	-9%
Cronos Group Inc.	-21%	8%	-32%
Tilray Inc.	-63%	18%	-71%
HEXO Corp.	-52%	11%	-69%
Organigram Holdings Inc.	-47%	16%	-65%
The Supreme Cannabis Co., Inc.	-76%	13%	-84%
Indiva Limited	13%	-4%	8%
<b>AVERAGE</b>	<b>-35%</b>	<b>12%</b>	<b>-44%</b>
<b>MIN</b>	<b>-80%</b>	<b>-4%</b>	<b>-89%</b>
<b>MAX</b>	<b>22%</b>	<b>23%</b>	<b>11%</b>

Indexes	YTD	1-Week	1-Year
<b>HMMJ</b>	<b>-23%</b>	<b>12%</b>	<b>-40%</b>
<b>MCAN</b>	<b>NM</b>	<b>11%</b>	<b>NM</b>
<b>XCAN</b>	<b>NM</b>	<b>15%</b>	<b>NM</b>

Note: MCAN and XCAN were launched on November 18, 2019, and January 20, 2020, respectively.

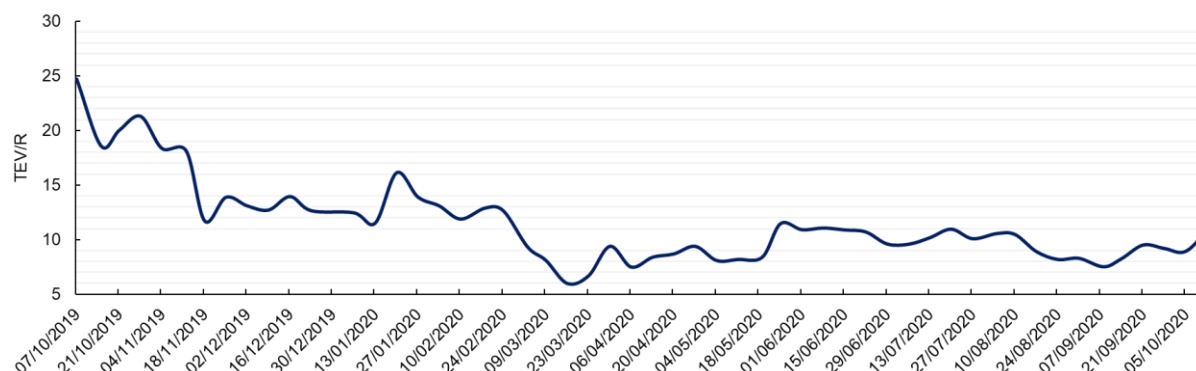
Source: TMX Money, FRC

Over the past week, the Horizons Marijuana Life Sciences ETF (TSX: HMMJ / “HMMJ”), the Standard & Poor’s/MX International Cannabis Index (“MCAN”), and the Standard & Poor’s/TSX Cannabis Index (“XCAN”) generated a return of 12%, 11%, and 15%, respectively. Despite the lack of any significant news on the Canadian cannabis market, all major stocks in the industry had a positive return due to growing optimism for U.S. federal legalization. **In the Vice-Presidential debate on October 7, 2020, Sen. Kamala Harris stated that, if elected, they would “decriminalize marijuana and expunge the records of those who have been convicted of marijuana”.** This is a very encouraging sign of potential expansion of the U.S. cannabis market, should there be a Democratic victory in the upcoming election. Meanwhile, on the same day, Vermont became the 11th state in the U.S. to fully legalize marijuana for adult use.

### Valuation of Select Canadian LPs

The following chart shows the average Enterprise Value to Revenue (“EV/R”) of the Canadian cannabis companies that we track.

### Average EV/R (October 2019 – October 2020)



**Oct 5, 2020**

**Oct 13, 2020**

Company	Ticker	TEV/Revenue	TEV/EBITDA	TEV/Revenue	TEV/EBITDA
Aphria Inc.	TSX: APHA	3.0	31.8	3.9	42.3
Aurora Cannabis Inc.	TSX: ACB	3.9	NM	4.1	NM
Canopy Growth Corp.	TSX: WEED	13.9	NM	18.3	NM
Cronos Group Inc.	TSX: CRON	32.4	NM	42.1	NM
Tilray Inc.	NASDAQ: TLRY	5.3	NM	6.3	NM
HEXO Corp.	NYSE: HEXO	4.5	NM	5.2	NM
Organigram Holdings Inc.	TSX: OGI	3.8	NM	4.3	NM
The Supreme Cannabis Co., Inc.	TSX: FIRE	4.8	NM	5.1	NM

