

# Quinsam Capital Corporation

## Corporate Presentation

November 2018



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# CANNABIS FOCUSED CAPITAL

The cannabis industry is growing rapidly due to a loosening of regulation across the globe. While the growth potential is high, capital to fund this growth remains scarce. Quinsam Capital Corporation (“Quinsam” or the “Company”) is focused on providing flexible financing solutions to the cannabis industry. As one of the first institutional investors to enter the space, our platform combines financial, regulatory, strategic and hands-on cannabis experience so that we can maximize the returns to our investors from our portfolio of cannabis investments.

Quinsam  
Capital  
Corporation

# Summary Information

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<b>Symbol</b>		CSE: QCA
<b>Share Price</b>		\$0.32
<b>Shares Outstanding</b>	Basic (09/30/18)	118,739,229
	Fully Diluted (09/30/18)	179,328,892
<b>Market Capitalization</b>	(in millions)	\$38.0
<b>Shareholders Equity</b>	(in millions, as of 09/30/18)	\$44.9
<b>Dividend</b>	(per quarter)	\$0.00125
<b>Yield</b>		1.7%
<b>NAV per Share</b>	(09/30/18)	\$0.377
<b>NAV plus Deferred Tax per Share</b>	(09/30/18)	\$0.385

# Capital Structure (09/30/18)

## Capitalization

Class of Securities	Number of Securities
Common Shares	118,739,229
Warrants	51,591,563
Options	8,998,000
<b>Total</b>	<b>179,328,892</b>

## Warrants Schedule

Expiry Date	Exercise Price	Number of Securities
13-Oct-19	\$0.15	532,841
11-Dec-20	\$0.25	3,348,720
13-Oct-19*	\$0.30	11,164,998
11-Dec-19	\$0.40	23,539,500
1-Mar-20	\$0.60	1,751,947
1-Mar-20	\$0.80	11,201,517
<b>Total</b>		<b>51,591,563</b>

\*4,000,000 expire on Oct 17, 2020

# Leadership Team

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## Senior Management



**Roger Dent**  
**CEO & Director**

Mr. Dent has been involved in the Canadian financial markets for over 30 years and has extensive experience in “small cap” evaluation and investment. Most recently, he was a noted portfolio manager with Matrix Fund Management Inc., where he guided the Matrix Small Companies Fund and the Matrix Strategic Small Cap Fund. Previously, he was Vice Chairman of one of Canada’s largest independent investment dealers.



**Peter Bilodeau**  
**President & Director**

Mr. Bilodeau is an executive with expertise in new business development, strategic planning, marketing strategy and organization, operations, finance, and client services. Peter has business interests in various sectors including, merchant and investment banking, retail, manufacturing, real estate, the cannabis industry, and oil & gas. He is on the Board of several companies. Peter has an MBA from Dalhousie University in Halifax Nova Scotia.



**Eric Szustak**  
**Chairman & Corporate Secretary**

Mr. Szustak is a CPA, CA with over 33 years of financial service, business development, marketing, accounting, and CFO experience. Mr. Szustak has worked at both small and large accounting firms advising a wide range of businesses. He has been involved in various small cap Public companies during his career. Mr. Szustak holds a B.A. Honors Chartered Accountant Studies and Economics from the University of Waterloo and received his Chartered Accountant designation in 1985.



**Keith Li**  
**CFO**

Mr. Li is a CPA, CA with over 10 years of experiences in corporate finance, financing reporting and regulatory compliance services. Mr. Li had also worked in both the public accounting and private sector, specializing in audit and accounting, including two years as Manager of External Reporting with Sears Canada Inc. (2016 – 2017). Mr. Li holds a Bachelor of Commerce Degree in Finance from McGill University, and received his Chartered Accountant designation in 2012.

# Leadership Team

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## Outside Directors

### **Terry Booth**

Mr. Booth is founder and Chief Executive Officer of Aurora Cannabis Inc. Previously, he was in industrial permitting and governmental regulatory sector for over 20 years. An entrepreneur and Alberta business leader, Mr. Booth served as President/CEO of six other highly successful businesses, one of which, Superior Safety Codes Inc., has received many awards including one of Canada's top 50 fastest-growing companies.

