

## **Canadian Companies with U.S. Marijuana-Related Assets**

On February 8, 2018, the Canadian Securities Administrators published Staff Notice 51-352 (Revised) *Issuers with U.S. Marijuana-Related Activities* (the “Staff Notice”), which provides specific disclosure expectations for issuers that currently have, or are in the process of developing, cannabis-related activities in the US as permitted within a particular state’s regulatory framework. All issuers with US cannabis-related activities are expected to clearly and prominently disclose certain prescribed information in required disclosure documents.

Such disclosure includes, but is not limited to: (i) a description of the nature of a reporting issuer’s involvement in the US marijuana industry; (ii) disclosure that marijuana is illegal under US federal law and that enforcement of relevant laws is a significant risk; (iii) related risks including, among others, the risk that third-party service providers could suspend or withdraw services and the risk that regulatory bodies could impose certain restrictions on the issuer’s ability to operate in the US; and (iv) a discussion of the reporting issuer’s ability to access public and private capital, including which financing options are and are not available to support continuing operations. Additional disclosures are required to the extent a reporting issuer is deemed to be directly or indirectly engaged in the US marijuana industry, or deemed to have “ancillary industry involvement”, all as further described in the Staff Notice. Public reaction to the notice was generally positive and industry participants welcomed the opportunity to review and provide enhanced disclosure.

At this time, the Company’s involvement in the US cannabis industry is limited and its industry involvement of cannabis activities is “Indirect” through investments in entities operating in the US cannabis industry (the “Investees”). In addition, the Company does not operate, nor control any subsidiary that is directly engaged in the cultivation or distribution of marijuana in accordance with a US state license. As a result of the Investees having cannabis operations in the US (as described below), the Company is subject to the requirements of the Staff Notice and accordingly provides the following disclosures:

### *Compliance with Applicable State Laws in the US*

The Company has not obtained legal advice regarding compliance with applicable state regulatory frameworks and exposure and implication arising from US federal laws in the states where its Investees conduct operations. For each of the Investees involved in the US cannabis industry listed in the below summary of investments, to the best of the Company’s knowledge, the Company is not aware of any non-compliance with applicable licensing requirements and the regulatory framework enacted by the applicable US state for any of such Investees’ business and the Company is not aware of: (i) any non-compliance by these Investees with respect to marijuana-related activities, or (ii) any notices of violation with respect to any Investees’ marijuana-related activities by its respective regulatory authorities.

### *Nature of Investments with US Cannabis-Related Activities*

#### Abacus Health Products Inc. (Colorado, Kentucky, Oregon)

In December 2018, Quinsam subscribed for 80,000 common shares of Abacus Health Products Inc. (“Abacus”) for USD \$300,000 (CAD \$403,500). Abacus is a company engaged in the development and commercialization of over-the-counter (“OTC”) topical medications which contain organic and natural ingredients, including CBD. Abacus’ products are aimed at the growing markets for topical pain relief and skincare and are based on proprietary patent technologies developed in-house. All its commercialized products are registered with the FDA and utilize FDA-approved ingredients. Abacus is also developing a pipeline of other CBD products addressing additional medical indications and targeting the health and wellness segments. Abacus’ common shares began trading on the CSE on January 30, 2019.

#### Acreage Holdings Inc. (California, Oregon, Washington, Colorado, Arizona, Pennsylvania, Connecticut, Florida, Iowa, Illinois, New Jersey, New York, New Hampshire, Massachusetts, Maryland, Maine, North Dakota, Michigan, Nevada)

In May 2018, Quinsam subscribed for 160,000 Membership units of Acreage Holdings Inc. (“Acreage”) for USD \$992,000 (CAD \$1,275,315). Acreage is a vertically-integrated owner of cannabis licenses and assets in US states where either use of medical and recreational cannabis is legal. Acreage owns cultivation, processing and dispensary operations across 18 states and has one (1) of the largest footprints of any cannabis company in the US. Acreage’s board of advisors include John Boehner, former Speaker of the House, Bill Weld, former Massachusetts Governor, and Brian Mulroney, former Prime Minister of Canada. In November 2018, Acreage completed its public offering and its common shares began trading on the CSE on November 15, 2018.

In April 2019, Acreage announced two (2) major transactions. On April 17, 2019, it entered into an agreement to acquire 100% of Deep Roots Medical LLC, a vertically-integrated cannabis operator in Nevada, for a total value of \$120 million. The deal marks Acreage’s entry into Nevada. On April 18, 2019, Acreage entered into a definitive arrangement agreement with Canopy Growth Corporation (“Canopy”) which grants Canopy the right to acquire 100 percent of the shares of Acreage, with a requirement to do so at such time as cannabis production and sale becomes federally legal in the US, subject to obtaining the requisite prior approval of the shareholders of each entity, respectively, as well as the approval of the Supreme Court of British Columbia.

#### Aura Health Inc. (Arizona, Florida, Nevada)

In December 2017, Quinsam subscribed for 300 units of convertible debentures of Aura Health Inc. (“Aura”) for \$300,000 through a non-brokered private placement, which bear interest at 12% per annum and mature 24 months from closing. The debentures are convertible into units at \$0.3675, equal to 75% of the liquidity event price. Each unit is comprised of one (1) common share and 1/2 warrant exercisable until 12 months from its reverse takeover (“RTO”) transaction listing on the CSE completed on August 16, 2018. During the period, Quinsam also subscribed for 150,000 units for \$73,500 through a non-brokered private placement and acquired an additional 150,000 shares through an arm’s length share exchange agreement. Each private placement unit is comprised of one (1) common share and one (1) warrant exercisable at \$0.75 for 24 months from closing. Aura holds interest in certain investments of medical marijuana certification clinics in the US but has recently shifted its focus toward the medical cannabis market in Europe, in an effort to build an international network of vertically-integrated cannabis assets.

