



Quinsam Monthly Update for September 2014 Initiation of Quarterly Dividend Announcement of “Shell” Initiative

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Toronto, Ontario – October 2, 2014 - Quinsam Capital Corporation (CSE:QCA) (“**Quinsam**” or the “**Company**”) today provided an update on activities for September 2014.

Quinsam completed the purchase of investments in Bioniche Life Sciences Inc., Poydras Gaming Finance Corp. and Manitok Energy Inc. in September.

Bioniche is a focused, human therapeutics company with a late-stage asset for bladder cancer for which Bioniche is now preparing for the filing of a Biologics License Application, projected to be submitted prior to March 31, 2015. We participated in a unit offering by Bioniche which included particularly attractive 5 year warrants.

Poydras is an operator of slot machine-type gambling equipment in US casinos. We like the cash flow generation characteristics of the business. The company recently announced a major acquisition which we expect to sharply boost reported EBITDA.

We bought shares in Manitok after it announced favourable production information from its second “Entice” well. The stock had earlier fallen from favour after it reported its second quarter results. We think that the stock will recover as more Entice well data are released.

Performance Update

“Quinsam has pursued a very selective investment strategy since implementation of the company’s new business plan in November 2013. Management is of the opinion that this approach provides the opportunity for the company to earn extraordinary returns and we believe that our performance in September 2014 clearly illustrates the impact of the strategy” said Roger Dent, CEO of Quinsam.

To provide background, September was a challenging month for small cap stocks in Canada, with the TSX Venture Exchange declining by approximately 11%, its worst performance in many months.

The Company closed the month with a total portfolio of \$2.6 million. As at the end of the preceding month, the unaudited total value of the Quinsam’s cash and equity investments was approximately \$1.9 million. To give an earlier reference point, Quinsam had assets of approximately \$0.2 million in October 2013. Quinsam raised net proceeds of \$0.6 million in November 2013 and further net proceeds of approximately \$0.9 million in March 2014 for total investable proceeds and starting assets of approximately \$1.7 million.

The largest contributor to our September performance was EnerDynamic Hybrid Technologies, which commenced trading in September. We also saw an increase in value by another of our large holdings, Nuvo Research, with lesser gains in other investments as well.

An important component of our business strategy is the accumulation of purchase warrants at little or no cost. Quinsam now holds approximately 2.1 million warrants with an aggregate basic exercise value of approximately \$1.1 million. The exercise value is not an indication of the economic value of the warrants; we provide it to investors so they can understand the amount of upside leverage that we are accumulating through our warrant portfolio. We value unlisted warrants at intrinsic value, which we see as being a conservative approach.

Initiation of Quarterly Dividend

Quinsam management believes that dividends should be an important facet of shareholder returns whenever possible. Accordingly, it has been a goal of Quinsam management to have a meaningful dividend on Quinsam shares. With the impact of Quinsam's differentiated strategy being made evident in our most recent results, the board feels that the time is now right to initiate a regular quarterly dividend on Quinsam's shares.

The board has approved an initial quarterly dividend of \$0.001 per share (\$0.004 per share per year). This represents an indicated dividend yield of 2.5% based on the most recent trading price of \$0.16 per share. The initial dividend will be paid on November 7, 2014 to shareholders of record on October 22, 2014. This dividend will not be designated as an "eligible dividend" for Canadian income tax purposes. Future quarterly dividends will be subject to Board approval.

Announcement of Shell Initiative

In Canada it is a common practice for companies that wish to go public to do so by merging with an existing "shell" company. The owners of shell companies can generate excellent investment returns on such a transaction in the correct circumstances.

It has been a goal of the company's management for Quinsam to obtain a meaningful stake in a shell company. This is because Quinsam's management believes that it has the ability to identify and execute a successful "shell" transaction and thereby generate strong investment returns.

Quinsam is evaluating a number of alternatives to obtain a meaningful stake in a shell company. In addition, the company is interested in hearing from major shareholders in shell companies that might welcome the involvement of Quinsam. Quinsam hopes to have further news on this matter in the fourth quarter.

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 investors in Quinsam 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.