### **Ross Geddes**

Mr. Geddes has been a Finance Professor at Sheridan College since 2005. His research has focused on corporate valuation, corporate finance, and IPO's. He has published five books, including IPO's and Secondary Offerings. He was co-founder of X3 Labs Inc. in 2006 and was its CFO until 2013. Mr. Geddes has a BA from the University of Toronto and an MBA from the University of Western Ontario.

### **Anthony Roodenburg**

Mr. Roodenburg is the founder, largest individual shareholder and CEO of Greencastle Resources Ltd., (TSXV - VGN) a diversified investment company focused on the natural resource sector. His experience includes four years as an Investment Executive with National Bank Financial (1987-1991). Subsequently, Mr. Roodenburg has been an active investor and founder, officer and director of several public companies, assisting in the areas of corporate development and finance primarily in mineral exploration and the oil and gas sectors.

### **Adam Szweras**

Mr. Szweras, is a securities law partner with Fogler, Rubinoff LLP in Toronto and Chairman of Foundation Markets, a Toronto Merchant Bank and Exempt Market Dealer. His law and banking practices focuses on financings and going public transactions. Adam represents several mid market public companies and assists companies in listing on Canadian exchanges. He also represents brokerage firms as legal counsel and has helped numerous clients with their M&A and cross boarder transactions. He is a director of several public companies.

# Roger Dent – Prolific Investor & Portfolio Manager

## Small Cap Veteran

30 year career in the Canadian investment industry – primarily in the small cap growth space

## Top Ranked Small Cap Analyst

Former #1 ranked small cap analyst in Canada – *Brendan Wood Institutional Investor Survey*

## Prominent Small-Cap Portfolio Manager

Managed Matrix Strategic Small Cap Fund & Matrix Small Companies Fund - Frequently among Canada's top performing sector funds



**FINANCIAL POST**

*“Roger Dent makes solid and steady progress at Quinsam Capital” –  
Financial Post, Sept 4, 2014*

## Simple & Successful Philosophy

- Seek out attractively priced companies with strong growth potential
- Diversify prudently. Never bet the farm.
- Preference for value, cash flow & yield
- Shareholder mindset: control costs, buyback shares & pay dividends

## Opportunity in the Cannabis Space

*“The cannabis sector offers the opportunity to generate continuing strong returns. Growth capital is scarce for this high-growth sector creating an exciting long-run growth opportunity for Quinsam”*

– Roger Dent, April 26, 2017



# Foundation Markets – Cannabis Experience



## Cannabis Experts

- Multi-jurisdiction regulatory and legal expertise
- Extensive network of licensed operators in Canada & U.S
- M&A and strategic advisory services
- Outsourced corporate services provider
- Exempt Market Dealer

## Highlights

- Independent merchant & investment bank focused on financial advisory services
- Helped raise over \$30 million to date for cannabis companies
- Engagements across the cannabis space:
  - Integrated: FLRish Inc. (d/b/a Harborside)
  - Integrated: Nutritional High International Inc. (CSE:EAT)
  - Cultivation: Lineage Grow Company Ltd. (CSE: BUDD)
  - Infused Beverages: The Tinley Beverage Co Inc. (CSE:TNY)
  - Testing & Analytics: Steep Hill Labs Inc.

*10+ years of experience in Investment Banking, Corporate Finance & Law provides a unique combination of capital markets & hands-on operating expertise*

# Cannabis Market Funding Opportunity

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Cannabis COMPANIES are seeking:



Growth Capital



Regulatory Expertise



Strategic Partners

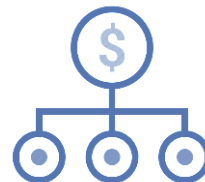
Cannabis INVESTORS are seeking:



Unique Opportunities



Liquidity



Diversification



Opportunity to provide  
strategic capital to  
unlock value

&

Offer investors a  
diversified set of high-  
quality assets through a  
publicly traded vehicle

# Specialists at Core Competencies

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## Robust Deal Flow

- Ability to tap relationships across the N.A. cannabis industry
- Deals sourced through referral, brokers, or direct negotiation



