



Quinsam Completes Significant Issuer Bid Purchases & Provides Q2 Update

NOT FOR DISSEMINATION IN THE UNITED STATES OR FOR DISTRIBUTION BY ANY UNITED STATES NEWS DISTRIBUTION SERVICE

Toronto, Ontario, July 2, 2019 – Quinsam Capital Corporation (CSE:QCA) (“Quinsam” or the “Company”) is pleased to provide its investors with an update on recent events.

Issuer Bid

Quinsam announced on July 30, 2018 an issuer bid to acquire up to 5,928,951 common shares. During Q2, Quinsam repurchased 4,374,951 shares under the bid, bringing our total purchases since the bid commenced to 5,817,951. With the company now entering its regular quarterly blackout period on July 1, the available window to exercise the bid prior to its expiry was closing and so the Company opted to nearly complete the bid in Q2/2019. All purchases under the bid were made well below NAV and were accretive to NAV for shareholders choosing to remain as Quinsam investors. The bid also had a positive impact on the share price by providing supportive buying for the shares.

Q2 Update

Quinsam expects to release its Q2/2019 results in mid-August.

Quinsam notes that the cannabis sector generally had negative performance in Q2/2019. For example, the Horizon Marijuana Life Sciences Index ETF NAV fell from \$21.58 at the end of March 2019 to \$18.25 at the end of June 2019, for a decline in the quarter of 15.4%. While Quinsam’s investments do not necessarily move in tandem with the overall cannabis market, the operating environment in Q2 was not conducive to strong performance.

At the end of Q2, Quinsam awarded 2,500,000 DSUs at a deemed value of \$0.20 each in payment of previously accrued compensation related Quinsam’s strong 2018 portfolio performance. This compensation expense was accrued on a quarterly basis in 2018. The DSU issuance was consciously capped at a level that was materially below the issuer bid share repurchases in Q2/2019 and was priced at a premium to the recent share price.

Recent Activity

Since our last report, Quinsam has made a number of new investments.

The company purchased \$500,000 of convertible debenture units issued by Aleafia. The issuer listed both the debentures and the warrant included in this unit, which we view as being attractive.

We made a \$100,000 seed share investment in Xebra Brands, a Colombia-focused cannabis company.

We acquired \$480,000 of shares of Hempsana Inc., an Ontario based company focused on CBD oil production in Canada and Europe.

We acquired \$495,000 of units issued by Good Buds Company International, a company that is targeting to produce a large outdoor cannabis crop on Salt Spring Island in 2019.

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.

For further information please contact:

Roger Dent, CEO
(647) 993-5475
roger@quinsamcapital.com

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.