<b>AVERAGE</b>	8.9	NM	11.2	NM
<b>MEDIAN</b>	4.7	NM	5.2	NM
<b>MINIMUM</b>	3.0	NM	3.9	NM
<b>MAXIMUM</b>	32.4	NM	42.1	NM

Source: S&P Capital IQ, FRC

The average EV/R, as of October 13, 2020, is 11.2x – an increase from 8.9x a week ago. The average EV/R, from October 7, 2019 to date, is 11.48x.

## Canadian Retail Cannabis Pricing

Province (As of 2020/10/13)	Average Price per Gram	Average Price per Gram THC	Average Price per Gram CBD	# of Products	Min. Price	Max. Price
B.C.	\$ 10.05	\$ 10.13	\$ 8.22	245	\$ 3.93	\$ 80.29
Ontario	\$ 9.56	\$ 9.72	\$ 8.37	258	\$ 4.14	\$ 23.98
Quebec	\$ 9.21	\$ 9.17	\$ 9.58	189	\$ 4.85	\$ 14.55
Alberta	\$ 11.35	\$ 11.34	\$ 11.39	290	\$ 3.93	\$ 22.00
N.B.	\$ 9.88	\$ 9.99	\$ 8.75	156	\$ 3.50	\$ 16.28
P.E.I.	\$ 10.07	\$ 10.11	\$ 9.49	146	\$ 2.20	\$ 23.30
Newfoundland	\$ 10.20	\$ 10.17	\$ 10.36	146	\$ 4.62	\$ 15.40
Yukon	\$ 14.73	\$ 14.81	\$ 13.95	10	\$ 12.69	\$ 16.15
N.S.	\$ 10.39	\$ 10.45	\$ 9.82	168	\$ 5.36	\$ 42.85
Nunavut	\$ 11.69	\$ 11.80	\$ 12.41	34	\$ 5.19	\$ 17.91
Northwest Territories	\$ 11.54	\$ 11.54		3	\$ 12.08	\$ 13.00
Manitoba	\$ 11.66	\$ 11.67	\$ 11.57	283	\$ 5.66	\$ 20.43
Saskatchewan	\$ 12.43	\$ 12.51	\$ 11.42	140	\$ 4.95	\$ 38.50
<b>CANADA</b>	<b>\$ 10.98</b>	<b>\$ 11.03</b>	<b>\$ 10.44</b>			

