



QUINSAM CAPITAL CORPORATION

FINANCIAL STATEMENTS

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

(EXPRESSED IN CANADIAN DOLLARS)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements have been prepared by and are the responsibility of the management of the Company.

The Company's independent auditor has not performed a review of these unaudited condensed interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Quinsam Capital Corporation

Unaudited Condensed Interim Statements of Financial Position

(Expressed in Canadian Dollars)

	As at September 30, 2025	As at December 31, 2024
	\$	\$
<u>Assets</u>		
Cash and cash equivalents	365,042	313,234
Receivables	-	50,334
Investments (Note 4)	8,881,102	8,870,523
Prepaid expenses	-	25,000
Total Assets	9,246,144	9,259,091
<u>Liabilities</u>		
Accounts payable and accrued liabilities (Notes 5 and 9)	74,615	125,694
Total Liabilities	74,615	125,694
<u>Shareholders' Equity</u>		
Share capital (Note 6)	18,209,672	17,756,139
Deferred share units reserve (Note 7)	-	648,271
Share-based payments reserve (Note 8)	311,164	486,187
Accumulated deficit	(9,349,307)	(9,757,200)
Total Shareholders' Equity	9,171,529	9,133,397
Total Liabilities and Shareholders' Equity	9,246,144	9,259,091

Nature of operations (Note 1)

Approved on behalf of the Board of Directors

"Ross Geddes" (Director)"Eric Szustak" (Director)

The accompanying notes are an integral part of these unaudited condensed interim financial statements

Quinsam Capital Corporation

Unaudited Condensed Interim Statements of Income and Comprehensive Income

For the Three and Nine Months ended September 30, 2025 and 2024

(Expressed in Canadian Dollars)

	Three Months ended September 30,		Nine Months ended September 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
<u>Net Investment Income</u>				
Net realized loss on disposals of investments (Note 4)	(4,004,893)	(546,771)	(4,384,383)	(1,321,576)
Net unrealized gains on investments (Note 4)	4,212,980	1,850,570	4,745,956	2,946,409
	208,087	1,303,799	361,573	1,624,833
<u>Other Income</u>				
Dividend, interest, advisory services, and other income	26,714	29,186	68,641	57,681
<u>Expenses</u>				
Professional fees (Note 9)	41,996	53,848	162,467	168,102
Salaries and other employment benefits (Note 9)	52,620	58,660	158,399	179,982
Transfer agent and filing fees	3,999	4,814	16,380	20,312
General and administrative	3,521	1,433	9,226	16,475
Travel and promotional	611	2,977	611	2,977
	(102,747)	(121,732)	(347,083)	(387,848)
Net Income Before Tax	132,054	1,211,253	83,131	1,294,666
Income tax expense	-	-	-	(31,440)
Net Income and Comprehensive Income	132,054	1,211,253	83,131	1,263,226
Net Income per Share				
Basic and diluted	0.001	0.013	0.001	0.013
Weighted Average Number of Shares Outstanding				
Basic	90,954,738	93,625,519	90,812,513	94,156,657
Diluted	91,109,775	93,625,519	90,967,551	94,156,657

The accompanying notes are an integral part of these unaudited condensed interim financial statements

Quinsam Capital Corporation

Unaudited Condensed Interim Statements of Changes in Shareholders' Equity

For the Nine Months ended September 30, 2025 and 2024

(Expressed in Canadian Dollars)

