



Quinsam Provides Favourable Q2 Update on Investments

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Toronto, Ontario, July 9, 2018 – Quinsam Capital Corporation (CSE:QCA) ("Quinsam" or the "Company") is pleased to provide its investors with an update on recent investments and performance.

"We expect to report Q2 results in August. However, it is apparent from what we now know that the second quarter produced another strong result for the Company" said Roger Dent, CEO of Quinsam. "We saw a number of liquidity events in the quarter and a number of our invested companies raised funds at higher prices than we paid."

The following provides an update on certain key investments.

C21 Investments Inc. ("C21")

Quinsam invested \$1.5 million in debentures of this US cannabis issuer. The debentures converted on listing at \$1 per share and Quinsam also received a 10% bonus lowering our effective cost to \$0.90 per share. C21 has completed transformational acquisitions, has now listed and the shares recently traded at \$2.50.

Dosecann Inc.

Quinsam invested \$875,000 in Dosecann Inc. in January 2018. This company was acquired by Auxly Cannabis Group Inc. (formerly Cannabis Wheaton Income Corp.) at a significant premium. Quinsam has liquidated a portion of its resulting Auxly Cannabis Group Inc. position.

Planet 13 Holdings Inc.

Quinsam invested \$1 million in units of Planet13 Holdings Inc. at \$0.80 per unit. The shares have now listed and trade at a premium. We have liquidated a portion of the share position.

Herbiculture Inc.

Quinsam acquired a 35% stake Herbiculture Inc. for free as a bonus for extending a loan to fund construction. In Q2 Quinsam announced an LOI to sell this stake to Lineage Grow Company Ltd. for shares with a value of approximately \$800,000. The sale has not closed but Quinsam expects closing in the coming weeks.

I-5 Holdings Ltd. (“I-5”)

The takeover of I-5 by Captor Capital Corp. (“Captor”) was completed in Q2. CPTR is halted pending completion of a change of business filing with the CSE. We understand that the stock should resume trading in a few weeks. Based on the last trade price for Captor our investment in I-5 was up approximately 100% from our cost. We are however optimistic that the Captor price will increase with the resumption of trading.

PlantExt Ltd.

We invested US\$250,000 in PlantExt Ltd. earlier this year at approximately US\$0.40 per share. The company completed a US\$2.4 million pre-listing financing at US\$0.70 per share in Q2 and we will increase our carrying price accordingly.

Crossgate Capital Corporation (“Crossgate”)

We invested \$525,000 in units of Crossgate (operating as Next Green Wave) in Q1 at a price of \$0.35 per unit. The company closed a financing price at \$0.60 late in Q2 so we will adjust our carrying value accordingly. We anticipate that Crossgate will be listed in Q3/2018.

PMML Corp. (“PMML”)

PMML is one of our few remaining legacy investments. The company is a private e-sports gaming platform. We hold 2,000,000 common share equivalents. Our investment was carried at the end of Q1/2018 at C\$0.10 per common share equivalent based on its last financing in 2017. In Q2/2018, PMML completed its largest financing to date, at US\$0.23 per share, and we will revalue our shares accordingly.

Sproutly, Inc. (“Sproutly”)

Quinsam invested \$500,000 in Sproutly debentures in April. Sproutly is listed for trading today under the symbol SPR. Our debentures convert on a compulsory basis at an equivalent of approximately \$0.17 per share. Sproutly is an ACMPR applicant but more interestingly has rights to an innovative oil extraction technology that we think has the potential for broad appeal. Sproutly will remain carried at our cost in our Q2/2018 results.

Other Liquidity Events

We have also seen solid gains on listings in Q2/2018 by Xanthic Biopharma Inc., Empower Clinics Inc., 48North Cannabis Corp. and Khiron Life Sciences Corp. We have

seen a couple of modest losses, although these are expected to be far outweighed by our gains.

New Investments

We invested \$440,000 in units of MVC Technologies Inc., which operates as Sail Technologies. The company offers cloud-based software solutions to the cannabis sector. We expect the company to list in the fall of 2018.

We invested \$300,000 in shares of Eve & Co. Incorporated at \$0.25. These shares have commenced trading and are at a premium to our cost. This company is a late stage ACMPR applicant.

We made a small investment in Hystyle Brands Inc. (“Hystyle”). Hystyle is a subsidiary of Gilla Inc. that is focused on vape technology. Gilla Inc. plans to spin this off to its shareholders as a new public company. We obtained a very small allocation of Aldershot Resources Ltd., which is expected to trade as Solo Growth Corp. in the near term. Solo Growth Corp. is an Alberta dispensary applicant.

“While the cannabis sector has shown and likely will show significant volatility, we still see many extremely interesting investment opportunities” said Roger Dent. “We will continue to look for opportunities that are generally unavailable to the typical investor. We will also remain focused on maintaining a tight cost structure. By bringing a disciplined approach to this rather volatile sector, we have to date been able to deliver strong results for our investors.”

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.