



Quinsam Announces Dividend & Corporate Update

Westleaf Has a Very Strong Trading Debut

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TORONTO, Jan. 28, 2019 -- Quinsam Capital Corporation (CSE: QCA) ("Quinsam" or the "Company") is pleased to announce its quarterly dividend and provide an update to investors.

Dividend

The Board of Directors of Quinsam has approved the company's eighteenth consecutive quarterly dividend. The dividend is \$0.00125 per share (\$0.005 per share per year). The distribution will be paid on February 22, 2019 to shareholders of record on February 1, 2019. This dividend will be designated as an "eligible dividend" for Canadian income tax purposes. Future quarterly dividends will be subject to Board approval.

Q4/2018 Update

Preparation of Quinsam's 2018 year end results is in progress. At this time, we expect to release results in mid-April as we did in the prior year.

"The TSX Composite Index declined by 11.5% in Q4" said Roger Dent, CEO of Quinsam. "Many cannabis company share prices underperformed the index materially. While our audit is only just getting underway, we are comfortable in saying that Quinsam's portfolio outperformed the TSX in Q4/2018. The highlight of the quarter was clearly the listing by Acreage Holdings. We invested C\$1.3 million in Acreage at C\$8.16 per share. It listed in November at US\$25. After a rough trading debut, it ended the quarter at US\$20. We have since had our first escrow release by the company and despite this we have seen the price improve to about US\$22. Of course, we have had declining stocks in Q4 as well. However, the gain on Acreage was a huge boost to the quarter."

During the quarter, the company was of the view that the share price did not reflect the underlying value of the company's assets and accordingly repurchased 1,381,000 common shares pursuant to its normal course issuer bid. This was well over 1% of the company's outstanding common shares.

We have purchased or agreed to purchase a number of new investments, including:

Abacus Health Products, in which we invested US\$300,000, has a growing line of FDA-approved CBD products on the market in the United States. The company is targeting a CSE listing by the end of January.

Pharmex Life Sciences, in which we invested \$200,000, is developing a hemp production and oil extraction business in Mexico. We expect a listing in early 2019.

We invested \$350,000 in Verabys, a Columbian licensed cultivator expecting its first crop in Q2/2019. The valuation on the company was in the \$10 million vicinity. We expect a listing in early 2019.

We invested US\$250,000 in convertible debentures issued by Phoenix Extractions. Phoenix has nearly completed work on a US based hemp extraction facility and has secured a source of hemp to commence production in the short term. The valuation on this investment was approximately \$5 million, which we see as being highly attractive.

We invested US\$200,000 in convertible debentures of Medicaganja, which is a Jamaican licensed producer with a portfolio of cannabis-based pharmaceutical products on the market.

We acquired US\$400,000 in convertible debentures of CLS Holdings, which has integrated operations in the United States.

Critical CO2 Separation, in which we invested \$375,000 at \$0.25, is a modestly valued extraction equipment supplier. We expect a listing shortly.

We are participating in the convertible debenture issue by C21 Holdings for \$300,000. This was priced with a conversion price below the quote plus provided warrant coverage.

Q1/2019 Outlook

We are looking forward to a number of important liquidity events in Q1/2019.

Quinsam invested \$500,000 in Westleaf in mid 2018 (1,000,000 shares at \$0.50 per share). Westleaf commenced trading in early January and has had a very strong debut. The stock recently traded at \$2.64.

We understand that FLRish Inc. (doing business as Harborside), one of our largest investments, is planning to file a listing statement shortly. We understand that the company intends to raise funds at a significant premium to our cost and complete a listing around the end of Q1/2019.

City View Green, in which we obtained a large equity stake as a bonus for providing a second mortgage financing about a year ago, should list on the CSE in early February. The company has assembled an impressive management team and is moving forward with an oil extraction strategy. It also has a stake in an Alberta retail applicant.

Osoyoos Cannabis, in which we invested in convertible debentures about a year ago, is expected to commence trading in February. The company is also pursuing an oil extraction strategy and at its last financing had a modest valuation in the \$15 million vicinity.

Blackshire Capital Corp., in which we invested \$385,000, has filed a non-offering prospectus and should list at around the end of Q1. Its main holding, Zenabis, has commenced trading and has created a large gain for Blackshire.

"We expect other liquidity events in Q1 and Q2." said Roger Dent.

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.