	Number of Shares #	Share Capital \$	Deferred Share Units \$	Share-Based Payments \$	Accumulated Deficit \$	Total \$
Balance, December 31, 2023	94,445,106	18,460,009	648,271	395,568	(7,262,876)	12,240,972
Repurchase of common shares (Note 6)	(2,104,000)	(411,373)	-	-	304,567	(106,806)
Net income and comprehensive income	-	-	-	-	1,263,226	1,263,226
Balance, September 30, 2024	92,341,106	18,048,636	648,271	395,568	(5,695,083)	13,397,392
Balance, December 31, 2024	90,845,106	17,756,139	648,271	486,187	(9,757,200)	9,133,397
Repurchase of common shares cancelled (Note 6)	(996,000)	(194,738)	-	-	149,739	(44,999)
Issuance of common shares on exercise of DSUs (Note 6)	3,767,338	648,271	(648,271)	-	-	-
Expiry of stock options (Note 8)	-	-	-	(142,309)	142,309	-
Cancellation of stock options (Note 8)	-	-	-	(32,714)	32,714	-
Net income and comprehensive income	-	-	-	-	83,131	83,131
Balance, September 30, 2025	93,616,444	18,209,672	-	311,164	(9,349,307)	9,171,529

The accompanying notes are an integral part of these unaudited condensed interim financial statements

Quinsam Capital Corporation

Unaudited Condensed Interim Statements of Cash Flows

For the Three and Nine Months ended September 30, 2025 and 2024

(Expressed in Canadian Dollars)

	Three Months ended September 30,		Nine Months ended September 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
<u>Operating Activities</u>				
Net income for the period	132,054	1,211,253	83,131	1,263,226
Adjustments for non-cash items:				
Net realized loss on disposals of investments	4,004,893	546,771	4,384,383	1,321,576
Unrealized gains on investments	(4,212,980)	(1,850,570)	(4,745,956)	(2,946,409)
Interest accrued on debenture investments	-	(11,092)	(9,050)	5,382
Income tax expense	-	-	-	31,440
	(76,033)	(103,638)	(287,492)	(324,785)
Changes in non-cash working capital:				
Receivables	14,700	-	59,384	-
Accounts payable and accrued liabilities	(55,292)	(14,275)	(51,079)	(69,254)
	(40,592)	(14,275)	8,305	(69,254)
Net additions in investments				
Purchases of investments	(304,500)	(400,000)	(768,000)	(705,000)
Proceeds on disposition of investments	402,038	-	1,143,994	586,426
	97,538	(400,000)	375,994	(118,574)
Cash Flows provided by (used in) Operating Activities	(19,087)	(517,913)	96,807	(512,613)
<u>Financing Activities</u>				
Repurchase of common shares (Note 6)	-	(71,189)	(44,999)	(106,806)
Cash Flows used in Operating Activities	-	(71,189)	(44,999)	(106,806)
Increase (decrease) in cash and cash equivalents	(19,087)	(589,102)	51,808	(619,419)
Cash and cash equivalents, beginning of period	384,129	1,148,855	313,234	1,179,172
Cash and cash equivalents, end of period	365,042	559,753	365,042	559,753

The accompanying notes are an integral part of these unaudited condensed interim financial statements

Quinsam Capital Corporation

Notes to the Unaudited Condensed Interim Financial Statements
For the Three and Nine Months ended September 30, 2025 and 2024
(Expressed in Canadian Dollars)

1. Nature of Operations

Quinsam Capital Corporation (“Quinsam” or the “Company”) was incorporated under the *Canada Business Corporations Act* on March 18, 2004, in the Province of British Columbia. The Company is an investment and merchant banking firm focused on small cap investments which it believes are undervalued. The Company’s common shares are listed on the Canadian Securities Exchange under the ticker symbol “QCA”. The Company is domiciled in Canada and its registered and records office is located at 120 Adelaide Street West, Suite 2500, Toronto, Ontario, M5H 1T1, Canada.

2. Basis of Preparation

(a) Statement of Compliance

The Company’s unaudited condensed interim financial statements, including comparatives, have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board and IFRIC® Interpretations of the IFRS Interpretations Committee. These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standards 34 – Interim Financial Reporting (“IAS 34”).

These unaudited condensed interim financial statements were reviewed, approved, and authorized for issuance by the Board of Directors (the “Board”) of the Company on November 12, 2025.

