

A decorative graphic consisting of two overlapping yellow ribbon-like shapes, one on the left and one on the right, extending across the top of the slide.

# **Economic Update**

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# ECONOMIC UPDATE – December 6, 2017

- **General Economic Indicators**
- **Mining**
- **Oil and Gas**
- **Cannabis**
- **Market Update**

# ECONOMIC UPDATE – December 6, 2017

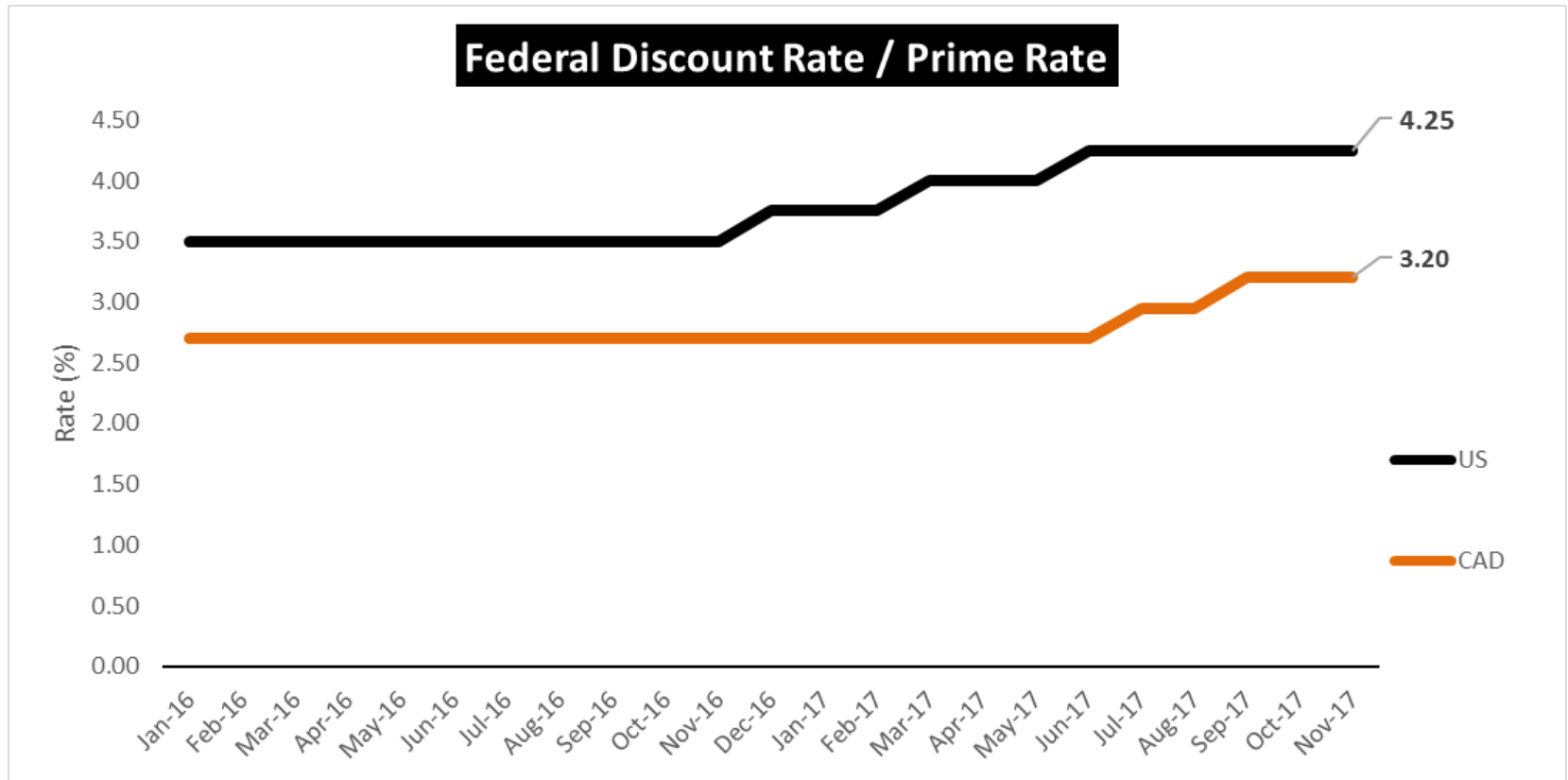
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# ECONOMIC UPDATE: Real GDP

- **Canada** - expected to **grow\*** by
  - » **3.1%** in 2017
  - » **2.1%** in 2018
  - » **1.7%** in 2019
- **US** – expected to **grow\*** by
  - » **2.1%** in 2017
  - » **2.3%** in 2018
  - » **2.0%** in 2019