## Disciplined Due Diligence

- Experience in assessing opportunities in the cannabis space
- Strong understanding of regulatory frameworks
- Insights into industry fundamentals & critical success factors



## Hands-On Portfolio Mgmt.

- Work closely with portfolio companies
- Monitor performance and drive growth
- Know when to buy and know when to sell

# Strong Track Record

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## Cannabis Strategy Initiated in Q2/2017

<b>Period</b>	<b>Average Assets (\$mm)</b>	<b>Net Income* (\$mm)</b>	<b>Return</b>
<b>2016 Annual</b>	\$2.7	\$0.7	27.2%
<b>Q1/2017</b>	\$3.0	(\$0.0)	(0.9%)
<b>Q2/2017</b>	\$2.8	(\$0.3)	(9.6%)
<b>Q3/2017</b>	\$2.7	\$0.4	13.9%
<b>Q4/2017</b>	\$11.1	\$3.1	28.4%
<b>2017 Annual</b>	\$4.9	\$3.2	65.9%
<b>Q1/2018</b>	\$28.2	\$5.2	18.4%
<b>Q2/2018</b>	\$39.1	\$4.2	11.3%
<b>Q3/2018</b>	\$43.8	\$5.0	11.3%

*\*adjusted for non-cash charges*

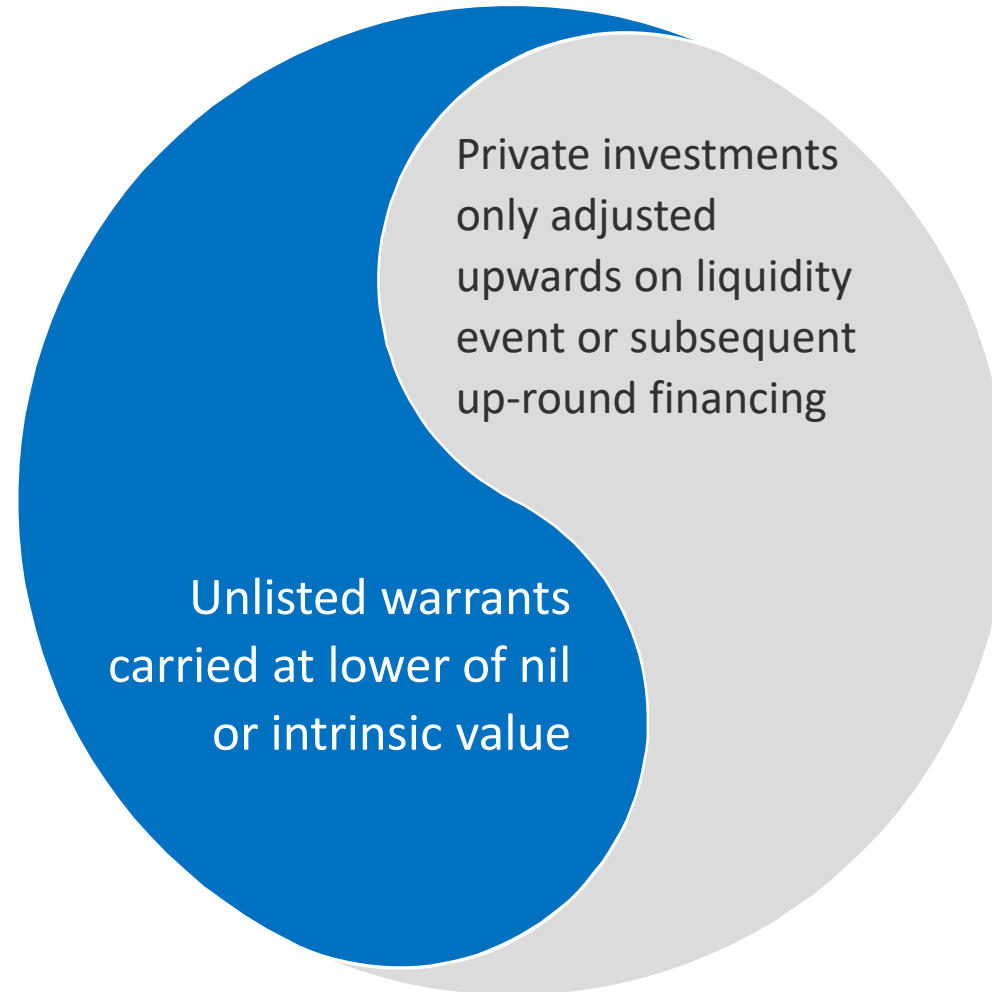
# Investment Focus and Approach

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- Professional management approach to pursue high returns at acceptable risk
- Focus on pre-public investments with near-term go public events – not available to most investors
