



Quinsam Announces Q3/2021 Results

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Toronto, Ontario, November 18, 2021 – Quinsam Capital Corporation (CSE:QCA) (“Quinsam” or the “Company”) wishes to announce its Q3/2021 results, with a net loss of \$0.7 million (\$0.01 per share basic, \$0.01 fully diluted) versus net income of \$0.8 million (\$0.01 per share basic, \$0.01 fully diluted) in Q3/2020. Investors can access the Company’s full financial statements on sedar.com.

“At September 30, 2021, we had net assets of \$0.341 per share, still up materially from our December 31, 2020 level of \$0.317 per share” said Roger Dent, CEO of Quinsam. “Our NAV was down marginally from \$0.345 at the end of Q2/2021, with the impact of our Q3/2021 loss being offset to a significant degree by the favourable impact of our normal course issuer bid repurchases of shares at a discount to NAV. We also paid a dividend of \$0.00125 per share. Our NAV decline in the quarter was only about 1%.”

Q3/2021 Results & Update

After a strong performance in Q1/2021, the overall tone in the small cap market moderated in Q2/2021. In Q3/2021, small cap markets remained subdued with significant volatility in many parts of the market. The TSX Venture Composite index declined from 960.69 on June 30, 2021 to 858.87 on September 30, 2021, a decline of 10.6%.

“We had hoped for a better result in Q3/2021” said Roger Dent, CEO of Quinsam Capital. “While our NAV did not grow in Q3/2021, as has been the case for some time, we have continued to move into newer investments where we see better appreciation potential.”

Quinsam had two issuers with material liquidity events early in Q3/2021: Agriforce Growing Systems and Hemsana. Unfortunately, in the context of the difficult small cap market, both of these companies saw share price declines following their listings on no reported negative developments. Accordingly, these events did not contribute to NAV growth. In Q3/2021, we also received the full repayment of our loan to Herbiculture Inc., a Maryland dispensary operation. We retain an option to acquire 30% of the dispensary.

In October 2021, our investee PMML went public under the name Rivalry Corp. This has been a very successful investment for us. In 2016, we purchased \$50,000 of units at the equivalent of \$0.225 (including a full warrant coverage at C\$0.225) versus the current share price of about \$3 per share, similar to our Q3/2021 carrying value.

Quinsam expects liquidity events in the coming months by a number of issuers. While Q3/2021 liquidity events did not contribute to NAV, we are hopeful that upcoming liquidity events will have a more favourable impact. Some issuers where we expect liquidity events in the coming months include Liquid Meta (crypto currency liquidity provider), INX (SEC-cleared crypto currency trading platform), Pluribus (software roll up), Strategic Minerals Europe (tin), Forrest Innovations (mosquito control technology) and Givex (payment processing technology). As we move into 2022, we are also looking forward to listings by Above Food (plant based food), Music Royalties, Peninsula Capital (high yield US residential real estate), Gefion (innovative transdermal drug delivery technology), Chargerquest (electric car charging stations), Green Stripe (cannabis), Budbank (cannabis), Canada Energy Partners (Gabon oil & gas), Pfane (circuit board recycling) and other investee companies.

We have acquired positions in recent months in Givex, Strategic Minerals Europe, Roo Gold, Zodiac Gold, Pfane, ChargerQuest and Forrest Innovations.

Issuer Bid

In Q3/2021, Quinsam acquired 2,609,500 shares pursuant to its issuer bid to acquire up to 5,174,605 shares that commenced on August 31, 2021 and will terminate on August 30, 2022. As a result of the purchases in Q3/2021, to date the Company has acquired 2,609,500 shares pursuant to this issuer bid. Quinsam has now repurchased and cancelled 19.6 million shares since 2018 pursuant to its issuer bids, resulting in significant NAV accretion for remaining shareholders.

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 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.