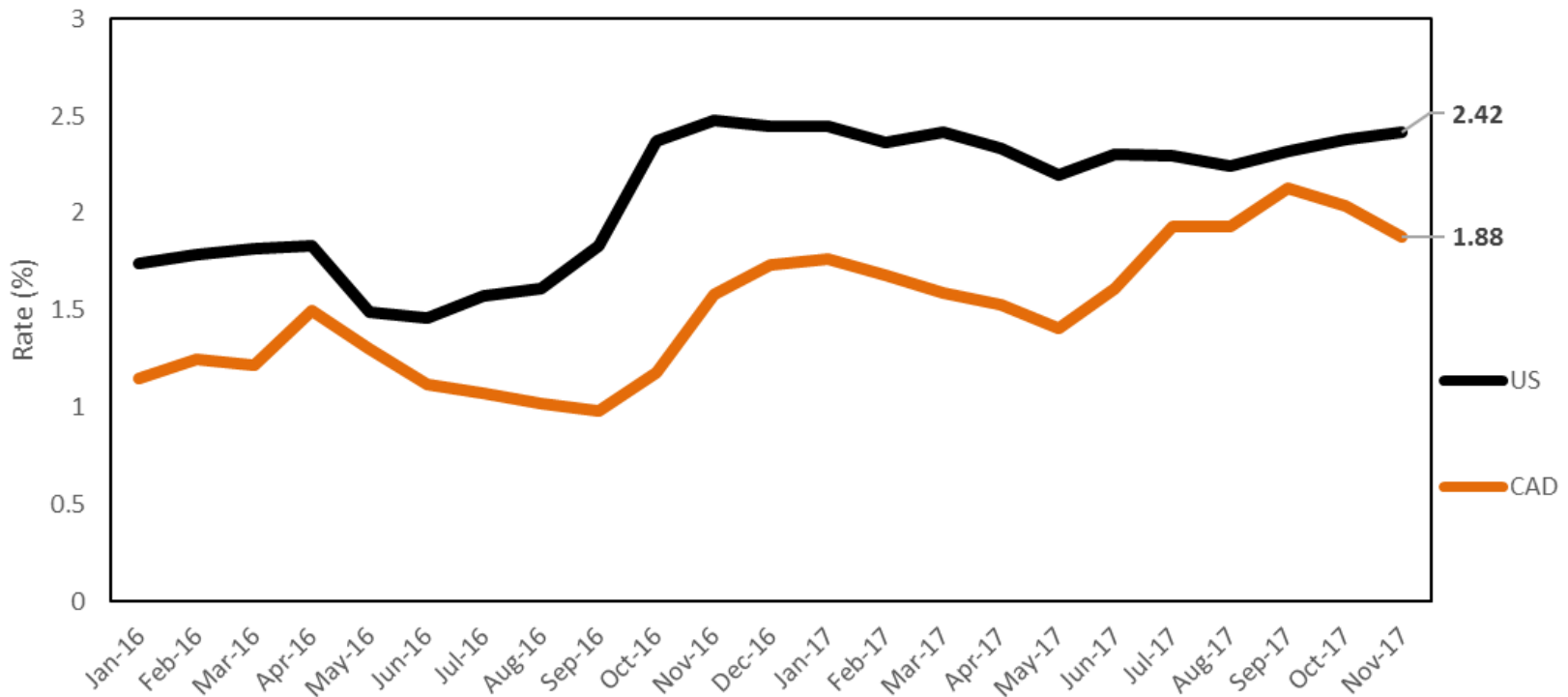
Source: TD Economics – Sept 2017

# ECONOMIC UPDATE: Prime Rate

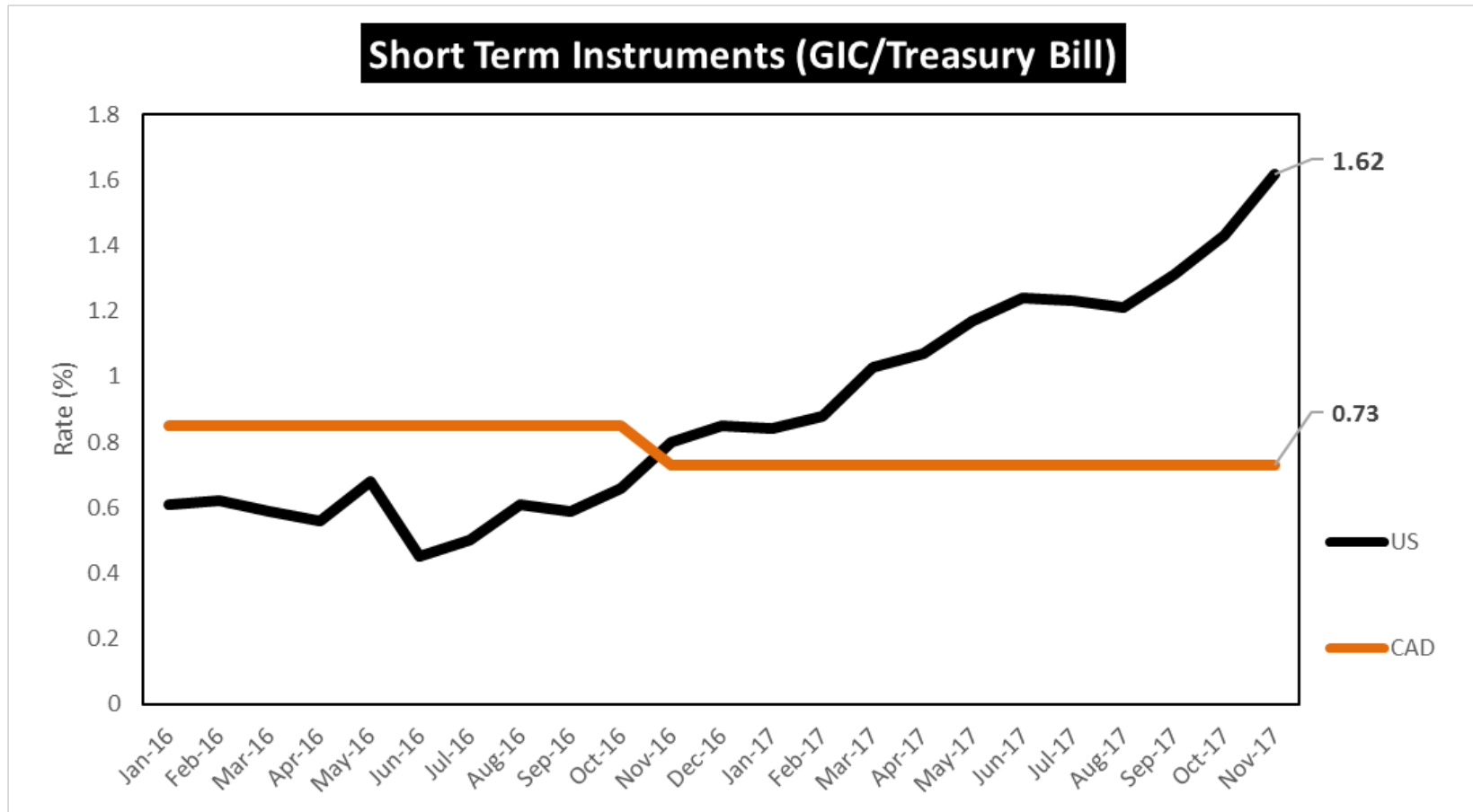