- Preference for convertible debt when available
- Emphasis on value drives focus outside of Canada
- Exposure to cultivation, extraction, pharmaceuticals, ancillary services
- Exposure to Canada, the United States, Columbia, Jamaica, Australia, Uruguay, Israel
- Diversification across numerous names leads to frequent liquidity events

# Conservative Valuation Approach

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# Investments Summary – September 30, 2018

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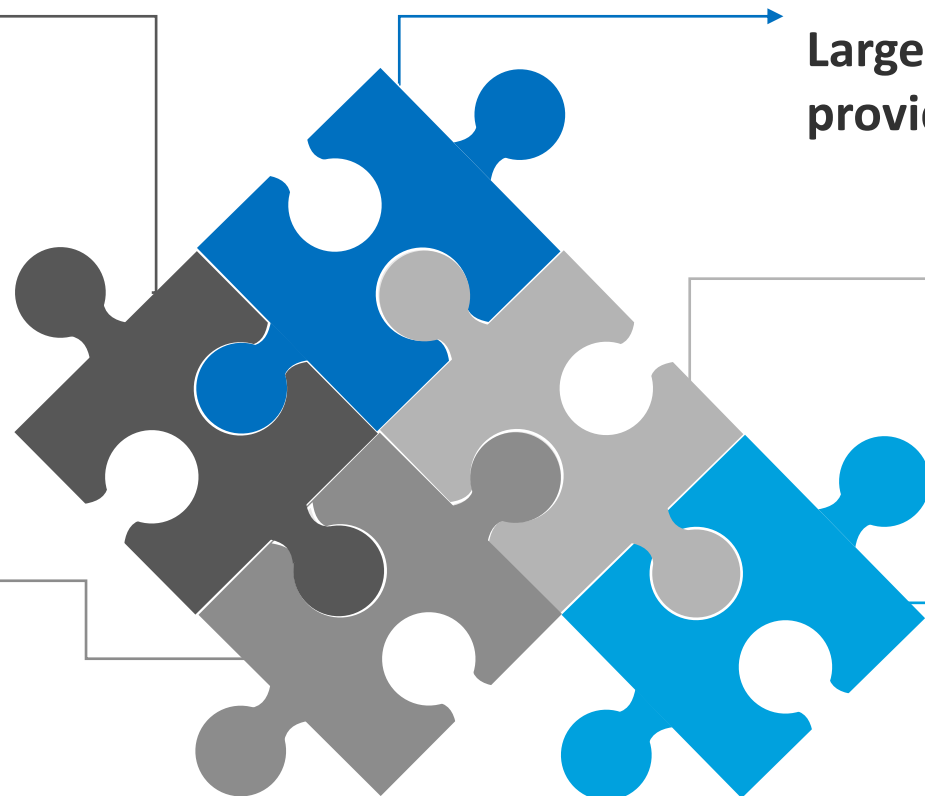
**50+** Different Investments

Large **warrant portfolio** provides upside leverage

About **40%** of investments **US-related**

**~75%** of the investments are pre-public

**Key Investments:** Harborside/FLRish, Acreage, CityView Green, Herbiculture, Guelph



# Numerous Q4/2018 Expected Liquidity Events

Acreage Holdings

Green Growth Brands/Xanthic Biopharma

Curaleaf

FLRish (d/b/a Harborside)

Halo Labs

Next Green Wave Holdings

IM Cannabis

Irri-Al-Tal

Xtraction Services

Segra International

MVC

CityView Green

Osoyoos Cannabis

CannAmerica Brands

Grown Rogue Unlimited

Biome Grow

ALQ Gold/Bilzerian

Westleaf





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