(b) Basis of Presentation

These unaudited condensed interim financial statements have been prepared in accordance with IFRS® Accounting Standards applicable to a going concern, using the historical cost basis except for the revaluation of investments at fair value. In addition, these unaudited condensed interim financial statements have been prepared using the accrual basis of accounting.

(c) Functional and Presentation Currency

These unaudited condensed interim financial statements have been prepared and presented in Canadian dollars (\$), which is also the functional currency of the Company. The functional currency is the currency of the primary economic environment in which the Company operates.

(d) Material Accounting Judgments and Estimates

The preparation of these unaudited condensed interim financial statements in accordance with IFRS® Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenue, and expenses. These are consistent with those noted in the Company’s audited financial statements for the year ended December 31, 2024, unless otherwise noted.

3. Material Accounting Policies

The material accounting policies applied by the Company in these unaudited condensed interim financial statements are the same as those noted in the Company’s audited financial statements for the year ended December 31, 2024, unless otherwise noted.

4. Investments

The Company’s investments portfolio consisted of the following securities as at September 30, 2025:

Investments	Fair Value				Total fair value
	Cost	Level 1	Level 2	Level 3	
	\$	\$	\$	\$	\$
Equities	8,889,003	4,650,430	199,500	3,348,292	8,198,222
Warrants	720,889	-	523,429	159,451	682,880
Convertible debentures	1,023,999	-	-	-	-
Loans	1,758,796	-	-	-	-
Total investments	12,392,687	4,650,430	722,929	3,507,743	8,881,102

Quinsam Capital Corporation

Notes to the Unaudited Condensed Interim Financial Statements
For the Three and Nine Months ended September 30, 2025 and 2024
(Expressed in Canadian Dollars)

4. Investments (continued)

The Company's investments portfolio consisted of the following securities as at December 31, 2024:

Investments	Fair Value				Total fair value
	Cost	Level 1	Level 2	Level 3	
	\$	\$	\$	\$	\$
Equities	13,017,309	3,592,272	516,562	4,061,086	8,169,920
Warrants	792,332	7,000	222,488	166,142	395,630
Convertible debentures	1,609,127	-	154,973	-	154,973
Loans	1,908,796	-	150,000	-	150,000
Total investments	17,327,564	3,599,272	1,044,023	4,227,228	8,870,523

Level 3 fair value hierarchy

The following table presents the changes in fair value measurements classified at Level 3 of the fair value hierarchy. The financial instruments are measured at fair value utilizing non-observable market inputs. The net realized loss on disposals of investments and the net change in unrealized gains (loss) on investments are recognized in the statements of income and comprehensive income.

	Opening balance	Purchases / loans	Disposals / Transfers to Level 1 and 2	Proceeds	Net realized loss	Net unrealized gains (loss)	Ending balance
	\$	\$	\$	\$	\$	\$	\$
September 30, 2025	4,227,228	312,500	(967,500)	-	(2,425,157)	2,360,672	3,507,743
December 31, 2024	7,075,208	280,000	(1,086,722)	(15,000)	(1,270,101)	(756,157)	4,227,228

Within Level 3 of the fair value hierarchy, the Company included private company investments and other investment instruments such as convertible debentures and loans which are not quoted on a recognized securities exchange. The key assumptions used in the valuation of these instruments include, but are not limited to, the value at which a recent financing was done by the investee company, company-specific information, trends in general market conditions and the share performance of comparable publicly traded companies.

When a private company investment changes its status to a publicly-listed investment which meets Level 1 or Level 2 criteria, the investment is transferred out of Level 3 of the fair value hierarchy. A transfer is recorded upon the occurrence of a liquidity transaction for an investee company, which includes, but is not limited to, a business combination between the entity and a public corporation pursuant to a reverse takeover, merger, amalgamation, arrangement, take-over bid, or an initial public offering of the entity. The transfers are recorded on the date that such a liquidity transaction is completed.