# ECONOMIC UPDATE: 10 Year Gov Bonds

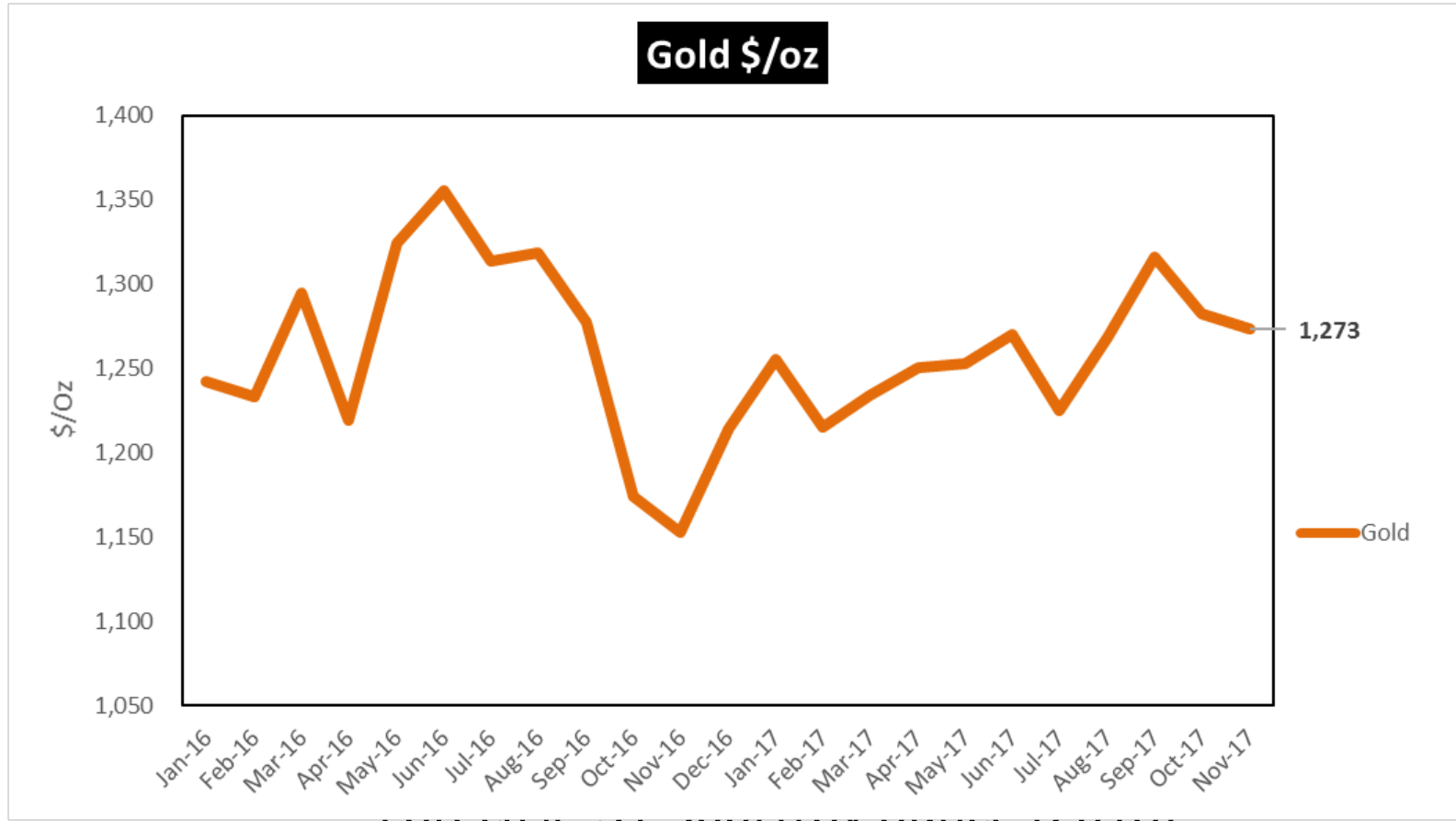
10 Year Bonds



# ECONOMIC UPDATE: S.T. Instruments

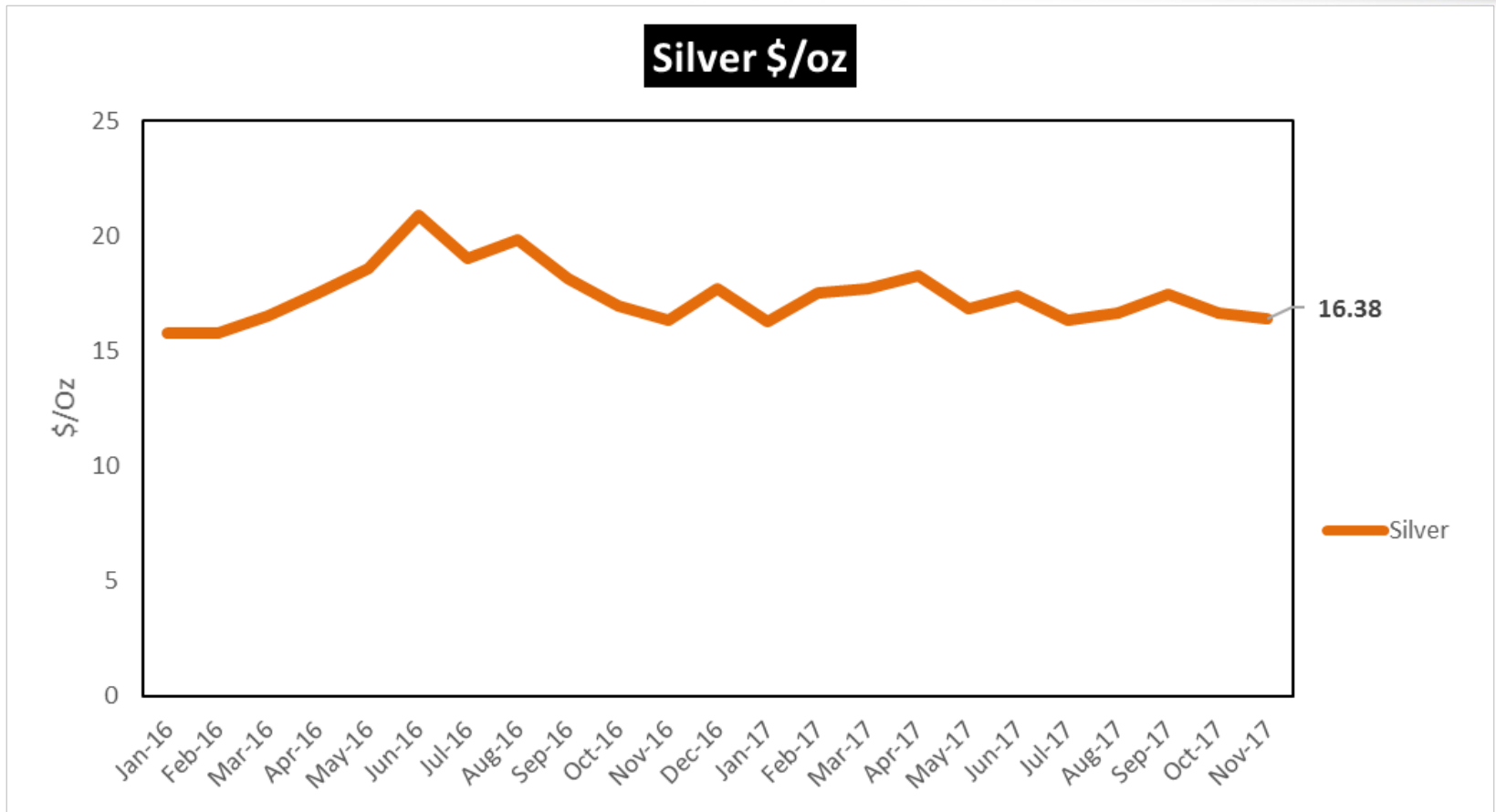


