



Quinsam Announces Dividend, City View Green Loan Repaid With Strong Investment Return, And Numerous Pending Liquidity Events

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TORONTO, July 31, 2019 -- Quinsam Capital Corporation (CSE: QCA) ("Quinsam" or the "Company") is pleased to announce its quarterly dividend and the repayment of the City View Green mortgage and provide a summary of potential pending liquidity events.

Dividend

The Board of Directors of Quinsam has approved the company's twentieth consecutive quarterly dividend. The dividend is \$0.00125 per share (\$0.005 per share per year). The distribution will be paid on August 26, 2019 to shareholders of record on August 9, 2019. This dividend will be designated as an "eligible dividend" for Canadian income tax purposes. Future quarterly dividends will be subject to Board approval.

City View Green Holdings Inc. Update

Approximately 18 months ago, Quinsam advanced \$1.2 million as a second mortgage on a Brantford industrial building. By making this loan, Quinsam helped to launch City View Green as a cannabis company. As a founding shareholder of City View Green, Quinsam obtained approximately 25 million shares. Quinsam also obtained the right to interest, loan arrangement fees and a profit participation on a sale of the building.

On July 30, City View Green completed a sale/leaseback transaction on the Brantford building. As a result, Quinsam's mortgage on the property was repaid in full in cash. Quinsam also obtained a total of an additional 2,693,460 shares of City View Green as compensation for the interest and other rights referred to above.

"This has been a fabulous transaction for Quinsam" said Roger Dent, CEO. "We have recovered our full cash investment in the company. In addition, we now have received a total of approximately 28 million shares of City View Green that represent the return on our investments over the last 18 months. We note that City View Green has made very considerable progress since we first invested and we look forward to its future progress as well as that of its affiliated Canadian retail initiative, Budd Hutt Inc."

Liquidity Event Announcements

A number of Quinsam's investee companies have announced their intent to go forward with liquidity events in Q3 and Q4/2019. Recent announcements include:

- Molecule has announced its intention to go public through a transaction with Everton Resources.
- CBX Brands (referred to as Hystyle in our earlier disclosure) has announced its intention to go public through a transaction with Leo Acquisitions.
- Frontier Wellness has announced its intention to go public through a transaction with Efficacious Elk Capital.
- Seven Leaf Ventures has signed an LOI to be acquired by Stem Holdings.
- Core Process Solutions (referred to as Critical CO2 in our earlier disclosure) has filed a prospectus to go public.

In all of the these cases, if the liquidity events go forward, Quinsam currently expects the impact on our NAV to be positive.

In addition, the merger of Osoyoos Cannabis and Anahit International is expected to be completed in September. We understand that IMC, Cannivate, Xtraction Services and Theracann are all targeting listings in Q3/2019 or Q4/2019.

"While the cannabis sector has been unsettled in recent weeks, we remain optimistic about the future" said Roger Dent. "The success of liquidity events is never predictable. However, we are hopeful that this package of potential upcoming liquidity events will be accretive to NAV."

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.