

AREV Brands International Ltd.

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AREV Brands throws spotlight on cannabis and CBD from seed to the shelf

Eight years ago, Mike Withrow thought of a way to extract value from high lipid biomass. So, he came across a struggling ginseng extract company and acquired it.

As the owner of another extraction business called Alternative Extracts, Withrow devised a plan to restructure the company, now called AREV Brands International (CSE:AREV).

"I thought that if we get AREV to buy the extractors from Alternative, then we could extract lipids from plant material," remembers Withrow.

He has built AREV into what is now a cannabis and hops company which owns a series of promising businesses focused on cannabis and cannabidiol (CBD) products in categories from the seed to the shelf.

Utilizing its three extraction systems and knowledgeable people, the company has developed a way to infuse liquids with oil-based extracts from a cornucopia of natural products.

Coconut oil was the start

Coconut oil blended with protein was the base for a number of the first innovations. The Coco-MULSION line includes four Health Canada registered products: Performance for a boost of energy and antioxidants, Brain to improve cognition, Relax for reducing stress and the Original for the maintenance of health. Research led to using the Original as a carrier for CBD and cannabis extracts. With this advance, the company soon widened its repertoire.

"Suddenly, we had a delivery mechanism for cannabinoids and extracts from various plant materials," says Withrow.

"But we're not just using cannabis when we put in our formulations. We now do work with frankincense, myrrh and various terpenes and flavonoids. There's too many to list."

Withrow and his team now have the lead in cannabis genetics and breeding, the extraction of raw materials like CBD and oils as well as the formulation of medicinal and natural health products.

The company's portfolio include assets from the cannabis company Canna Gold, which include vaporizers and tinctures, which Withrow acquired at a discount for C\$1.2 million in January 2019. Also in the mix is the award-winning line of the Bare Topicals Brand, a line of cannabis-based skin creams, which Arev picked up late last year for C\$160,000 in stock from Alternative Extracts, Withrow's extraction company.

"We acquire people and their assets using stock as it gives everyone incentives to continue contributing and building on the vision. It brings more value to our holdings and the shareholders," says Withrow.

Price: 0.1

Market Cap: \$945.78 k

1 Year Share Price Graph



August 2019 January 2020 July 2020

Share Information

Code: AREV

Listing: CSE

52 week	High	Low
	1.05	0.05

Sector: Retail

Website: arevnutrition.com

Company Synopsis:

At AREV, our goal is to revolutionize nutritional supplements by providing convenient, great tasting quality nutrients for the whole family. Our innovative products are manufactured to the highest standards available in order to meet or exceed our customer's expectations. We designed our products to support healthy lifestyles by bringing premium coconut oil-based products to our customers.

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BC Bud Depot in focus

In its biggest advance to date, Arev paid C\$5.25 million in September 2018 in an all-stock deal to acquire BC Bud Depot, one of the biggest names in cannabis breeding and one of the world's biggest seed banks with an inventory of more than 850,000 seeds from well over 250 varieties.

For C\$250,000, the team at BC Bud Depot can develop a proprietary custom strain of cannabis that no one else will ever have. Its DNA can be stored in a cryogenic freezer as well for protection.

"Whether you are in California, Europe or anywhere in Canada, if you ask someone to name a cannabis seed bank, they are likely to mention BC BUD," says Withrow. "So we have the ability to grow a plant specifically for a targeted area of health or for a recreational experience the consumer can expect."

The company is also poised to widen its reach in Europe once licenses are secured following the acquisition last July of Deutsche Medizinal Cannabis UG, in July of 2018.

Just as varieties of agave tequila produce different styles of tequila, so do varying strains of cannabis, which can be bolstered or weakened on their own or with the help of extractions from plants and other products.

Bespoke products

Marijuana plants can be tailored, for example, to have a higher concentration of cannabidiol, the non-psychoactive component of the plant, or low THC content.

"We started identifying the genetics and looking for profiles within our own extraction, so that we could extract those compounds and put those as ingredients into our formulations," explains Withrow. Think about the science. That's all it is. Why do I feel sleepy if I use a certain type of cannabis and real energized by something else?"

This powerful combination of a genetics and an extraction business allows for AREV's team to distribute their ingredients or numerous formulations via a finished product, be it an emulsion oil, a vape pen, gummy bears or gel caps.

Symbols from the ski trails - the green circle, blue square and double black diamonds - are used on Arev labels as a guide for users on what sort of experience they should expect.

Also under construction is a processing facility on a plot of 28 acres on the Trans-Canada Highway in Sorrento, British Columbia, strategically located at the mid-point between Calgary and Vancouver.

Eyeing joint ventures

AREV is looking to license its technology to Canadian producers and set up joint ventures with its extraction systems. The company's ambitions don't include growing cannabis for dried flower.

It would rather offset the risks of cultivation and the "huge overhead" that comes with it, according to Withrow. "We'd rather supply our genetics and our seed to growers," he explains. "We'll get our processing license and then we'll supply our genetics to the licensed producers, pay them to grow it for us and buy it back from them."

California on agenda

The US and California in particular and Columbia are in Withrow's sights. Withrow has a partnership with a business in Los Angeles that is building dispensaries and distribution and will be the go-to for Arev's brands there when it is set up.

"There are five licenses in Los Angeles that we're looking at," he notes. "Once that's finalized, then we'll start deploying into the LA market and California. Right now, we have everything except for the licenses in the state that we want to operate in."

With the licenses and its' expansion to California will come revenues. At the moment, AREV remains a pre-revenue shop, having posted a loss of C\$917,397 in the three months until September 30, 2018, according to its latest Canadian

regulatory filings.

Shareholders are key

Withrow is committed to his shareholders as well as boosting AREV's share price, which hovers at around C\$0.30. He also is keen to point out that insiders own 65% of AREV, which means that the interests of stakeholders and management are aligned.

Withrow envisages a company with operations extending from Canada to California and one day, into Nevada, Arizona, Washington, Oregon, the European Union, Colombia and potentially Asia, where preliminary talks are underway for distribution in an undisclosed country.

When the licenses are secured, AREV's businesses will be poised for success. "Once we get these licenses in place, we can start selling the products produced from everything that we've acquired and you'll see significant revenue growth," concludes Withrow.

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