The following table presents the valuation techniques, and the nature of significant inputs used to determine the fair values of the Level 3 investments as at September 30, 2025:

	Total fair value	Method	Unobservable inputs	Range of inputs
	\$			
Equities	3,348,292	Transaction price, indexing per industry benchmark	Recent purchase price.	N/A
Warrants	159,451	Black-Scholes	Market prices, volatility, risk-free interest rate.	Volatility ranging from 82% to 168%
	3,507,743			

Quinsam Capital Corporation

Notes to the Unaudited Condensed Interim Financial Statements
For the Three and Nine Months ended September 30, 2025 and 2024
(Expressed in Canadian Dollars)

4. Investments (continued)

Level 3 fair value hierarchy (continued)

Within Level 3 of the fair value hierarchy, for those investments valued based on recent financings, management has determined that there are no reasonably possible alternative assumptions that would change the fair value significantly as at September 30, 2025. For those investments valued based on trends in comparable publicly traded companies and general market conditions, the inputs can be highly judgmental.

As at September 30, 2025, a 10% change in the fair value of these Level 3 investments would result in a corresponding change of approximately +/- \$350,800 (December 31, 2024 +/- \$422,700) change to the fair value of the investments. The sensitivity analysis is intended to reflect the uncertainty inherent in the valuation of these investments under current market conditions, and its results cannot be extrapolated due to non-linear effects that changes in valuation assumptions may have on the fair value of these investments. Furthermore, the analysis does not indicate the probability of such changes occurring, and it does not necessarily represent the Company's view of expected future changes in the fair value of these investments.

5. Accounts Payable and Accrued Liabilities

	September 30, 2025	December 31, 2024
	\$	\$
Trade payables	1,709	1,545
Accrued liabilities	72,906	124,149
Total accounts payable and accrued liabilities	74,615	125,694

Accounts payable and accrued liabilities of the Company are principally comprised of amounts outstanding incurred in the normal course of business. The Company's standard term for trade payable is 30 to 60 days.

6. Share Capital

Authorized share capital

The Company is authorized to issue an unlimited number of common shares and preferred shares without par value. The preferred shares may be issued in one or more series, and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions, and conditions attached to the shares of each series. The Company has not issued any preferred shares to date.

Common shares issued and outstanding as at September 30, 2025 are as follows:

	Number of common shares	Amount
	#	\$
Balance, December 31, 2024	90,845,106	17,756,139
Repurchased shares held in treasury to be cancelled	(996,000)	(194,738)
Shares issued on exercise on DSUs	3,767,338	648,271
Balance, September 30, 2025	93,616,444	18,209,672

During the nine months ended September 30, 2025, a total of 996,000 common shares (2024 – 2,104,000 repurchased shares) were repurchased for \$44,999 (2024 – \$106,806) under a normal course issuer bid. These repurchased shares were cancelled and returned to the treasury.

On September 3, 2025, the Company also issued 3,767,338 common shares on exercise of 3,767,338 deferred share unit (each, a "DSU"). An amount of \$648,271 representing the grant date fair value of these DSUs was reallocated to share capital.

There were no other share capital transactions during the nine months ended September 30, 2025 and 2024.

Quinsam Capital Corporation

Notes to the Unaudited Condensed Interim Financial Statements
For the Three and Nine Months ended September 30, 2025 and 2024
(Expressed in Canadian Dollars)

7. Deferred Share Units Reserve

The Company operates a DSU Plan, under which, one DSU is equivalent in value to one common share of the Company. The maximum number of shares that are issuable under the DSU Plan, and in combination with all other equity incentive plans at any time, shall not exceed 10% of the issued and outstanding common shares of the Company. The maximum number of shares issuable to insiders under the DSU Plan, at any time, shall not exceed 10% of the issued common shares, and the maximum number of DSUs which may be granted to any one person under the DSU Plan, in any 12-month period, shall not exceed 5% of the issued common shares calculated on the grant date of such DSU. Any vesting conditions for DSUs are determined by the Compensation and Corporate Governance Committee of the Board of the Company. Notwithstanding any other provision of the DSU Plan, the Board may in its sole discretion accelerate and/or waive any vesting or other conditions for all or any DSUs for any participant at any time.