#### Ballistic Capital Corp. (Oregon)

In August 2018, Quinsam subscribed for 3,900,000 shares of Ballistic Capital Corp. (“Ballistic”) for \$390,000 through a non-brokered private placement, which makes Quinsam a near-10-percent shareholder of the company. Ballistic is involved with the disposal of cannabis waste in California. Cannabis waste disposal is a relatively new business that has been created by the legalization of cannabis in the State.

#### Bertram Capital Finance Inc. d/b/a Cannabis One (Colorado)

In September 2018, Quinsam subscribed for 115,000 subscription receipts of Bertram Capital Finance Inc. d/b/a Cannabis One (“Cannabis One”) for \$341,550 through a non-brokered private placement. Each unit is comprised of one (1) common share and 1/2 warrant exercisable at \$4.45 for 24 months from closing. Cannabis One is a US-based professional management corporation formed to service the fast-growing legal cannabis industry through real estate development and leaseback equipment financing, operating lines of credit, consultation, intellectual property and brand management within marijuana-legal US states.

#### Blackshire Capital Corp. (Washington, Arizona, Massachusetts)

In October 2018, Quinsam subscribed for 350,000 units of Blackshire Capital Corp. (“Blackshire”) for \$385,000. Each unit is comprised of one (1) common share and 1/2 warrant exercisable at \$1.75 for 24 months from closing. Blackshire is a principal investor and asset manager, focused on investing growth capital in the securities of private cannabis companies on a global basis. Blackshire is currently invested in the following categories: (a) general cannabis investments in Canada, (b) cannabis-related retail in Canada, and (c) cannabis-infused foods and beverages (US consumer packaged goods and beverages, Tre Holdco, Cascade and Lehua, operating in Washington, Arizona and Massachusetts, respectively).

#### CannAmerica Brands Corp. (Colorado, Nevada, Maryland)

In July 2018, Quinsam subscribed for 1,650,000 shares of CannAmerica Brands Corp. (“CannAmerica”) for \$495,000 through a non-brokered private placement. CannAmerica is a US marine veteran founded and operated portfolio of cannabis brands with licensing agreements in the States of Colorado, Nevada and Maryland. The Company aims to maximize value of its brands by employing brand management teams, marketing and licensing the brands through various distribution channels, including dispensaries, wholesalers and distributors in the US and internationally. Its flagship edible gummy brand, CannAmerica, is sold across US dispensaries. It is also targeting acquisitions of other well established and/or new consumer cannabis brands with potential for growth and strong brand awareness in exchange for royalties on gross sales. CannAmerica’s common shares began trading on the CSE on October 15, 2018.

#### Cannex Capital Group Inc. (Washington)

Cannex Capital Group Inc. (“Cannex”) is focused on premium indoor cultivation, extraction, manufacturing and branding of edible and derivative products as well as retail operations. Cannex is undertaking expansion initiatives to support the acquisition and development of additional assets in legal medical and recreational cannabis markets, and it currently owns BrightLeaf Development LLC which holds real estate assets, property leases, brands and intellectual property, and material supply agreements in the State of Washington. Quinsam continues to hold a warrants position through its investments in Cannex.

#### Captor Capital Corp. (California, Washington)

During Q3 2018, Quinsam received 2.6 Captor Capital Corp. (“Captor”) shares of in exchange for each I-5 Holdings Ltd. (“I-5”) share previously held, pursuant to Captor’s acquisition of I-5 per a merger agreement dated February 16, 2018. As a result, Quinsam received 975,000 common shares of Captor, which were subsequently consolidated on the basis of a 20:1 ratio on October 4, 2018. Captor is a vertically-integrated cannabis company, which provides recreational and medical marijuana-based products to consumers via its leading brands and dispensary locations. It owns and operates advanced growing facilities which produce consistent high-quality contaminant free marijuana for its customers, as well as other high demand cannabis-based goods for consumption. Captor currently has a number of revenue-generating cannabis investments including the CHAI Cannabis Co. dispensaries in Santa Cruz and Monterey, California, and Mellow Extracts, a producer of cannabis extracts based in Costa Mesa.

#### CLS Holdings USA Inc. (Nevada)

In December 2018, Quinsam subscribed for 400 units of convertible debentures of CLS Holdings USA Inc. (“CLS”) for USD \$400,000 (CAD \$533,840), which bear interest at 8% per annum for a maturity term of three (3) years. At Quinsam’s option, the debentures are convertible into units at USD \$0.80. CLS is a diversified cannabis company that acts as an integrated cannabis producer and retailer through its Oasis Cannabis subsidiaries in Nevada, and it has plans to expand to other states. CLS stands for “Cannabis Life Sciences” in recognition of the Company’s patented proprietary method of extracting various CBD from the marijuana plant and converting them into products. CLS’s

business model includes licensing operations, processing operations, processing facilities, sale of products, brand creation and consulting services.

