



Quinsam Announces Q1/2021 Results & Update

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Toronto, Ontario, May 26, 2021 – Quinsam Capital Corporation (CSE:QCA) (“Quinsam” or the “Company”) wishes to announce its Q1/2021 results, with net income of \$3.6 million (\$0.03 per share basic, \$0.03 fully diluted) versus a net loss of \$2.6 million (\$0.02 per share basic, \$0.02 fully diluted) in Q1/2020. Investors can access the Company’s full financial statements on sedar.com. In addition, Quinsam is pleased to announce an update on recent events.

“At March 31, 2021, we had net assets of \$0.35 per share, an increase of 10.2% from our December 31, 2020 level” said Roger Dent, CEO of Quinsam.

Q1/2021 Results

Market conditions continued to be broadly favourable in Q1/2021 which helped the valuations of several of our publicly-traded investments. This also improved the prospects for our private company and debt investments, although our carrying values were not necessarily impacted.

We took advantage of liquid markets and exited a number of share positions including Skylight Health, Nexxe and Helix TCS. All were solidly profitable investments for us.

We saw a significant increase in the valuation of our shares in private company New Hope Medical Group as the company raised funds at 4x our cost base. We also saw a significant increase in the value of our City View Green shares, which increased from \$0.065 to \$0.09. We saw a material increase in the value of our Nutritional High share position, which we largely exited in the quarter.

We purchased and subsequently sold a number of unit new issues in the quarter. Most notable were profitable investments in Halo Labs, Bigg Digital Assets, Excelsior Mining and Tetra Bio-Pharma.

“Overall we are quite happy with our Q1/2021 results” said Roger Dent. “We reported a solid financial result. Ongoing favourable market conditions continue to provide a viable

environment for liquidity events for our private company investments. So far in 2021 we have seen liquidity events by Cannus Partners (trading as Ikanik Farms) and Wildpack. We expect to see quite a few more in the coming months including Agriforce, PMML, Pluribus, Pathway Health, First Helium, Green Impact, INX, Xebra, Green Stripe and Budbank/Trees.”

Update

After a very strong performance in Q1/2021, the overall tone in the small cap market has moderated in Q2.

We have highlighted that one of our investee companies, Agriforce Growing Systems Ltd., has filed an S-1 Statement to facilitate an initial public offering in the United States. While there is no certainty that the IPO will be completed, we currently expect the IPO to close in Q2/2021. If the IPO is completed in the target price range, we expect to see a strong gain on our share position.

We are looking forward to a listing in the near term by PMML, which operates the Rivalry e-sports betting platform. This is poised to be one of Quinsam’s most successful investments. In 2016, we purchased \$50,000 of units at C\$0.05 (including a full warrant at C\$0.05) which we carried at an aggregate of approximately C\$800,000 as at March 31, 2021 based on PMML’s then most recent US\$0.34 per share equity financing. We understand that the company has sold and will shortly close a financing at US\$0.58 per share and expects to list in Q3/2021. The US\$0.58 price implies an increase in value of approximately US\$480,000 on our aggregate holding versus our March 31, 2021 carrying value.

We acquired debentures and warrants of Cannus Partners some years ago. This company listed in April 2021 as Ikanik Farms and has traded at a solid premium to our cost.

In Q1/2021, we acquired \$250,000 of units of Wildpack, a co-packer of canned beverages. Wildpack commenced trading last week and the units have increased in value by a solid margin based on recent trading versus our unit cost of \$0.90.

In recent months, Quinsam has invested in a number of other new companies including Music Royalties, Pluribus, Budbank/Trees, First Helium, Peninsula Capital, Virotek, INX, Above Food, Pathway Health, Green Impact, Orchid Ventures and Current Water Technology.

We have seen improving liquidity in some of our older cannabis positions. Consortium, Stem Holdings, Helix TCS and Aion have all recently repaid our convertible debentures. FlowerOne completed a debt restructuring and we have seen a strong subsequent increase in the value of our holdings. Inner Spirit has received a takeover bid and the value of our convertible debentures has also improved.

“Small cap market conditions have continued to be favourable” said Roger Dent, CEO of Quinsam. “While we want to take advantage of this market, we are being cautious about making new illiquid investments based on current euphoria.”

Issuer Bid Update

Quinsam's issuer bid was not active in Q1/2021 because the bid was in trading black-out awaiting release of our Q4/2020 results. The bid will be permitted to be active following this earnings release until June 30, 2021.

About Quinsam Capital Corporation

Quinsam is a merchant bank with a focus on "small cap" investments which it believes are undervalued. We do not invest on behalf of third parties or offer investment advice.

Generally, Quinsam does not believe that individual investments are material events. Quinsam may choose to announce certain investments once the company has finished buying its position because we feel that this information helps investors understand our decision-making process. Generally, Quinsam does not announce 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 making assumptions which include, among other things, that (i) Quinsam will have sufficient capital 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. Quinsam 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 risks and other factors that could cause actual results to differ materially from those expressed in forward-looking information 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 our investments in certain industries and sectors, reliance on key personnel, risks affecting 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 Quinsam has attempted to identify factors that could cause actual events or results to differ materially from those described in forward-looking information, there may be 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 this date, based upon the opinions and estimates of management and information available to management as at this date. Quinsam 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 herein.