All DSUs credited under the DSU Plan shall remain in the DSU accounts and shall be settled or forfeited in accordance with the terms of the DSU Plan. Whenever cash dividends or distributions are paid on the common shares of the Company, additional DSUs will be credited to a participant's DSU account. The number of such additional DSUs will be calculated by multiplying the per share dividend rate by the number of DSUs held at that time in the participant's DSU account.

On September 3, 2025, 3,767,338 DSUs were exercised into common shares of the Company. As at September 30, 2025, there were no outstanding DSUs (December 31, 2024 – 3,767,338 DSUs) under the DSU Plan.

8. Share-Based Payments Reserve

The Company maintains a stock option plan (the "Option Plan"), whereby certain key employees, officers, directors and consultants may be granted stock options for common shares of the Company. The maximum number of common shares that are issuable under the Option Plan is limited to 10% of the number of outstanding common shares. As at September 30, 2025, the Company had 4,246,644 common shares that are issuable under the Option Plan.

Under the Option Plan, the exercise price of each option may not be less than the market price of the Company's stock as calculated on the date of grant less an applicable discount. Options can be granted for a maximum term of five years, and vesting periods are determined by the Board.

The following summarizes the stock option activities for the nine months ended September 30, 2025 and 2024:

	2025		2024	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	#	\$	#	\$
Outstanding, beginning of period	7,815,000	0.12	4,940,000	0.16
Expired	(2,275,000)	0.13	-	-
Cancelled	(225,000)	0.13	-	-
Cancelled	(200,000)	0.19	-	-
Outstanding, end of period	5,115,000	0.11	4,940,000	0.16
Exercisable, end of period	5,115,000	0.11	4,940,000	0.16

On February 25, 2025, 225,000 stock options exercisable at \$0.13 and 200,000 stock options exercisable at \$0.19 were cancelled upon the resignation of a former director. An amount of \$32,714 representing the grant date fair value of these options was reallocated to accumulated deficit.

On August 25, 2025, 2,275,000 stock options exercisable at \$0.13 expired unexercised. An amount of \$142,309 representing the grant date fair value of these options was reallocated to accumulated deficit.

Quinsam Capital Corporation

Notes to the Unaudited Condensed Interim Financial Statements
For the Three and Nine Months ended September 30, 2025 and 2024
(Expressed in Canadian Dollars)

8. Share-Based Payments Reserve (continued)

The following table summarizes information of stock options outstanding and exercisable as at September 30, 2025:

Date of expiry	Number of options outstanding #	Number of options exercisable #	Weighted average exercise price \$	Weighted average remaining contractual life Years
May 31, 2026	1,640,000	1,640,000	0.19	0.67
May 31, 2027	200,000	200,000	0.10	1.67
December 4, 2029	2,875,000	2,875,000	0.05	4.18
	5,115,000	5,115,000	0.11	2.68

9. Related Party Transactions and Balances

In accordance with IAS 24 – Related Party Disclosures, key management personnel, including companies controlled by them, are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. The remuneration of directors and key executives is determined by the compensation committee of the Board.

The remuneration of directors and other members of key management personnel during the three and nine months ended September 30, 2025 and 2024 were as follows:

	Three Months ended September 30,		Nine Months ended September 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Salaries and other benefits	52,620	57,790	158,399	179,112
Professional fees	20,340	20,340	61,020	74,580
	72,960	78,130	219,419	253,692

During the three and nine months ended September 30, 2025, officers and directors of the Company were paid compensation benefits of \$52,620 and \$158,399, respectively, for services rendered (2024 – \$57,790 and \$179,112, respectively), which were charged to salaries, and other benefits. As at September 30, 2025, no payroll balance was owed to any officers and directors (December 31, 2024 – \$nil).