Empower Clinics Inc. (Oregon, Washington, Illinois)

In March 2018, Quinsam subscribed for 1,000,000 shares of Empower Clinics Inc. (“Empower”) for \$310,000 through a non-brokered private placement. In September 2018, the Company subscribed for \$250,000 of Empower unsecured convertible debentures which bear interest at 7% per annum, payable on maturity which is one (1) year from closing. On maturity, the debentures will be automatically converted at \$0.18, into units consisting of one (1) common share and one (1) warrant exercisable at \$0.19 for a period of one (1) year from the maturity date. Empower is a multi-state operator of medical cannabis clinics and developer of medical products in the US, focused on enabling individuals to improve and protect their health. It also provides treatment solutions through its physician-staffed clinics that are focused on education, data, and efficacy. As at the end of Fiscal 2018, the Company had further increased its holdings in Empower.

Evio Inc. (California, Oregon, Washington, Florida, Massachusetts)

In January 2018, Quinsam subscribed for 450 units of convertible debentures of Evio Inc. (“Evio”) for USD \$450,000 (CAD \$556,850) through a non-brokered private placement. Each unit is comprised of one (1) common share and 1/2 warrant exercisable at USD \$0.60 for 18 months from closing. Evio is a provider of cannabis testing and scientific research for the regulated cannabis industry, where its EVIO Labs division operates coast-to-coast in the US and provides state-mandated ancillary services to ensure the safety and quality of cannabis supply. Evio is currently under application to become a reporting issuer in Ontario.

FLRish, Inc. d/b/a Harborside (California)

In April 2018, Quinsam invested USD \$1.25 million (CAD \$1,607,750) in FLRish, Inc. (“FLRish”) d/b/a Harborside (“Harborside”) as part of a USD \$6.5 million financing. In October 2018, Quinsam subscribed for 250 units of FLRish’s Series B unsecured 10% convertible debentures for USD \$250,000 (CAD \$414,812). Each unit is comprised of \$1,000 principal amount of debenture, and 87 share purchase warrants. Each debenture is convertible into shares of FLRish Series B Common Stock at any time at Quinsam’s option and automatically upon completion of the RTO Transaction (see below) at the lower of (1) CAD \$6.90 or (b) at a 10% discount to the share price at listing for a financing equal to \$5,000,000 or greater. Each warrant is exercisable at CAD \$8.60 for 24 months after closing.

Harborside operates two (2) flagship cannabis dispensary stores in Oakland and San Jose, and a large cannabis cultivation facility in Salinas, California. Harborside is considered by many as a pioneer in the California cannabis market. In February 2019, Harborside and Lineage Grow Company Ltd. (“Lineage”) entered into a definitive merger agreement pursuant to which Harborside will affect an RTO that will result in Lineage acquiring all of the issued and outstanding securities of Harborside on a debt-free basis in exchange for newly issued Lineage common shares valued at approximately \$200 million. The RTO Transaction is expected to be completed during Q2 2019, subject to all required approvals and consents from the CSE and Lineage shareholders.

Gefion Canada Inc. (Various states in the US)

In September 2018, Quinsam subscribed for 500,000 shares of Gefion Canada Inc. (“Gefion”) for \$300,000 through a non-brokered private placement. Gefion is a private Canadian corporation which has licensed transdermal delivery technology from BioPhysics Pharma, Inc., for the development and sale of herbal extracts products which include cannabis and hemp-based products. In Canada, Gefion has developed products for entry into the CBD OTC market. In the US, Gefion’s business model provides for the sale of the formula bases in bulk to extractors in all states.

Green Growth Brands Ltd. (formerly Xanthic Biopharma Limited) (Oregon, Washington)

In January 2018, Quinsam subscribed for 2.4 million units of Xanthic Biopharma Limited (“Xanthic”) for \$300,000 through a non-brokered private placement offering. Xanthic provides intellectual property to cannabis industry participants, which enable its strategic partners to produce non-combustible cannabis and cannabis-infused products. Its strategy is focused in US states where cannabis has been legalized for recreational or medical use, and it will

partner with local licensed cannabis producers in each state in order to facilitate its roll-out and minimize capital needs. Its product offering includes cannabis-infused powder beverage mixes such as a fruit drink, a rescue drink, an energy drink, hot chocolate and a protein drink. Xanthic's common shares began trading on the CSE on April 19, 2018. In July 2018, Xanthic and Green Growth Brands Ltd. entered into an arm's length business combination agreement to combine by way of amalgamation, which was completed in November 2018.

#### Grown Rogue International Inc. (Oregon)

In July 2018, Quinsam subscribed for 1,000,000 shares of Grown Rogue International Inc. ("Grown Rogue") for \$440,000 through a non-brokered private placement. Grown Rogue is a seed-to-experience cannabis brand operating in the Oregon recreational market. Grown Rogue's products are categorized according to user experiences, and its brand offers flower, pre-rolls and extracts including shatter, wax, oil and sugar. It operates from its two (2) wholly-owned outdoor facilities and one 17,000 square foot indoor grow operation, utilizing organic farming practices and meeting Clean Green Certification standards. In November 2018, it was granted conditional approval by the CSE on the RTO transaction with Grown Rogue Unlimited, LLC. Grown Rogue's common shares began trading on the CSE on November 26, 2018.

