

Due Diligence Report: The Early Bird gets the Worm; on in this Case, the Profitability

Summary

Greenhouse Solutions operates three distinct business units within the burgeoning cannabis market: Greenhouse Solutions' Design & Consulting Service offers an all-inclusive solution to the expansion and efficiency of hydroponic and agricultural businesses nationwide. The Company is able to supply a comprehensive solution to the design, build, implementation, production, and expansion of all variations of indoor, outdoor and greenhouse agricultural business; Greenhouse Solutions' Product Development develops, markets, produces and sells cannabidiol ("CBD") products for both the personal health and companion pet markets utilizing a licensed probiotic delivery system (US Patent #6,080,401) and other licensed formulas. Cannabidiol (CBD) is a naturally-occurring substance found in both the cannabis and hemp species of the Cannabis Sativa plant; and Growhouse Solutions acts as a distributor for a variety of equipment, supplies and nutrients for the hydroponic industry.

Greenhouse Solutions Inc. has a current market capitalization of \$21.19 M with 88.27 M outstanding shares. Its daily average volume traded is 20,535 shares.

Key Indicators (Q2 2015)

Shares Outstanding	88.27 M
Revenue	Nil
Gross Profit	Nil
Net Loss (basic/diluted)	-0.15 M
Cash and Short-term Inv	0.01 M
Total Debt	Nil

Performance (6 months)



Recent News and Analysis:

On Wednesday the Company announced that they have signed a joint venture agreement with KOIOS Inc. to develop and market a hemp protein-based energy drink utilizing KOIOS proprietary formulae. KOIOS' current formulation utilizes eleven ingredients to enhance brain function: helping people achieve optimal mental performance. The product has been shown to improve circulation, oxygen levels and blood flow to the brain; thus creating a heightened state of focus, concentration, cognitive function, memory recall and all day mental energy and clarity. KOIOS was created to give consumers a way to create heightened brain function by feeding the brain what it requires naturally to thrive.

In addition, the Company also recently announced the appointment of Dr. Samba Reddy to the company's advisory board. Dr. Samba Reddy is a Professor of Neuroscience and Experimental Therapeutics in the College of Medicine at Texas A&M University -- a premier institution in America and the largest university in Texas. He is an NIH CounterACT principal investigator of a multimillion dollar project focusing on developing new therapeutics for brain disorders. Despite being from a humble background, Dr. Reddy excelled in his professional field and became one of the top pharma scientists in the United States. He has designed many preclinical models, discovered mechanism-based treatment strategies, tested novel products, and successfully developed "first-in-class" medicines for complex brain disorders such as epilepsy, brain injury and chemical neurotoxicity.

The marijuana business in Colorado is booming with recent legalization in the state and other states following suit. Companies involved in this sector are sure to experience significant growth in revenue, bottom line and geographic footprint. GRSU, has continued to make a name for itself in the sector and as one of the early players in the space, will surely benefit from the favorable marijuana market in North America.

Conclusions:

Over the past year, shares of GRSU have fallen from a high of \$0.75 to a low of \$0.15. A resistance has developed around the \$0.26 mark, the closing price on Wednesday. Should the share price break above that resistance, it is expected that the share price will continue upwards to its next resistance level at \$0.50. GRSU already has diversity in the marijuana space and with favorable election results north of the border, cross selling opportunities may arise for GSRU leading to increased revenues and profitability. Thus far, analysts have been quiet when it comes to GSRU, but as the saying goes, the early bird gets the worm.

Sources:

1. <http://stockcharts.com/h-sc/ui?s=GRSU&p=D&b=5&g=0&id=p71532820474>
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3. <http://www.google.ca/finance?q=OTCMKTS%3AGRSU&hl=en&gl=ca&ei=bbhDVon3D9XLjAGW37awDA>
4. <http://www.otcmarkets.com/stock/GRSU/financials#>
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6. http://www.greenhousesolutionsinc.com/news_pr_8/
7. <http://www.greenhousesolutionsinc.com/shop/>

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Disclosure: I, Robert Borowski, research analyst have no positions in any stocks mentioned, and no plans to initiate any positions within the next 72 hours. I wrote this article myself, and it expresses my own opinions and I have no business relationship with any company whose stock is mentioned in the article.

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