



Quinsam Issues Q4/2018 Update

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Toronto, Ontario, December 7, 2018 – Quinsam Capital Corporation (CSE:QCA) (“Quinsam” or the “Company”) is pleased to provide an update to its investors in light of recent declines in the share prices of many cannabis companies.

“There has been across-the-board weakness in cannabis share prices in recent weeks” said Roger Dent, CEO of Quinsam. “We think that the weakness has been caused by a number of factors. In some cases, shares were likely overvalued. We have also seen an impact from buyer exhaustion due to the very large number of new issues and tax-loss selling. We have seen some disappointments in operational results and we have seen an impact from the short-sell report on Aphria Inc. All in all, it has been a pretty tough environment in the sector.”

“While the stock market has cooled, in our opinion the secular growth opportunity in cannabis remains intact. We remain strong believers in the sector and continue to find opportunities that we think are very attractive. Lower share prices improve the outlook for future performance.”

Quinsam has been increasingly pleased with its decisions to exit many names over the last few months. Quinsam announced a number of divestitures in its press release of October 24, 2018. Since that date, we made additional divestitures including our remaining shares in GTEC, C21, Next Green Wave and Biome. We completed the sale of all of our Planet13 Holdings shares following our warrant exercise. We also took profits in Green Growth Brands.

While we have taken profits in a large number of names over the last six months, we have added to two of our Canadian ACMPR holdings: Ndiva and Eve & Co. “In both cases, we see them as sound businesses with attractive valuations and the prospect of near term cash flow generation” said Roger Dent. “In the universe of publicly-traded Canadian ACMPR operators, these two together with Sproutly are currently the most interesting opportunities we see.” Quinsam continues to focus most of its new investments on opportunities outside of Canada.

Largely due to delays brought on by the large volume of new issue activity and associated backlogs with listing applications, some of the liquidity events that we highlighted in our press release of October 2, 2018 have been deferred. However, at this time we currently expect all of these liquidity events to proceed in either Q4/2018 or Q1/2019. “We expect Quinsam to see a solid number of liquidity events in Q1/2019” said Roger Dent.

“Given that our results depend on future market activity, we do not forecast our performance. However, we can say that at present we expect our investments to strongly outperform the cannabis sector in Q4/2018. We note that our quarter-to-date includes some large wins including Acreage, Xanthic/Green Growth Brands and Cannamerica. At the same time, we have seen some of our winners give back part of their gains, including Sproutly and Rocky Mountain. Regardless of the Q4 result, our shares trade at a strong discount to our net asset value and our issuer bid has been an active buyer, with 570,000 shares purchased in November 2018” said Roger Dent.

About Quinsam Capital Corporation

Quinsam is a merchant bank based in Canada that is focusing on cannabis-related investments. Our merchant banking business may encompass a range of activities including acquisitions, advisory services, lending activities and portfolio investments. Quinsam invests its capital for its own account in assets, companies or projects which we believe are undervalued and where we see a viable plan for unlocking such value. We do not invest on behalf of any third party and we do not offer investment advice.

Generally, Quinsam does not believe that individual investments are material reportable events. Quinsam chooses to announce certain investments once the company is certain that it has finished buying its position because the Company feels that this information helps Quinsam’s investors understand its investment decision making process. Generally, Quinsam does not announce the sale of investments.

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This press release may contain forward-looking statements relating to anticipated future events, results, circumstances, performance or expectations that are not historical facts but instead represent our beliefs regarding future events, which are inherently uncertain. Forward-looking statements can often, but not always, be identified by forward-looking words such as “anticipate”, “believe”, “continue”, “expect”, “goal”, “plan”, “intend”, “estimate”, “may”, “project”, “predict”, “potential”, “target”, and “will” or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance.

By their nature, forward-looking statements require us to make assumptions which include, among other things, that (i) Quinsam will have sufficient capital under management to effect its business strategies, (ii) the business strategies will produce the results intended by Quinsam, and (iii) the markets will react and perform in a manner consistent with the business strategies.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Company believes that the expectations reflected in the forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct. Some of the risks and other factors that could cause actual results to differ materially from those expressed in forward-looking information expressed in this press release include, but are not limited to: cannabis companies Quinsam has invested in obtaining and maintaining regulatory approvals including acquiring and renewing U.S. state, local or other licenses, and the uncertainty of existing protection from U.S. federal or other prosecution; regulatory or political change such as changes in applicable laws and regulations, including U.S. state-law legalization; market and general economic conditions of the cannabis sector or otherwise, interest rates, regulatory and statutory developments, the nature of the Company's investments, the available opportunities and competition for investments, the concentration of the Company's investments in certain industries and sectors, reliance on key personnel, risks affecting the Company's investments, management of the growth of the Company, and exchange rate fluctuations. Readers are cautioned that the foregoing list of risks and factors is not exhaustive. Although the Company has attempted to identify important factors that could cause actual events or results to differ materially from those described in forward-looking information, there may be other factors that cause events or results to differ from those intended, anticipated or estimated.

The forward-looking information contained herein is provided as at the date of this press release, based upon the opinions and estimates of management and information available to management as at the date of this press release. The Company does not undertake and specifically disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless required by applicable law. Readers are cautioned not to place undue reliance on forward-looking information contained in this press release.