#### Halo Labs Inc. (California, Oregon, Nevada)

In July 2018, Quinsam subscribed for 1,250,000 subscription receipts units of Halo Labs Inc. ("Halo") for \$500,000 through a non-brokered private placement. Each subscription receipt unit is comprised of one (1) common share and one (1) warrant exercisable at \$0.80 until December 31, 2020. In Q4 2018, Quinsam increased its Halo holdings by a further 365,500 shares. Halo is a cannabis extraction company founded in Oregon that develops and manufactures cannabis oils and concentrates. It has expertise in all cannabis manufacturing processes, leveraging proprietary processes and products, and has produced over 2.5 million grams of oils and concentrates since inception. It is currently expanding its operations with new facilities in Nevada and California, and has also begun operations in Lesotho, Africa through a strategic partnership.

#### Herbiculture Inc. (Maryland)

In 2017, Quinsam signed an agreement to finance the start-up costs of Herbiculture Inc. ("Herbiculture"), in the form of a USD \$655,000 senior secured promissory note carrying interest at 10% on a 3-year term. On February 12, 2018, Herbiculture received a Processor License from the Maryland Medical Cannabis Commission ("MMCC") to commence dispensary operations. On receipt of the Processor License, Quinsam was granted a right equal to a 35% interest shares of Herbiculture's outstanding shares. As Quinsam is not in the business of operating, nor controlling any subsidiary that is directly engaged in the cultivation or distribution of marijuana in accordance with a US state license, the Company is currently looking for interested parties to take on the 35% interest in Herbiculture.

#### High Hampton Holdings Corp. (California)

In February 2018, Quinsam subscribed for 600,000 units of High Hampton Holdings Corp. ("High Hampton") for \$360,000 through a non-brokered private placement. Each unit is comprised of one (1) common share and one (1) warrant exercisable at \$0.90 for 24 months from closing. High Hampton is a cannabis investment company with operations in California, through its subsidiary, CoachellaGro Corp. ("CoachellaGro"). High Hampton is focused on the development of its 254,000 sq. ft. greenhouse facility situated in Coachella. CoachellaGro has received a conditional use permit for development of a full-service production facility in order to serve third-party state licensed medicinal marijuana operators. The City of Coachella has regulations in place which set aside over 90 acres for the cultivation, production, extraction and transportation of cannabis within a legal framework. High Hampton is also planning to begin construction grow-ops facility in West Sacramento which will serve as a hub for its Northern California market.

#### Lineage Grow Company Ltd. (California, Oregon)

In May 2017, Quinsam subscribed for 160 units of convertible debentures of Lineage for \$160,000 through a non-brokered private placement which the Company had since converted them into holdings of 1,086,400 common shares. In January 2018, Quinsam participated in a brokered private placement and subscribed for 400,000 units for \$100,000. Each unit is comprised of one (1) common share and one (1) warrant exercisable at \$0.25 for 24 months from closing. Lineage is focused on assembling licensed operators, either through direct acquisition or through joint ventures, with an aim towards a vertically-integrated cannabis business that leverages best-in-class cultivation, brands, distribution, and retail assets. Lineage is currently targeting legalized cannabis markets across multiple states in the US. In September 2018, Lineage acquired two (2) dispensaries in Portland and Eugene, Oregon. In February

2019, Harborside and Lineage entered into a definitive merger agreement on the RTO (refer to discussions on Harborside for details).

Next Green Wave Holdings Inc. (formerly Crossgate Capital Corporation) (California)

In March 2018, Quinsam subscribed for 1,500,000 units of Crossgate Capital Corporation (“Crossgate”) for \$525,000 through a non-brokered private placement. Each unit is comprised of one (1) common share and 1/2 warrant exercisable at \$0.60 for 18 months from closing. In August 2018, Crossgate changed its name to “Next Green Wave Holdings Inc.” (“Next Green Wave”). Next Green Wave is a vertically-integrated seed-to-consumer medicinal and recreational cannabis company operating in California. Its central operations are in Coalinga and it has been awarded permits for nursery, cultivation, extraction, and distribution. Next Green Wave has acquired over 15 acres of cannabis-zoned development land and has nearly completed the construction of its first facility. It had also completed certain acquisitions which will provide it with access to distribution in Columbia. Next Green Wave’s common shares began trading on the CSE on October 10, 2018.

Nutritional High International Inc. (Colorado, California, Oregon)

In March 2018, Quinsam subscribed for 750 units of convertible debentures of Nutritional High International Inc. (“Nutritional High”) for \$750,000 through a brokered private placement offering. Each debenture unit is comprised of (i) \$1,000 principal amount of 10% unsecured debentures which are convertible at a conversion rate of \$0.60; and (ii) 1,667 warrants exercisable at \$0.70 for a period of 36 months. Nutritional High develops, manufactures and distributes products under recognized brands in the cannabis products industry, with a specific focus on edibles and oil extracts for adult recreational use. It works exclusively through licensed facilities in jurisdictions where such activity is permitted and regulated by state law and follows a vertically-integrated model with a strategy for acquisitions in extraction, production, and distribution sectors of the cannabis industry. Nutritional High’s flagship FLI™ edibles and extracts product lines are currently manufactured and marketed in California, Oregon and Colorado. Nutritional High plans to expand its operations into Nevada, Washington State and the Canadian markets in the near future.