# MINING UPDATE: Gold



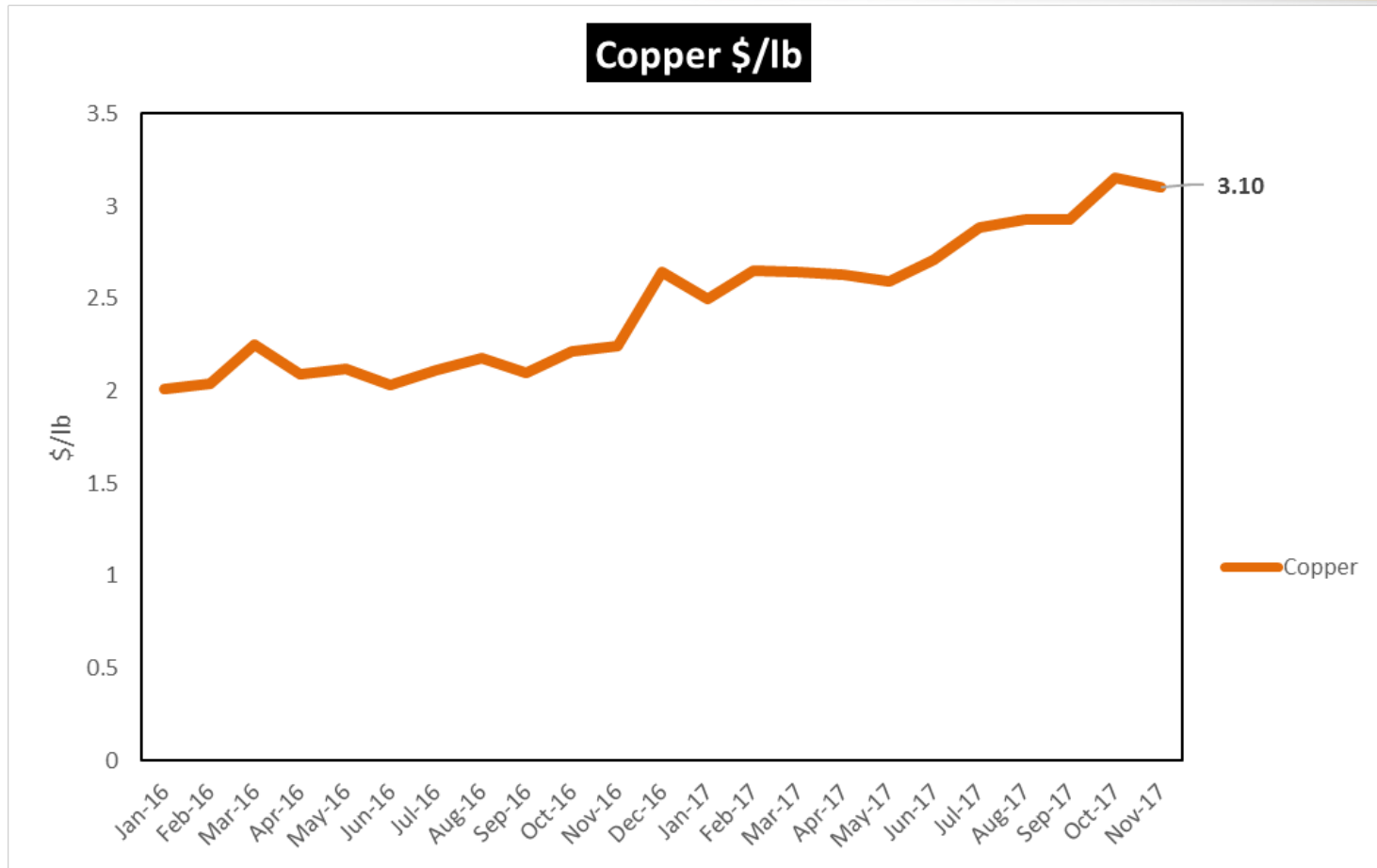


# MINING UPDATE: Silver



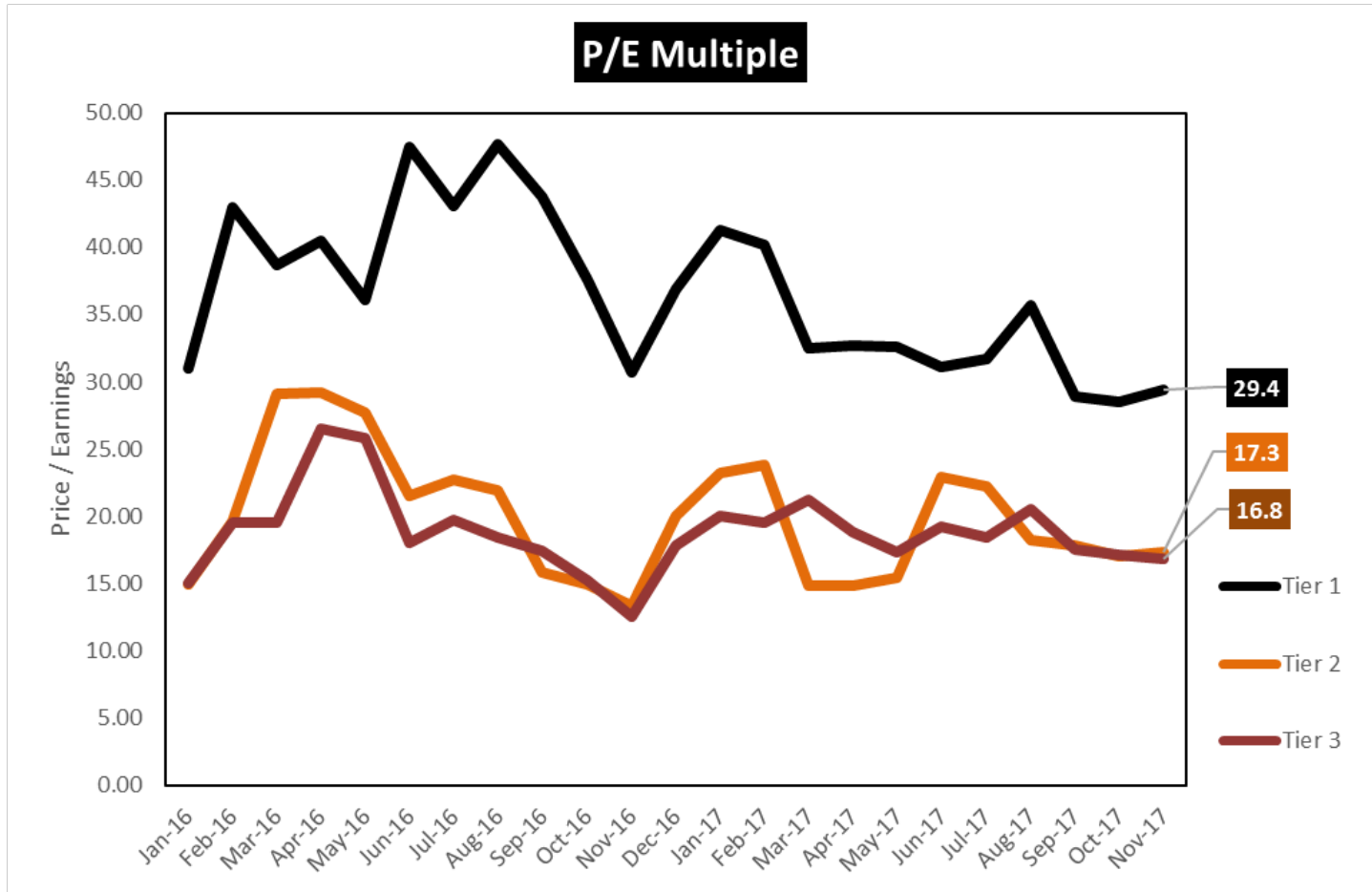
Forecast: \$18.5/troy ounce (2018)