During the three and nine months ended September 30, 2025, Blueknight Advisory Services Inc. (“Blueknight”), where the Chief Financial Officer (“CFO”) of the Company is the principal, charged professional fees of \$20,340 and \$61,020, respectively, (2024 – \$20,340 and \$20,340, respectively) for CFO and accounting services provided to the Company, which are included in professional fees. As at September 30, 2025, no balance was owed to Blueknight (December 31, 2024 – \$nil).

During the nine months ended September 30, 2024, Branson Corporate Services Ltd. (“Branson”), where the CFO was formerly a director, charged professional fees of \$54,240, for accounting and administrative services, which are included in professional fees. Branson’s services were terminated effective June 30, 2024. As at September 30, 2025, no balance was owed to Branson (December 31, 2024 – \$nil).

Quinsam Capital Corporation

Notes to the Unaudited Condensed Interim Financial Statements
For the Three and Nine Months ended September 30, 2025 and 2024
(Expressed in Canadian Dollars)

9. Related Party Transactions and Balances (continued)

Investments in companies with common insiders

As at September 30, 2025, the Company held investment positions in the following issuers with common officers and directors:

Issuers	Investments	Holdings	Fair Value
		#	\$
California Nanotechnologies Corp. ⁽¹⁾	Common shares	1,712,000 shares	624,880
California Nanotechnologies Corp. ⁽¹⁾	Warrants	300,000 units	35,130
Deveron Corp. ⁽¹⁾	Common shares	500,000 shares	-
Nevada Organic Phosphate Inc. ^{(2), (3)}	Common shares	6,325,000 shares	569,250
Nevada Organic Phosphate Inc. ^{(2), (3)}	Warrants	2,325,000 units	154,495
Reeflex Solutions Inc. ⁽²⁾	Common shares	937,500 shares	159,375
			1,543,130

(1) Roger Dent (CEO) is a Director of California Nanotechnologies Inc. and Deveron Corp. Subsequent to September 30, 2025, Mr. Dent resigned as Director of Deveron Corp.

(2) Eric Szustak (Chairman) is a Director of Nevada Organic Phosphate Inc. and Reeflex Solutions Inc.

(3) Keith Li (CFO) is an Officer of Nevada Organic Phosphate Inc.

10. Financial Instruments and Risk Management

The Company's financial instruments consist primarily of cash and cash equivalents, receivables, investments, and accounts payable and accrued liabilities. The Company is exposed to various risks as it relates to these financial instruments. Management, in conjunction with the Board, mitigates these risks by assessing, monitoring and approving the Company's risk management process. There have not been any changes in the nature of these risks or the process of managing these risks from the previous reporting periods.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents, and receivables (including loans), which expose the Company to credit risk should the borrower default on the maturity of the instruments. Cash and cash equivalents are currently held with several reputable Canadian financial institutions, which are available on demand. Management believes that the credit risk concentration with respect to financial instruments included in cash and cash equivalents is minimal.

The Company's second exposure to credit risk is on receivables. At each reporting period, management assesses the credit risk of its receivables. Where collection risk may exist, the Company may record an allowance for expected credit losses ("ECL"). During the nine months ended September 30, 2025, no allowance for ECL was recorded on any convertible debentures and loan investments (2024 – \$nil).

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company manages its liquidity risk by reviewing its capital requirements on an ongoing basis. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from disposals of its investment holdings.

As at September 30, 2025, the Company had a cash balance of \$365,042 (December 31, 2024 – cash and cash equivalents of \$313,234), and Level 1 investments in shares of \$4,650,430 (December 31, 2024 – \$3,592,272) which it can liquidate, to settle current liabilities of \$74,615 (December 31, 2024 – \$125,694).