OG DNA Genetics Inc. (formerly Seed Capital Corp.) (California)

In 2017, Quinsam had subscribed for 1,400,000 common shares and units of Seed Capital Corp. (“Seed Capital”) for \$200,000. Seed Capital holds an investment portfolio similar to the Company, but on a smaller scale. In October 2018, Seed Capital was acquired by OG DNA Genetics Inc. (“DNA”) through an amalgamation agreement, whereby DNA issued securities for each Seed Capital security at an exchange ratio of 0.294962. DNA was founded in Amsterdam and is currently based in Los Angeles. Over the past decade, it had built and curated a seasoned genetic library and developed proven standard operating procedures for genetic selection, breeding, and cultivation. DNA plans to pursue a going-public transaction in Fiscal 2018.

Phoenix Extractions Inc. (Arizona)

In November 2018, Quinsam subscribed for USD \$250,000 (CAD \$330,125) of convertible debentures of Phoenix Extractions Inc. (“Phoenix Extractions”). Each debenture unit is comprised of (i) \$1,000 principal amount of 8% unsecured debentures which are convertible at a conversion rate of \$0.29; and (ii) 1/2 warrant exercisable at \$0.35 for a period of 24 months. Phoenix Extractions operates a hemp-extraction business out of Phoenix, Arizona.

Platinex Inc. (Oregon)

Quinsam also holds as a legacy investments 44,000 units of Platinex Inc. (“Platinex”) and 1,045,000 warrants exercisable at \$0.15 expiring on November 15, 2019. Platinex is focused on developing various strategies to capitalize on the lucrative growth of the cannabis sector in Oregon, through letters of intent entered with a number of cannabis cultivators. At the same time, Platinex has been focusing its mining business efforts in assembling a very large property in the Shining Tree gold camp, which has received little modern exploration compared to other gold camps in the Abitibi greenstone Belt.

Xtraction Services Inc. (Florida)

In April 2018, Quinsam subscribed for 400 units of convertible debentures of Xtraction Services Inc. (“Xtraction”) for USD \$400,000 (CAD \$505,320) through a non-brokered private placement. Xtraction is a Florida-based company which provides equipment solutions for cannabis and hemp extraction, known for its best-in-class service and equipment amongst the top growing vape and consumable companies.

As at December 31, 2018, the Company held the following investments in the cannabis sector:

Investees	Investments relationship	Investments type	Jurisdiction	Industry involvement <sup>(1)</sup>	Cost	Fair value	Company's ownership %
					\$	\$	
48North Cannabis Corp.	Publicly-listed	Warrants	Canada	N/A	-	19,205	Under 10%
Abacus Health Products Inc.	Private	Shares	US (Colorado, Kentucky, Oregon)	Indirect	403,500	409,260	Under 10%
Acreage Holdings Inc.	Publicly-listed	Shares	US (Various states) <sup>(2)</sup>	Indirect	1,275,315	3,732,451	Under 10%
Aldershot Resources Ltd.	Publicly-listed	Shares & warrants	Canada	N/A	68,162	50,000	Under 10%
Algae Dynamics Corp.	Publicly-listed	Shares & warrants	Canada	N/A	200,000	86,257	Under 10%
ALQ Gold Corporation	Private	Shares & warrants	Canada	N/A	405,000	738,002	Under 10%
Ancient Strains Limited	Private	Shares & warrants	Uruguay	N/A	400,000	303,712	Under 10%
Asterion Cannabis Inc.	Private	Shares & warrants	Canada, Australia	N/A	400,000	389,146	Under 10%
Aura Health Inc.	Publicly-listed	Shares, convertible debentures & warrants	Israel, US (Arizona, Florida, Nevada)	Indirect	376,500	376,099	Under 10%
Ballistic Capital Corp.	Private	Shares	US (Oregon)	Indirect	390,000	299,520	Under 10%
Blackshire Capital Corp.	Private	Shares & warrants	US (Washington, Arizona, Massachusetts)	Indirect	385,000	368,188	Under 10%
Braingrid Limited	Publicly-listed	Shares & warrants	Canada	N/A	250,000	246,510	Under 10%
Brantford (2 <sup>nd</sup> Mortgage)	Private	Loans	Canada	N/A	1,200,000	1,200,000	Under 10%
Canada House Wellness Group Inc.	Publicly-listed	Shares, convertible debentures & warrants	Canada	N/A	314,915	275,581	Under 10%
Canivate Growing Systems Ltd.	Private	Shares & warrants	Canada	N/A	245,000	251,128	Under 10%
Cannabis One	Private	Shares & warrants	US (Colorado)	Indirect	341,550	401,942	Under 10%
Cannabis OneFive Inc.	Private	Shares	Canada	N/A	150,000	150,000	Under 10%
Cannaverse Inc.	Private	Shares	Canada	N/A	350,000	387,500	Under 10%
CannAmerica Brands Corp.	Publicly-listed	Shares	US (Colorado, Nevada, Maryland)	Indirect	495,000	1,171,500	Under 10%
Cannex Capital Group Inc.	Publicly-listed	Warrants	US (Washington)	Indirect	79,733	55,562	Under 10%
Captor Capital Corp.	Publicly-listed	Shares & warrants	Canada, US (California, Washington)	Indirect	150,000	91,105	Under 10%
City View Green	Private	Shares	Canada	N/A	250,000	4,750,001	10.6% <sup>(3)</sup>
CLS Holdings USA Inc.	Publicly-listed	Convertible debentures	US (Nevada)	Indirect	533,840	625,319	Under 10%
Critical CO2 Separation Inc.	Private	Special warrants	Canada	N/A	375,000	375,000	Under 10%
Empower Clinics Inc.	Publicly-listed	Shares, convertible debentures & warrants	US (Oregon, Washington, Illinois)	Indirect	584,040	318,805	Under 10%
Eve & Co Inc.	Publicly-listed	Shares	Canada	N/A	251,074	226,680	Under 10%
Evergreen Reinsurance	Private	Shares	Canada	N/A	325,000	1,833,334	Under 10%

