



## **Quinsam Announces Dividend, Intent to Renew Issuer Bid & Update**

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**Toronto, Ontario, July 30, 2020** – Quinsam Capital Corporation (CSE: QCA) ("Quinsam" or the "Company") is pleased to announce its quarterly dividend and the upcoming renewal of its issuer bid.

### **Dividend**

The Board of Directors of Quinsam has approved the company's 24th consecutive quarterly dividend. The dividend is \$0.00125 per share (\$0.005 per share per year). The distribution will be paid on August 26, 2020 to shareholders of record on August 10, 2020. This dividend will be designated as an "eligible dividend" for Canadian income tax purposes. Future quarterly dividends will be subject to Board approval.

### **Issuer Bid Update**

Quinsam announced a normal course issuer bid to purchase up to 5,733,635 of its common shares (the "Bid") in August 2019. The Bid commenced on August 28, 2019 and was to terminate on August 27, 2020, or on an earlier date in the event that the number of common shares sought in the Bid has been repurchased.

Quinsam has repurchased and cancelled 5,733,635 shares pursuant to the bid, exercising the bid in full. The shares were purchased at a large discount to NAV and the repurchases had a positive impact on NAV per share for remaining shareholders.

Quinsam is pleased to announce that it intends to proceed with a new normal course issuer bid to purchase up to 5,446,952 of its common shares (the "New Bid"). The Company is commencing the New Bid because it believes that the current market price of its common shares may not fully reflect the underlying value of the Company's business and future prospects. The Company believes that the repurchase of its common shares for cancellation is in the best interests of its shareholders because the Bid will increase the

respective proportionate shareholdings and equity interests of all remaining shareholders. The Company has 108,939,058 common shares issued and outstanding. Under the terms of the New Bid, the Company may acquire up to 5,446,952 of its common shares, representing 5% of its issued and outstanding common shares. The Company will commence the New Bid on August 28, 2020. The Bid will terminate on August 27, 2021, or on an earlier date in the event that the number of common shares sought in the New Bid has been repurchased. The Company reserves the right to terminate the New Bid earlier if it feels that it is appropriate to do so. All common shares will be purchased on the open market through the facilities of the Canadian Securities Exchange (“CSE”), and payment for the common shares will be made in accordance with CSE policies. The price paid for the common shares will be the prevailing market price at the time of purchase. Purchases may be suspended at any time, and no purchases will be made other than by means of open market transactions during the term of the New Bid. The Company has engaged M Partners to act as the broker through which the New Bid will be conducted.

## **Update**

Quinsam is now preparing its Q2/2020 financial statements. The company expects to complete its work and release results in mid-August to late August.

Market conditions have been extremely volatile in recent months. That being said, since we released our March 31, 2020 results, conditions for cannabis-related and small cap stocks have on balance been positive. While we have not completed the valuation work on all of our unlisted equity investments, we currently expect to report a positive Q2 result. Among our public company holdings, some of which have been liquidated, strong performers for us in recent months include CityView Green, Newlox Gold, IM Cannabis, Pharmadrug, Sixth Wave Innovations, Therma Bright and Empower Clinics. While our private holdings have not seen many liquidity events to date in 2020, a number of companies plan on liquidity events in the near term including Molecule, Eden Empire and Ikanik Farms.

“While market conditions are highly unsettled due to COVID-19 and related economic factors, we currently have a positive outlook. We think that the unsettled and volatile conditions will provide interesting opportunities for those willing to take measured risks” said Roger Dent, CEO of Quinsam.

## **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.