Quinsam Capital Corporation

Notes to the Unaudited Condensed Interim Financial Statements
For the Three and Nine Months ended September 30, 2025 and 2024
(Expressed in Canadian Dollars)

10. Financial Instruments and Risk Management (continued)

Liquidity risk (continued)

The following table summarizes the carrying amount and the contractual maturities of both the interest and principal portion of significant financial liabilities as at September 30, 2025:

	Carrying amount	Year 1	Year 2 to 3	Year 4 to 5
	\$	\$	\$	\$
Accounts payable	74,615	74,615	-	-

The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecasts and actual cash flows for a rolling period of 12 months to identify financial requirements. Where insufficient liquidity may exist, the Company may dispose of certain of its investments for cash or pursue various debt and equity instruments for short or long-term financing of its operations.

Management believes there is sufficient capital to meet short-term business obligations, after taking into account cash flow requirements from operations and the Company's cash and Level 1 shares investments position as at September 30, 2025.

Foreign exchange risk

Foreign exchange risk is the risk that the Company will be subject to foreign currency fluctuations in satisfying obligations related to its foreign activities. The Company invests from time to time into securities, debentures and loan investments issued and denominated in foreign currencies, notably in United States dollars. The Company's primary exposure to foreign exchange risk is that investments in foreign securities may expose the Company to the risk of exchange rate fluctuations. IFRS® Accounting Standards.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flow from a financial instrument will fluctuate because of changes in the market interest rate. The Company's exposure to interest rate risk relates to its ability to earn interest income on cash at variable rates. The fair value of the Company's convertible debentures and loan investments affected by changes in short-term interest rates will be minimal. The Company does not use any derivative instruments to reduce its exposure to interest rate risk.

Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices. The Company is exposed to market risk in trading its investments and unfavorable market conditions could result in disposal of investments at less than favorable prices. A 1% change in the closing trade price of the Company's investments portfolio would impact net loss by approximately \$88,800 based upon balances as at September 30, 2025 (December 31, 2024 – approximately \$88,700).

Other risks

The Company may from time to time be subject to risks which are beyond its control, such as Russia's continued invasion of Ukraine, and the on-going Israel-Hamas conflict, which have spurred a rally in precious metal prices including gold and silver, of which both are minerals that certain investee companies in the Company's investments portfolio are exploring for. Economic conditions, such as recessionary trends, inflation, supply chain disruptions, interest and monetary exchanges rates, government fiscal policies, and the recent economic uncertainties resulting from certain changes in U.S. global economic policy, including changes on global trade policies, can have an indirect but significant impact on our operations. The Company manages such risks by regularly rebalancing its portfolio when needed. The Company also assesses potential regulatory and geo-political risks of the business location of potential investee companies in its selection process.

Quinsam Capital Corporation

Notes to the Unaudited Condensed Interim Financial Statements
For the Three and Nine Months ended September 30, 2025 and 2024
(Expressed in Canadian Dollars)

11. Capital Management

The Company manages its capital, consisting of shareholders' equity, in a manner consistent with the risk characteristics of the assets it holds. The Company's objectives when managing capital are:

- (a) to maintain sufficient liquidity to allow the Company to pursue business opportunities expeditiously; and
- (b) to earn investment returns while managing risk.

The Company meets its objective of managing capital through its detailed review and performance of due diligence on all potential investments and acquisitions. Management reviews its capital management approach on an on-going basis and believes that this approach, given the small size of the Company, is reasonable.

There have been no changes in its approach to capital management since the end of the last reporting period.

The Company is not subject to externally imposed capital requirements.

12. Operating Segment Information

Management is responsible for the Company's entire investments portfolio and considers the business to have a single operating segment. The management's investment decisions are based on a single, integrated investment strategy, and the performance is evaluated on an overall basis. The Company has a single reportable geographic segment, Canada, and all of the Company's management are based in Canada.

The internal reporting provided to management of the Company's assets, liabilities, and performance is prepared on a consistent basis with the measurement and recognition principles of IFRS® Accounting Standards. There were no changes in the reportable segment since the end of the last reporting period.