Evio Inc.	Publicly-listed	Convertible debentures & warrants	US (Colorado, California, Oregon, Florida, Maine)	Indirect	556,850	330,087	Under 10%
FLRish, Inc. (Harborside)	Private	Shares	US (California)	Indirect	1,857,750	1,991,500	Under 10%
Gefion Canada Inc.	Private	Shares	Canada, US <sup>(4)</sup>	N/A	300,000	300,000	Under 10%
Georgian Bay Biomed Inc.	Private	Shares	Canada	N/A	263,808	337,200	Under 10%
Green Stripe Naturals Ltd.	Private	Shares & warrants	Jamaica	N/A	640,000	1,140,000	Under 10%
Greentec Holdings Ltd.	Publicly-listed	Warrants	Canada	N/A	60,037	3,573	Under 10%
Green Tree International Inc.	Private	Convertible debentures	Canada	N/A	526,280	611,567	Under 10%
Grown Rogue International Inc.	Publicly-listed	Shares & warrants	US (Oregon)	Indirect	431,986	478,144	Under 10%
Guelph (2 <sup>nd</sup> Mortgage)	Private	Loans	Canada	N/A	1,500,000	1,500,000	15% <sup>(5)</sup>
Halo Labs Inc.	Publicly-listed	Shares & warrants	US (Oregon, California, Nevada)	Indirect	644,847	603,483	Under 10%
Hemp Hydrate Int'l Holdings Inc.	Private	Shares & warrants	Canada	N/A	525,000	1,182,969	Under 10%
Herbiculture Inc.	Private	Loans	US (Maryland)	Indirect	831,480	897,172	Right to 35% interest <sup>(6)</sup>
High Hampton Holdings Corp.	Publicly-listed	Shares & warrants	US (California)	Indirect	363,618	154,951	Under 10%
Hystyle Brands Inc.	Private	Convertible debentures & warrants	Canada	N/A	100,000	106,465	Under 10%
I.M.C. Holdings Ltd.	Private	Shares & warrants	Israel	N/A	445,000	429,313	Under 10%
Icon Exploration Inc.	Publicly-listed	Shares	Canada	N/A	96,875	384,375	Under 10%
Indiva Ltd.	Publicly-listed	Shares & warrants	Canada	N/A	282,158	150,355	Under 10%
King and Pegahmagabow Inc.	Private	Convertible debentures	Canada	N/A	1,000,000	1,006,304	Under 10%
Lineage Grow Company Ltd.	Publicly-listed	Shares & warrants	US (California, Oregon)	Indirect	307,600	265,468	Under 10%
Med. Compassion Canni Farms Inc.	Private	Loans	Canada	N/A	500,000	500,000	Under 10%
Merrco Payments Inc.	Private	Shares	Canada	N/A	150,000	51,196	Under 10%
MVC Technologies Inc.	Private	Shares & warrants	Canada	N/A	440,000	488,279	Under 10%
Next Green Wave Holdings Inc.	Private	Warrants	US (California)	Indirect	63,785	32,093	Under 10%
Nutritional High International Inc.	Publicly-listed	Convertible debentures & warrants	US (Colorado, California, Washington, Nevada, Oregon)	Indirect	750,000	629,671	Under 10%
OG DNA Genetics Inc.	Private	Shares & warrants	US (California)	Indirect	200,000	596,042	Under 10%
Osoyoos Cannabis Inc.	Private	Shares, convertible debentures & warrants	Canada	N/A	513,125	1,342,539	Under 10%
Phoenix Extractions Inc.	Private	Convertible debentures & warrants	US (Arizona)	Indirect	330,125	431,117	Under 10%
Phytopharma International Ltd.	Private	Convertible debentures	Israel	N/A	400,000	384,600	Under 10%
Platinex Inc.	Publicly-listed	Shares	US (Oregon)	Indirect	11,480	5,821	Under 10%
Pure Global Cannabis Inc.	Publicly-listed	Convertible debentures & warrants	Canada	N/A	350,000	309,660	Under 10%



Rocky Mountain Marijuana Inc.	Publicly-listed	Shares	Canada	N/A	671,250	938,025	Under 10%
Segra International Corp.	Private	Shares & warrants	Canada	N/A	400,000	545,675	Under 10%
Sproutly Inc.	Publicly-listed	Shares, special warrants & convertible debentures	Canada	N/A	943,799	1,487,550	Under 10%
Theracann Int'l Benchmark Corp.	Private	Convertible debentures & warrants	Panama	N/A	300,000	375,149	Under 10%
Therma Bright Inc.	Publicly-listed	Shares & convertible debentures	Canada	N/A	250,000	162,371	Under 10%
Western Canadian Cannabis Stores	Private	Shares	Canada	N/A	57,143	57,143	Under 10%
Westleaf Cannabis Inc.	Private	Shares & warrants	Canada	N/A	500,000	500,000	Under 10%
Xanthic Biopharma Limited	Publicly-listed	Warrants	US (California, Washington)	Indirect	13,598	61,994	Under 10%
Xtraction Services	Private	Convertible debentures	US (Florida)	Indirect	514,440	444,239	Under 10%
					<b>28,290,663</b>	<b>40,347,896</b>	