# MINING UPDATE: Copper

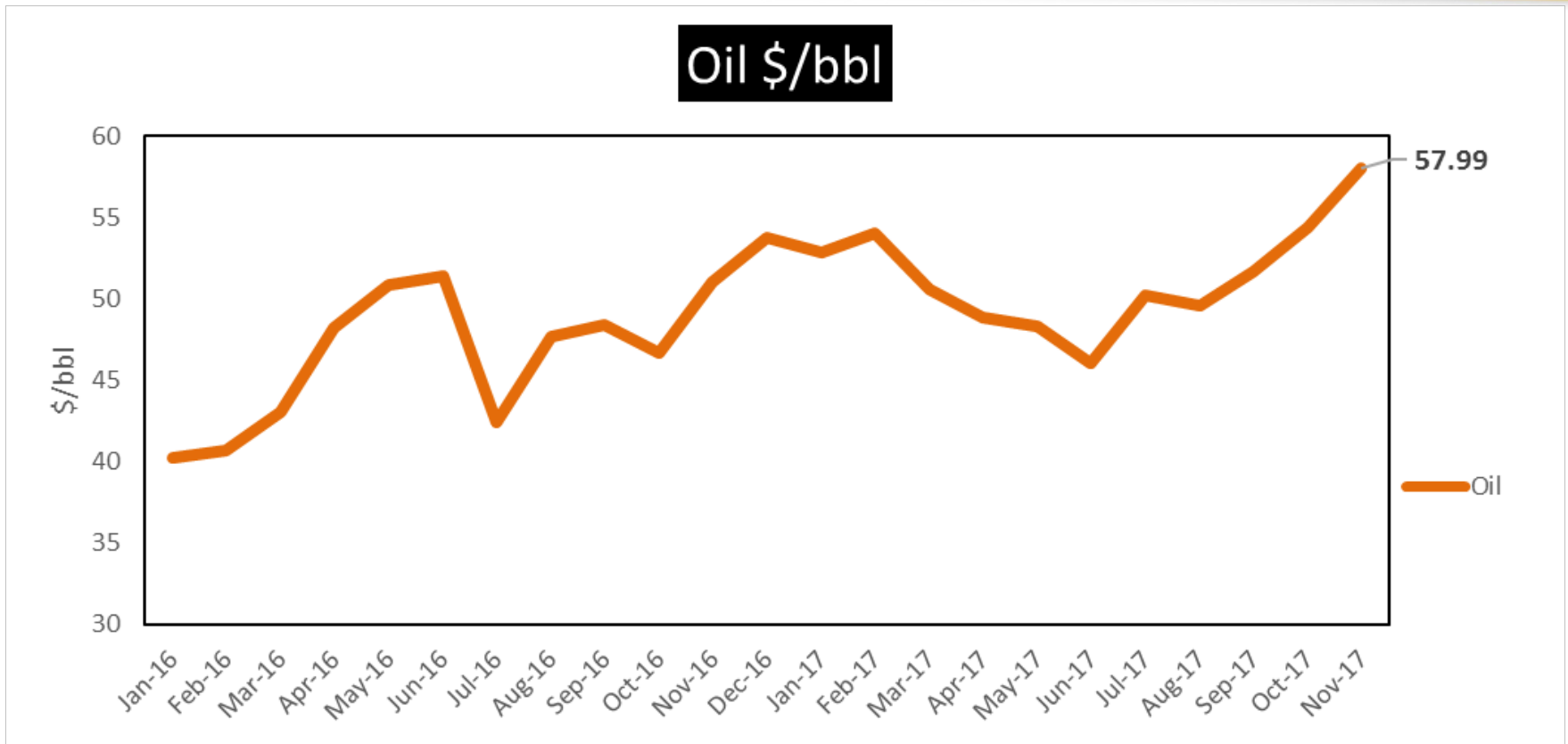


Forecast: \$2.00/pound (2018)

