



## **Quinsam Capital Corporation Announces Letter of Intent to Provide Second Mortgage Financing to Earn a 30% Equity Stake in ACMPR Application**

TORONTO, Jan. 18, 2018 -- Quinsam Capital Corporation (“**Quinsam**” or the “**Company**”) (CSE:QCA) is pleased to announce that it has signed a binding letter of intent (“**LOI**”) with two numbered companies to provide financing for a new Access to Cannabis for Medical Purposes Regulations (“**ACMPR**”) applicant.

Pursuant to the LOI, Quinsam will advance a \$1.2 million loan for a period of 12 months at an interest rate of 12%. The loan will be secured by a second mortgage on a 40,000 square foot building in Brantford, Ontario on a 4 acre site. The building is being purchased for approximately \$3 million and Quinsam’s mortgage will be subordinate to a first mortgage of approximately \$2 million. As incentive compensation for providing the mortgage financing, Quinsam will be awarded a 30% stake in a separate company that has made an ACMPR license application incorporating use of the building. Closing of the investments is expected within 30 days.

“We see this as a signature deal for Quinsam” said Roger Dent, CEO of Quinsam. “Our investment risk is mitigated by the mortgage security on the building, which is modern and of good quality. At the same time, we get a large equity stake in the ACMPR application at no additional cost. We are not aware of anyone else who plans to make an investment like this in the Canadian cannabis space.”

The initial 30% stake is likely to be diluted over time as construction of the leasehold improvements is undertaken. There can be no assurance the investment will be completed as planned.

### **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.