- (1) Industry involvement refers to Quinsam's involvement in regard to the Investees with marijuana-related activities in the US. For greater clarity per the Staff Notice, Investees classified as "Indirect" in this column generally represents entities with a license to either cultivate and/or sell marijuana in the US, and for which Quinsam has an equity or "convertible-into-equity" stake in that particular investee.
- (2) Acreage manages a portfolio of investments in cultivation, processing and dispensary operations across 18 different states in the US as follows: California, Oregon, Washington, Colorado, Pennsylvania, Arizona, Connecticut, Florida, Illinois, Iowa, New Jersey, New York, New Hampshire, Massachusetts, Maryland, North Dakota, Michigan and Nevada.
- (3) On February 9, 2018, the Company closed a transaction with two companies to provide financing for a new ACMPR applicant. The Company advanced a \$1.2 million loan for a period of 12 months at an interest rate of 12%. The loan is secured by a second mortgage on a 40,000 sq. ft. building in Brantford, Ontario on a 4-acre site. The building was purchased for approximately \$3 million and Quinsam's mortgage is subordinate to a first mortgage of approximately \$2 million. As incentive compensation for providing the mortgage financing, the Company was awarded a 30% stake in City View Green, a company that has made an ACMPR license application incorporating use of the building. Quinsam's interest had diluted down to approximately 10.6% due to recent financings and going-public transaction.
- (4) Gefion, through service agreements with third-parties, has access to OTC retail distribution channels for all 50 states in the US. Its products contain hemp extracts with CBD with 0.3% or less THC which are sold throughout the US pursuant to the recently enacted 2018 Farm Act.
- (5) On June 6, 2018, the Company closed a transaction with MCCI and the Buildingco to provide financing for a late-stage ACMPR applicant. The Company advanced a \$1.5 million loan for a period of 12 months at an interest rate of 12%. The loan is secured by a mortgage on a 54,000 sq. ft. building in Guelph, Ontario on a 2.75-acre lot. Security also includes an assignment of leases, personal guarantees and general security agreements. The loan is subordinate to other indebtedness. If MCCI or the Licenseco proposes to issue any securities, Quinsam shall have a first right of refusal to purchase 15% of the offered securities before such securities are offered to other persons.
- (6) In Q4 2017, the Company signed an agreement with Herbiculture to finance the start-up costs of establishing a medical marijuana dispensary located in Maryland. The financing is structured as a USD \$655,000 senior secured promissory note bearing interest at 10% with a 3-year term. On February 12, 2018, Herbiculture received a marijuana processor license from the MMCC to commence dispensary operations. On Herbiculture's receipt of the processor license, Quinsam was granted a right to a 35% interest of Herbiculture's common shares. While Quinsam had provided the above-noted financing to fund the necessary costs to complete the establishment of Herbiculture's dispensary business, its industry involvement in Herbiculture is considered indirect. While Quinsam has a non-controlling investment in Herbiculture through the right to a 35% equity

interest, Quinsam has not exercised this right in question, and does not expect to trigger it in the future. Besides the financing, Quinsam had not provided any goods or services to Herbiculture.

As at December 31, 2017, the Company held the following investments in the cannabis sector:

Investees	Investments relationship	Investments type	Jurisdiction	Industry involvement <sup>(1)</sup>	Cost	Fair value	Company's ownership %
					\$	\$	
Aura Health Corp.	Private	Convertible debentures	US (Arizona, Florida, Nevada)	Indirect	300,000	300,000	Under 10%
Axios Mobile Assets Corporation	Publicly-listed	Convertible debentures	Canada	N/A	100,000	-	Under 10%
Canada House Wellness Group Inc.	Private	Shares, convertible debentures & Warrants	Canada	N/A	329,250	2,134,533	Under 10%
Delshen Therapeutics Corp.	Private	Shares & warrants	Canada	N/A	40,000	121,549	Under 10%
Georgian Bay Biomed	Private	Shares & warrants	Canada	N/A	300,000	340,436	Under 10%
Harvest One Cannabis Inc.	Publicly-listed	Convertible debentures	Canada, Switzerland, Australia	Indirect	255,429	412,673	Under 10%
Herbiculture Inc.	Private	Loans	US (Maryland)	indirect	645,435	645,435	Under 10%
Hiku Brands Company Ltd.	Private	Convertible debentures & warrants	Canada	N/A	300,000	595,146	Under 10%
I-5 Holdings Ltd.	Private	Shares & warrants	US (California, Oregon, Washington)	Indirect	150,000	170,976	Under 10%
Icon Exploration Inc.	Publicly-listed	Shares & warrants	Canada	N/A	50,000	259,549	Under 10%
Indiva Ltd.	Publicly-listed	Shares & warrants	Canada	N/A	331,949	707,752	Under 10%
Lineage Grow Company Ltd.	Private	Shares, convertible debentures & warrants	US (California, Oregon, Washington, Maryland)	Indirect	279,200	291,424	Under 10%
Merrco Payments Inc.	Private	Shares	Canada	N/A	150,000	266,666	Under 10%
Osoyoos Cannabis Inc.	Private	Shares, convertible debentures, loans & warrants	Canada	N/A	513,125	546,500	Under 10%
Platinex Ltd.	Publicly-listed	Shares	US (Oregon)	N/A	52,2500	419,995	Under 10%
Quadron Cannatech Corp.	Publicly-listed	Shares	Canada	N/A	29,800	104,300	Under 10%
Rocky Mountain Marijuana Inc.	Private	Shares	Canada	N/A	250,000	250,000	Under 10%
Seed Capital Corp.	Private	Shares & warrants	Canada	N/A	200,000	350,000	Under 10%
Segra International Corp.	Private	Shares	Canada	N/A	100,000	100,000	Under 10%
Xanthic Biopharma Limited	Private	Shares	US (Oregon, Washington)	Indirect	300,000	300,000	Under 10%
					<b>4,676,438</b>	<b>8,316,934</b>	

