



## Quinsam Announces Dividend & Issues Update

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**Toronto, Ontario, October 24, 2018** – Quinsam Capital Corporation (CSE: QCA) ("Quinsam" or the "Company") is pleased to announce its quarterly dividend and provide an update to investors.

### **Dividend**

The Board of Directors of Quinsam has approved the company's seventeenth consecutive quarterly dividend. The dividend is \$0.00125 per share (\$0.005 per share per year). The distribution will be paid on November 22, 2018 to shareholders of record on November 1, 2018. This dividend will be designated as an "eligible dividend" for Canadian income tax purposes. Future quarterly dividends will be subject to Board approval.

### **Update**

There has been a general decline the share prices of cannabis-related companies in recent days. As a participant in the market, Quinsam has seen an impact on its portfolio.

"Our performance in Q4 will depend on a number of factors including pending liquidity events and go-forward share prices" said Roger Dent, CEO of Quinsam. "However, at this time we continue to anticipate a strongly positive Q4 result. One key event that will help to determine our performance in the quarter is the expected listing by Acreage Holdings. We continue to expect the financing to proceed at a strong increase to our cost base."

"In recent weeks, we had been concerned that cannabis share values, in some (but by no means all) cases, were overheated. Accordingly, we had been taking profits in a number of our investments. As part of this exercise, we had also been reducing exposure to Canadian ACMPR companies. These sales have helped reduce the impact of the recent market correction on our portfolio" said Roger Dent, CEO of Quinsam.

Sales by Quinsam in Q3 and Q4 to date include the following:

- Sold all of our Aleafia shares. We also exercised all of our warrants and sold the resulting shares
- Sold all of the remaining shares of Auxly obtained through its takeover of Dosecann. We also exercised our Auxly warrants and sold those shares.
- Sold all of our shares and warrants in Harvest One
- We converted our debentures and exercised our warrants in Hiku and sold the resulting shares
- Sold all of our position in Namaste
- We reduced our holdings in Ndiva and GTEC Holdings
- We added to our position in Eve in Q3 but later sold all of what we added plus the majority of our initial position
- We sold the majority of our position in Biome Grow
- Sold all of our Planet13 shares. We also exercised all of our warrants and sold a large number of the resulting shares.
- We sold the majority of our position in C21
- We sold the majority of our position in Next Green Wave
- We sold the majority of our position in Platinex
- We sold our remaining position in Khiron
- We converted one of our Canada House debentures and sold the resulting shares
- We acquired and sold small positions in Charlotte's Web and Valens

While we have exited a number of cannabis investments, we continue to be strong believers in the cannabis sector overall. Accordingly, we have redeployed sale proceeds into a number of new investments where we saw good investment value. Recent investments include the following:

Algae Dynamics Corp., in which we invested \$200,000, has some very interesting technology relating to cannabis medical applications.

Asterion Cannabis Inc., in which we invested \$400,000, is developing an Australian cannabis operation.

Blackshire Capital Corp., in which we invested \$385,000, is a cannabis-focused company with a number of interesting investment initiatives paired with significant hands-on management resources. Blackshire is a major holder of Zenabis, which is planning a near term public listing. It also has a well thought out Ontario retail initiative.

Canivate Growing Systems Ltd., in which we invested \$245,000, has a highly innovative greenhouse technology.

Cansortium Inc., in which we are investing approximately \$600,000, is a major US licensed producer.

Curaleaf, Inc, in which we are investing approximately \$450,000, is a major US licensed producer.

Embark Health Inc., in which we are investing \$500,000, is creating a major Canadian oil extraction operation.

Empower Clinics Inc. was a previous investment for us. We invested \$250,000 in its recent \$575,000 convertible debenture issue at \$0.18. This was a highly attractive deal that also included warrant coverage.

FLRish Inc. was already a major holding for us; we topped up our investment by \$250,000 in their latest round.

Full Spectrum Brands Canada, in which we are investing \$500,000, is a company engaged in branded cannabis products that we think has interesting upside potential.

Geffion Canada Inc., in which we invested \$300,000, has interesting transdermal cannabis delivery technology paired with a very modest valuation.

Hemp Hydrate International Holdings Ltd. was a previous investment for us. We topped up our investment by \$100,000 as the last money in a financing round prior to an offering price increase.

Miraculo (dba Cannabis MD) was already a holding for us. We are adding \$200,000 as part of its current financing round.

Pure Global Cannabis Inc., in which we invested \$350,000, issued what we considered to be attractively priced convertible debenture units.

Sproutly Canada, Inc. was already a major holding for us. We are adding \$250,000 of units and \$250,000 of convertible debentures in its current raise.

“While corrections are never enjoyable, we think that a correction was probably necessary. In our opinion this has created a better go-forward investing environment” 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.