



## **Quinsam: Record Q1/2018 Results Strong Outlook for Q2/2018 Continues**

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**Toronto, Ontario, May 30, 2018** – Quinsam Capital Corporation (CSE:QCA) (“Quinsam” or the “Company”) is pleased to announce the strongest quarterly results in the Company’s history. The company announced net income of \$4.9 million (\$0.05 per share) in Q1/2018 versus \$nil (\$0.00 per share) in Q1/2017, which represents an extremely strong return on the Company’s assets.

“Calculating our percentage return for the quarter remains difficult because we closed an equity financing during the period” said Roger Dent, CEO of Quinsam. “Our operating income of \$4.9 million in the quarter was generated on total assets at the start of the quarter of \$19.4 million. We raised a further \$12.3 million in the quarter, although most of these funds remained in cash at the end of the quarter. So we feel that our return on invested assets was quite strong in the quarter. At quarter end, we had net assets of approximately \$0.31 per share outstanding.”

Net income of \$4.9 million was after non-cash expenses of \$0.1 million for tax and \$0.3 million for stock-based compensation.

### **Q2 Outlook**

Q2 continues to be on track for a positive result. Of particular note, the Company's \$875,000 investment in Dosecann Inc. completed in January 2018 has triggered significant appreciation due to the acquisition of Dosecann Inc. by Cannabis Wheaton Income Corp. at a price which was over twice our effective cost. We have also seen gains on listings by Xanthic Biopharma Inc., Empower Clinics Inc. and Khiron Life Sciences Corp. One of our larger investments (in C21 Investments Inc.) is expected to be trading before the end of the quarter.

“We have also announced a plan to sell our right to a 35% stake in Herbiculture Inc. to Lineage Grow Company Ltd. (“Lineage”) in exchange for 3.9 million shares of Lineage. As we carry this right at no cost, the entire proceeds would be accretive to our NAV on a

pre-tax basis. This transaction has not closed but we expect it to do so before the end of Q2/2018” said Roger Dent.

“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.