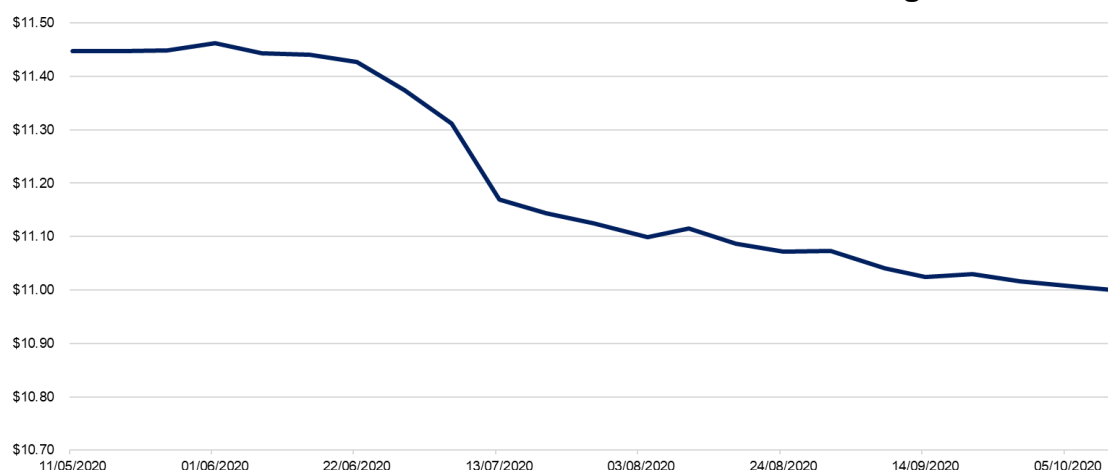
  

Province (As of 2020/10/05)	Average Price per Gram	Average Price per Gram THC	Average Price per Gram CBD	# of Products	Min. Price	Max. Price
B.C.	\$ 10.05	\$ 10.14	\$ 8.22	243	\$ 3.93	\$ 80.29
Ontario	\$ 9.62	\$ 9.76	\$ 8.55	258	\$ 4.14	\$ 23.98
Quebec	\$ 9.21	\$ 9.17	\$ 9.58	189	\$ 4.85	\$ 14.55
Alberta	\$ 11.36	\$ 11.36	\$ 11.39	290	\$ 3.93	\$ 22.00
N.B.	\$ 9.88	\$ 9.99	\$ 8.75	156	\$ 3.50	\$ 16.28
P.E.I.	\$ 10.07	\$ 10.11	\$ 9.49	146	\$ 2.20	\$ 23.30
Newfoundland	\$ 10.20	\$ 10.17	\$ 10.36	146	\$ 4.62	\$ 15.40
Yukon	\$ 14.73	\$ 14.81	\$ 13.95	10	\$ 12.69	\$ 16.15
N.S.	\$ 10.39	\$ 10.45	\$ 9.82	168	\$ 5.36	\$ 42.85
Nunavut	\$ 11.69	\$ 11.80	\$ 12.41	34	\$ 5.19	\$ 17.91
Northwest Territories	\$ 11.54	\$ 11.54		3	\$ 12.08	\$ 13.00
Manitoba	\$ 11.64	\$ 11.65	\$ 11.57	281	\$ 5.66	\$ 20.43
Saskatchewan	\$ 12.38	\$ 12.46	\$ 11.42	138	\$ 4.95	\$ 38.50
<b>CANADA</b>	<b>\$ 10.98</b>	<b>\$ 11.03</b>	<b>\$ 10.46</b>			

Source: Online Provincial Cannabis Stores, FRC

The average retail price per gram remained the same week-over-week at \$10.98. The below chart shows Canadian retail dried cannabis flower pricing since we began price coverage.

### Canadian Retail Dried Cannabis Flower Pricing

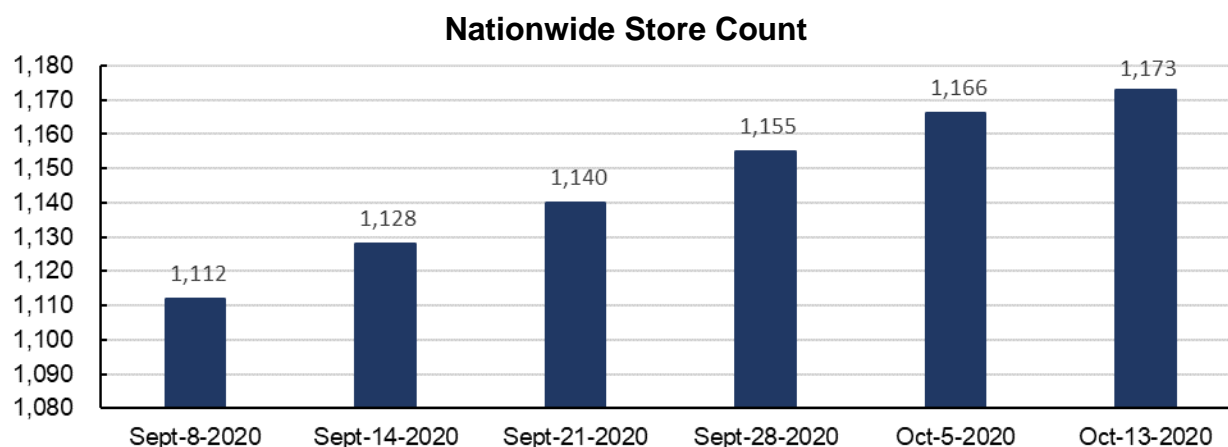


Source: Online Provincial Cannabis Stores, FRC

## Canadian Retail Cannabis Stores

As of October 13, 2020, there are 1,173 retail cannabis stores, a week-over-week increase of seven stores across Canada (three in B.C. and four in Ontario).





