



## QUINSAM ACQUISITION TARGET ANNOUNCES LOI WITH MARYLAND MEDICAL CANNABIS DISPENSARY TO ADVANCE SECURED LOAN WITH BONUS 35% EQUITY PARTICIPATION

### ***FOR IMMEDIATE RELEASE***

Toronto, Ontario – September 14, 2017- Quinsam Capital Corp. ("Quinsam") (CSE:QCA) in May announced its intention to acquire High Standard Royalty Co. ("High Standard"). High Standard has entered into a Letter of Intent (the "Letter of Intent") with Herbiculture Inc. ("Herbiculture") dated July 20, 2017, to finance the startup costs of establishing a medical marijuana dispensary located in Burtonsville, Maryland (the "Financing"). The Financing will be in the form of a US\$655,000 senior secured promissory note carrying an interest rate of 10% with a 3-year term. Herbiculture will also issue to High Standard a 35% equity "kicker" for nominal consideration.

In addition, Herbiculture is currently 4<sup>th</sup> in line to receive a marijuana processor license (the "Processor License") issued by the Maryland Medical Cannabis Commission. If Herbiculture is successful in securing the Processor License, High Standard will have the right to finance 100% of the funds required to establish marijuana processing operations in the form of a senior secured promissory note (the "Processor Note") with the following terms:

- i) High Standard will receive 75% of net income derived from marijuana processing up until the Processor Note has been repaid + a 10% IRR; and
- ii) High Standard will receive a 51% ownership interest in the marijuana processing operation.

Peter Bilodeau, President of High Standard, commented that "our investment in support of Herbiculture's mission and operations offers the potential for High Standard to realize significant cash flows if the dispensary and processing operations are fully built out and commence sales. We believe Herbiculture is well positioned in the medical marijuana market, given the strategic location of its license and the fact that it will be one of only two licensed dispensaries operating in the most populous county in Maryland. We expect Herbiculture to have a first mover advantage and be able to capitalize on the robust growth from the anticipated demand as the cannabis market in Maryland develops."

Due to the due diligence process and other conditions of the respective deals, there is no assurance that the Herbiculture financing will close and there is no assurance that Quinsam will close its acquisition of High Standard.

### About Quinsam Capital Corporation

Quinsam is a merchant bank based in Canada. 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.

For further information please contact:

John Lewis, Business Development  
(416) 523-7086  
john@quinsamcapital.com

Eric Szustak, President  
(905) 330-7948  
eric@quinsamcapital.com

Roger Dent, CEO  
(647) 993-5475  
roger@quinsamcapital.com

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: market and general economic conditions, 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 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.