# MINING UPDATE: Tier 1, 2 & 3 Gold – P/E

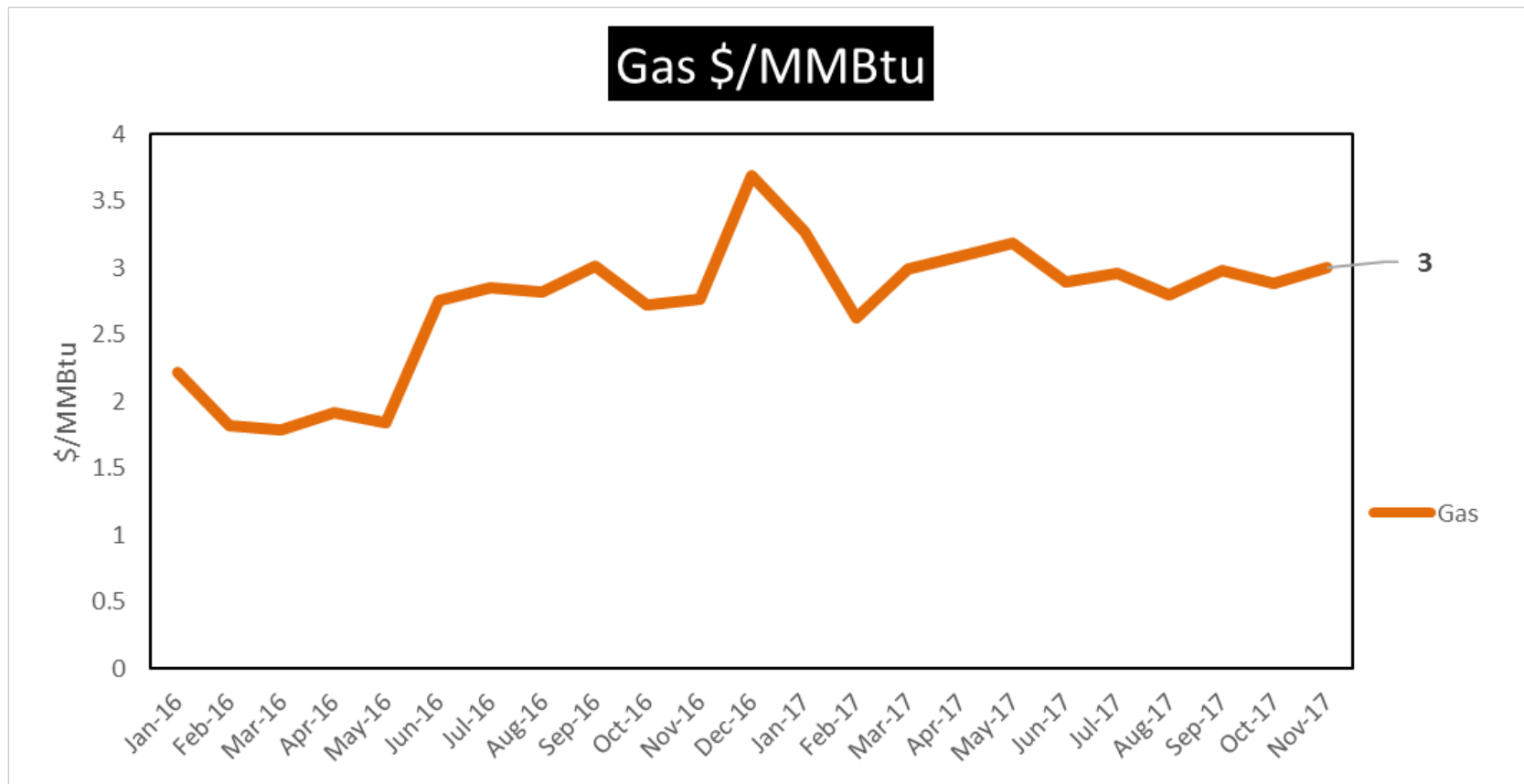


# OIL & GAS UPDATE- Oil WTI

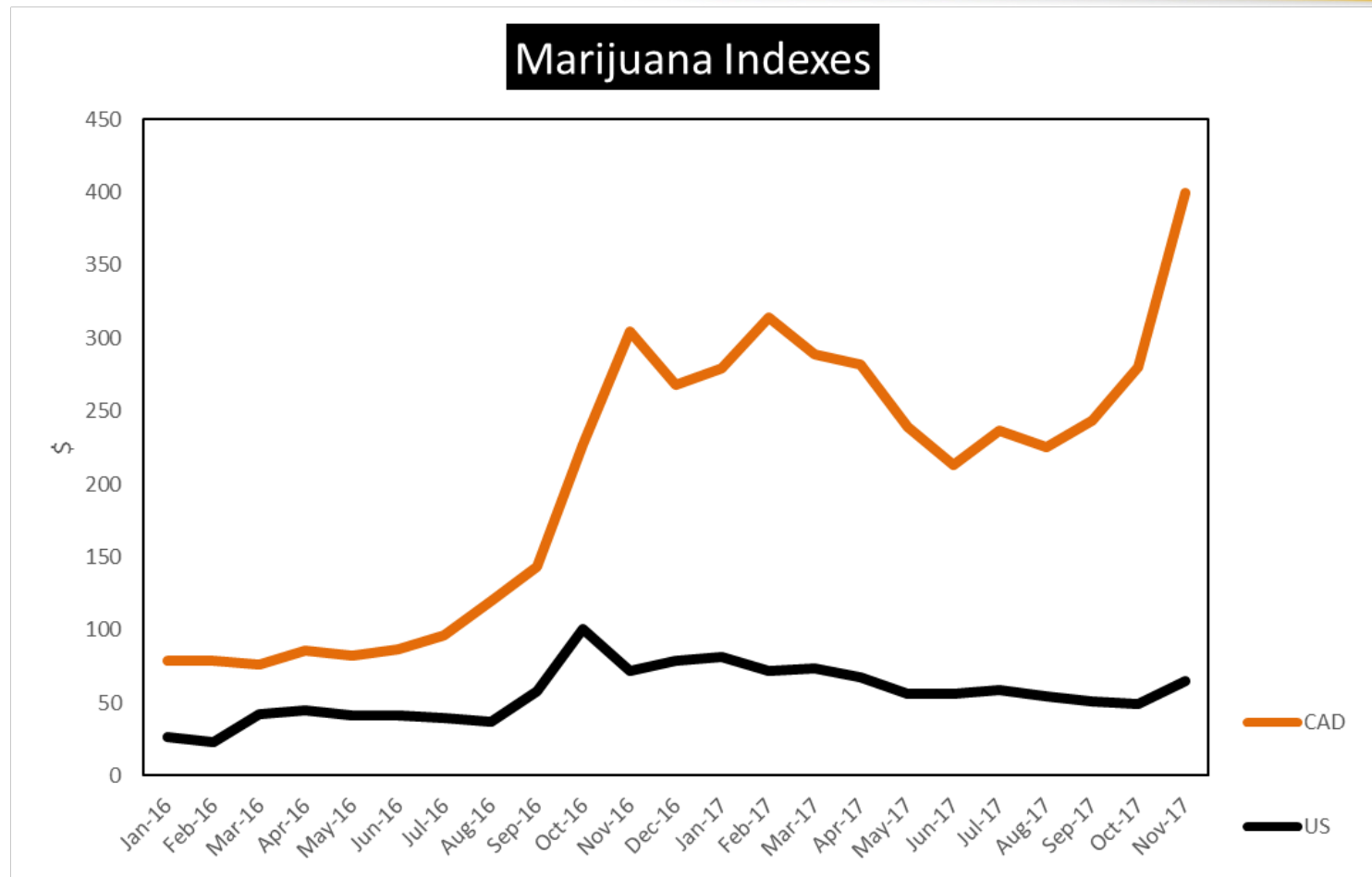


Forecast: \$52/bbl (2018)