*Source: Provincial Websites, FRC*

The following shows the number of retail cannabis stores by province/territory:

Geographic Region	Sept-28-2020 Store Count	Oct-5-2020 Store Count	Oct-13-2020 Store Count	Population	Population / Store
Alberta	526	527	527	4,428,247	8,700
B.C.	258	260	263	5,120,184	22,656
Manitoba	30	30	30	1,379,121	45,971
N.B.	24	20	20	780,890	39,045
N.S.	15	15	15	978,274	81,523
Newfoundland	26	26	26	520,437	20,817
Northwest Territories	5	5	5	44,982	8,996
Nunavut	n/a	n/a	n/a	39,486	N/A
Ontario	173	185	189	14,745,040	105,322
P.E.I.	4	4	4	158,717	39,679
Quebec	45	45	45	8,552,362	203,628
Saskatchewan	44	44	44	1,181,987	26,863
Yukon	5	5	5	41,293	8,259
<b>CANADA</b>	<b>1,155</b>	<b>1,166</b>	<b>1,173</b>	<b>37,971,020</b>	<b>35,754</b>

*Source: Provincial Websites, FRC*

**Disclaimers and Disclosure**

The opinions expressed in this report are the true opinions of the analyst(s) about any companies and industries mentioned. Any "forward looking statements" are our best estimates and opinions based upon information that is publicly available and that we believe to be correct, but we have not independently verified with respect to truth or correctness. There is no guarantee that our forecasts will materialize. Actual results will likely vary. Companies mentioned in pages 2 and 9-15 are covered by FRC under an issuer paid model, except MSFT and AAPL. FRC or companies with related management, and Analysts, may hold shares in some companies mentioned in this report including Indiva, MSFT, JNJ and AAPL. Distribution procedure: our reports are distributed first to our web-based subscribers on the date shown on this report then made available to delayed access users through various other channels for a limited time.

To subscribe for real-time access to research, visit <https://www.researchfrc.com/website/subscribe> for subscription options.

This report contains "forward looking" statements. Forward-looking statements regarding the Company, industry, and/or stock's performance inherently involve risks and uncertainties that could cause actual results to differ from such forward-looking statements. Factors that would cause or contribute to such differences include, but are not limited to, continued acceptance of the Company's products/services in the marketplace; acceptance in the marketplace of the Company's new product lines/services; competitive factors; new product/service introductions by others; technological changes; dependence on suppliers; systematic market risks and other risks discussed in the Company's periodic report filings, including interim reports, annual reports, and annual information forms filed with the various securities regulators. By making these forward-looking statements, Fundamental Research Corp. and the analyst/author of this report undertakes no obligation to update these statements for revisions or changes after the date of this report.

Fundamental Research Corp DOES NOT MAKE ANY WARRANTIES, EXPRESSED OR IMPLIED, AS TO RESULTS TO BE OBTAINED FROM USING THIS INFORMATION AND MAKES NO EXPRESS OR IMPLIED WARRANTIES OR FITNESS FOR A PARTICULAR USE. ANYONE USING THIS REPORT ASSUMES FULL RESPONSIBILITY FOR WHATEVER RESULTS THEY OBTAIN FROM WHATEVER USE THE INFORMATION WAS PUT TO. ALWAYS TALK TO YOUR FINANCIAL ADVISOR BEFORE YOU INVEST. WHETHER A STOCK SHOULD BE INCLUDED IN A PORTFOLIO DEPENDS ON ONE'S RISK TOLERANCE, OBJECTIVES, SITUATION, RETURN ON OTHER ASSETS, ETC. ONLY YOUR INVESTMENT ADVISOR WHO KNOWS YOUR UNIQUE CIRCUMSTANCES CAN MAKE A PROPER RECOMMENDATION AS TO THE MERIT OF ANY PARTICULAR SECURITY FOR INCLUSION IN YOUR PORTFOLIO. This REPORT is solely for informative purposes and is not a solicitation or an offer to buy or sell any security. It is not intended as being a complete description of the company, industry, securities or developments referred to in the material. Any forecasts contained in this report were independently prepared unless otherwise stated, and HAVE NOT BEEN endorsed by the Management of the company which is the subject of this report. Additional information is available upon request. THIS REPORT IS COPYRIGHT. YOU MAY NOT REDISTRIBUTE THIS REPORT WITHOUT OUR PERMISSION. Please give proper credit, including citing Fundamental Research Corp and/or the analyst, when quoting information from this report. The information contained in this report is intended to be viewed only in jurisdictions where it may be legally viewed and is not intended for use by any person or entity in any jurisdiction where such use would be contrary to local regulations or which would require any registration requirement within such jurisdiction.