- (1) Industry involvement refers to Quinsam's involvement in regard to the Investees with marijuana-related activities in the US. For greater clarity per the Staff Notice, Investees classified as "Indirect" in this column generally represents entities with a license to either cultivate and/or sell marijuana in the US, and for which Quinsam has an equity or "convertible-into-equity" stake in that particular investee.

The Company's financial position for US cannabis-related activities is strictly comprised of its investment portfolio. The following is a summary of the Investees from the cannabis sector, including those having US cannabis-related activities, as at December 31, 2018 and 2017:

<i>December 31, 2018</i>				
<b>By type</b>	<b>All cannabis investments</b>		<b>Investees involved in US cannabis activities</b>	
	<b>Cost</b>	<b>Fair value</b>	<b>Cost</b>	<b>Fair value</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Equities	15,104,330	26,807,830	6,918,970	9,810,655
Warrants	2,658,179	2,247,700	1,083,934	719,031
Convertible debentures	6,496,674	7,195,195	3,157,653	3,048,635
Loans	4,031,480	4,097,171	831,480	897,171
<b>Total</b>	<b>26,290,663</b>	<b>40,347,896</b>	<b>11,992,037</b>	<b>14,475,492</b>

  

<b>By ownership percentage</b>	<b>All cannabis investments</b>		<b>Investees involved in US cannabis activities</b>	
	<b>Cost</b>	<b>Fair value</b>	<b>Cost</b>	<b>Fair value</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Under 10% ownership	24,540,663	24,097,895	11,992,037	14,475,492
Over 10% ownership	1,750,000	6,250,001	-	-
<b>Total</b>	<b>26,290,663</b>	<b>40,347,896</b>	<b>11,992,037</b>	<b>14,475,492</b>

*December 31, 2017*

<b>By type</b>	<b>All cannabis investments</b>		<b>Investees involved in US cannabis activities</b>	
	<b>Cost</b>	<b>Fair value</b>	<b>Cost</b>	<b>Fair value</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Equities	1,971,417	3,155,142	589,242	830,450
Warrants	453,557	1,635,932	77,418	232,511
Convertible debentures	1,606,029	2,880,425	514,790	1,783,838
Loans	645,435	645,435	645,435	645,435
<b>Total</b>	<b>4,676,438</b>	<b>8,316,934</b>	<b>1,826,885</b>	<b>3,492,234</b>

<b>By ownership percentage</b>	<b>All cannabis investments</b>		<b>Investees involved in US cannabis activities</b>	
	<b>Cost</b>	<b>Fair value</b>	<b>Cost</b>	<b>Fair value</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Under 10% ownership	4,676,438	8,316,934	1,826,885	3,492,234
Over 10% ownership	-	-	-	-
<b>Total</b>	<b>4,676,438</b>	<b>8,374,671</b>	<b>1,826,885</b>	<b>3,492,234</b>

The following is the summary of net investment revenues of the Investees from the cannabis sector, including those having US cannabis-related activities, for the years ended December 31, 2018 and 2017:

<u>December 31, 2018</u>		<b>Investees involved in US cannabis activities</b>		
	<b>All cannabis investments</b>			
<b>By type</b>	<b>Net realized gains on disposals of investments</b>	<b>Net changes in unrealized gains on investments</b>	<b>Net realized gains on disposals of investments</b>	<b>Net changes in unrealized gains on investments</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Equities	7,003,694	10,756,763	4,678,074	2,645,123
Warrants	(138,457)	(1,607,162)	(10,285)	(540,649)
Convertible debentures	407,902	(1,143,264)	-	(445,123)
<b>Total</b>	<b>7,273,139</b>	<b>8,006,337</b>	<b>4,667,789</b>	<b>1,659,351</b>

<u>December 31, 2017</u>		<b>Investees involved in US cannabis activities</b>		
	<b>All cannabis investments</b>			
<b>By type</b>	<b>Net realized gains (loss) on disposals of investments</b>	<b>Net changes in unrealized gains on investments</b>	<b>Net realized gains on disposals of investments</b>	<b>Net changes in unrealized gains on investments</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Equities	400,205	914,559	123,696	88,708
Warrants	(15,221)	1,157,063	-	155,093
Convertible debentures	-	1,274,395	-	1,269,048
<b>Total</b>	<b>384,984</b>	<b>3,346,017</b>	<b>123,696</b>	<b>1,512,850</b>