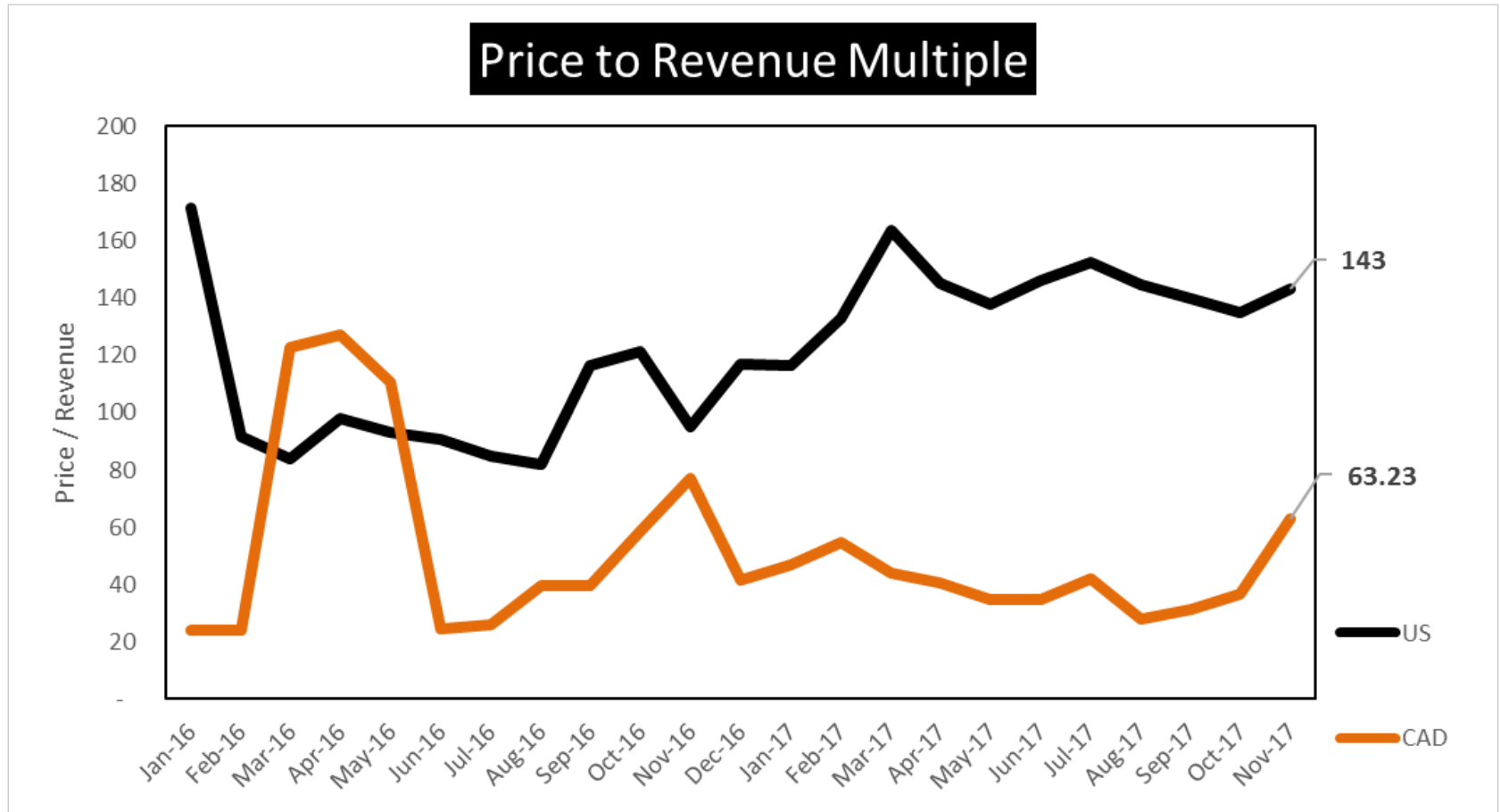
# OIL & GAS UPDATE- Gas



# CANNABIS UPDATE: Indexes



# CANNABIS UPDATE: P/Revenue Multiple



# CANNABIS UPDATE: Goodwill

During the 6 months ended September 30, 2017:

- Canopy Growth acquired Tweed Grasslands Cannabis Inc., Spot Therapeutics Inc., and Grow House JA Limited
- Aurora Cannabis acquired BC Northern Lights and Urban Cultivator Inc.

