

# Quinsam Capital Corp.

(CSE:QCA)

## Cultivating the Cannabis Sector

### Company Description

Quinsam Capital Corp. (“Quinsam”) is a cannabis-focused merchant bank. The Company invests in early-stage companies or projects that appear undervalued via common equity, convertible debt, mortgage debt, and/or royalties, which have a viable pathway to unlock their value. Quinsam capitalizes on the emerging, innovative Canadian and American cannabis markets, to provide growth capital to an underserved sector. As a result, investors receive access to private deals as well as a diversified portfolio of public companies that mitigate risk in the Cannabis space. Quinsam offers a quarterly dividend of \$0.00125/share.

### Investment Highlights

- Unique opportunity to hold a diversified exposure to the North American cannabis sector.** To-date, Quinsam announced that it holds six investments in public companies and thirteen investments in private companies. An example of one of the Company’s recent public investments was a \$150K, 3-year 8% convertible debenture (included warrants and bonus shares) in Canada House Wellness Group Inc. (CSE:CHV). Canada House is a medical cannabis provider to veterans and has a cultivation license for a 21,900 ft<sup>2</sup> facility. A private example is Herbiculture Inc., one of two Maryland-based provisional medical cannabis dispensary license holders, for US\$655K in build-out capital (3-year, 10% interest rate, senior secured promissory note), including a 35% equity interest in the dispensary operation, and Quinsam will have the right to finance 100% of a potential processor operation, receiving a 51% ownership. The dispensary build-out has been completed and operations are anticipated to begin soon.
- Pending Canadian recreational legalization, combined with intricate regulatory hurdles and capital constrained early-stage companies, create a perfect investment opportunity for Quinsam.** Since cannabis regulations are in their infancy stages and lack flexibility, some traditional PE/VC funds and banks are not able to service the sector effectively, which has created an insufficient flow of capital. As a result, Quinsam remains in an excellent position to meet the growth capital needs of early-stage cannabis companies. To illustrate what demand could be in Canada, U.S. states with legalized operations (Colorado, Washington, and Oregon), posted an average YoY growth of 225% in recreational sales, in their first year.
- All-star management team with significant regulatory and capital market expertise.** Quinsam is led by CEO Roger Dent, who was previously Managing Director at CIBC World Markets and small-cap manager at Matrix Asset Management. The Company is rounded out by a strong Board of Directors, including Terry Booth, the CEO of Aurora Cannabis Inc.

### Financial Analysis

- In December 2017, Quinsam raised \$11.5M at \$0.25/unit to invest in cannabis companies and for general working capital purposes. Quinsam is currently raising an additional \$10M at \$0.60/unit, including one-half, two-year warrant with a strike of \$0.80.** Proceeds are anticipated to be used towards cannabis-focused investment purposes and general working capital.

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### Price Performance



### Market Data (CSE:QCA)

Price (January 29, 2018)	\$0.92
52 Week Range	\$0.09 - \$1.19
Market Cap (M)	\$86.0
Current Shares Outstanding (basic, M)	93.5
Current Shares Outstanding (fully diluted, M)	140.9
Free Float	83%
Average Daily Volume (3 months)	578K
Total Debt (M)	\$0.0
Last Reported Cash & Investments (M)*	\$2.8
Total Assets (M)*	\$2.8

**Headquarters** Toronto, Ont., Canada

**Top Shareholders**  
Management & Insiders 17%

**Management**

Roger Dent, MBA	CEO & Director
Peter Bilodeau	President & Director
Eric Szustak, CPA, CA	Director, Chairman & Secretary
Adam Szwera	Director
Terry Booth	Director
Anthony Roodenburg	Director
Ross Geddes	Director

\*As of quarter ended September 30, 2017  
All figures in CAD unless otherwise stated.  
Source: Company Reports, Thomson Reuters

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