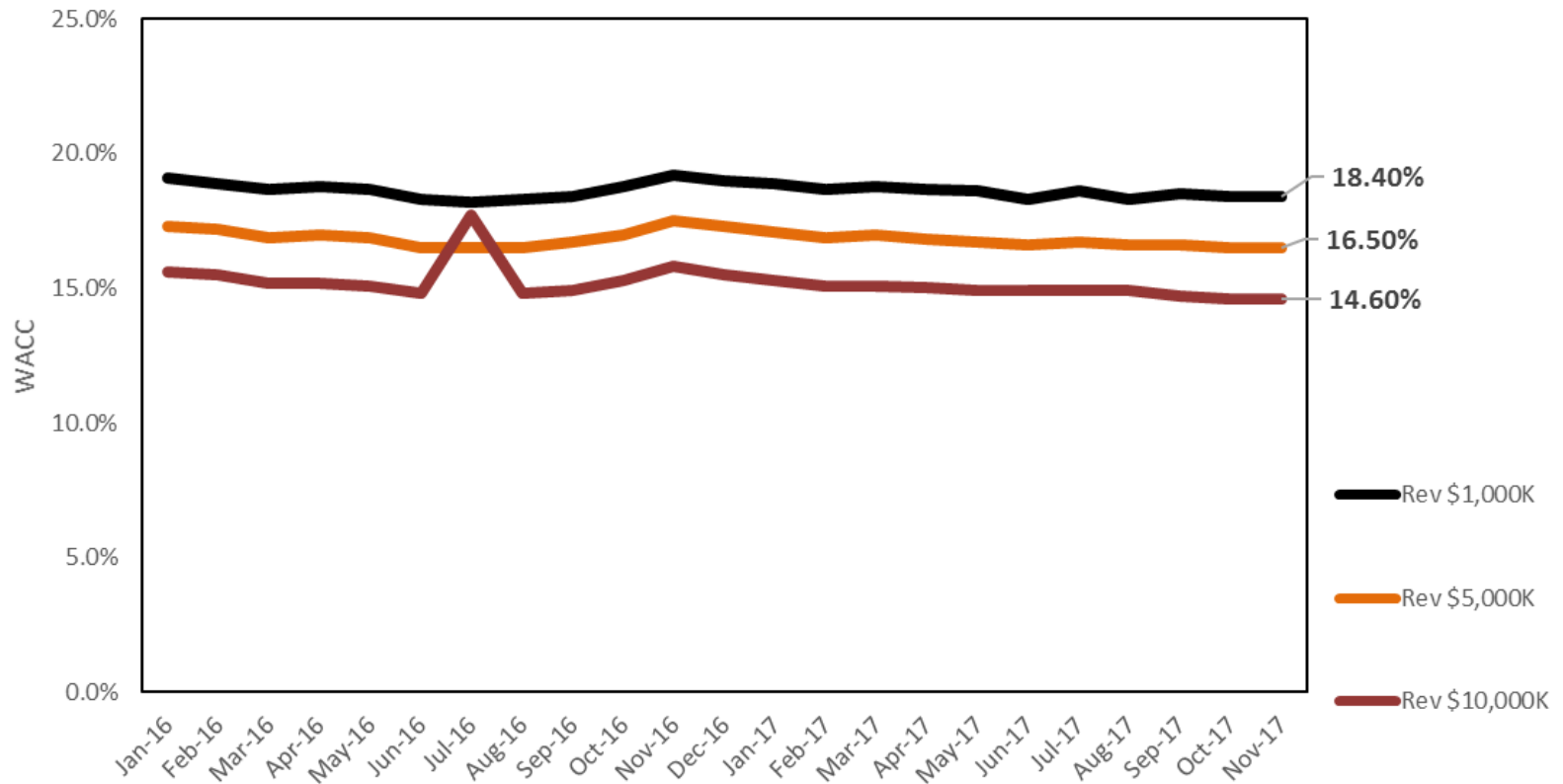
Both acquisitions:

- Allocated the majority of the purchase price to **goodwill**
- The goodwill reflects the benefit of **expected revenue growth and future market development**



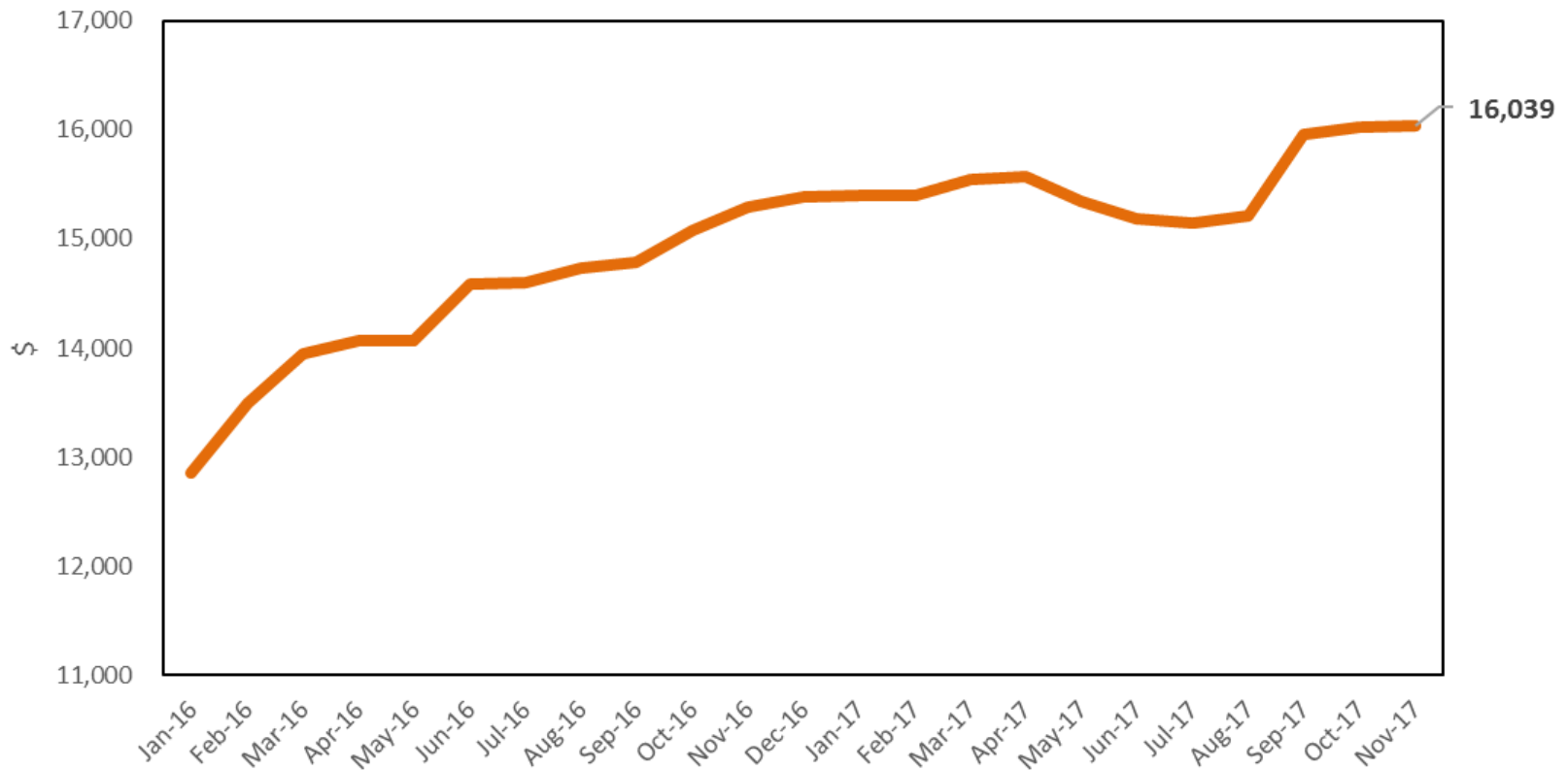
# WACC

## U.S. Weighted Average Cost of Capital



# Stock Indexes

## S&P / TSX Composite Index



# SUMMARY OUTLOOK

- B.C.
  - Overall attractive place to invest and do business
  - Increase in population, retail sales, job growth and housing starts
  - Remain strong in the years to come even with uncertainty regarding
    - Housing market
    - Potential drag from restrictive U.S. trade policies
  - Optimistic, but tempered



Thank you