



Quinsam Reports Q1/2022 Results

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Toronto, Ontario, May 25, 2022 – Quinsam Capital Corporation (CSE:QCA) (“Quinsam” or the “Company”) is announcing its Q1/2022 results, with a net loss of \$1.7 million for the quarter (\$0.02 per share basic, \$0.02 fully diluted) versus net income of \$3.6 million (\$0.03 per share basic, \$0.03 fully diluted) in Q1/2021.

“At March 31, 2022, we had net assets of approximately \$0.28 per share outstanding” said Roger Dent, CEO. “Our shares continue to trade at a very steep discount of about 2/3 from NAV.”

Investors can access the Company’s full financial statements on sedar.com.

Recent Activity

Small cap market conditions were difficult in Q1/2022 and have remained so to date in Q2/2022.

Quinsam raised cash in Q1/2022 with net sales of investments of over \$900,000. As at March 31, 2022, we had cash of approximately \$765,000. Since that time, our largest investee, a cannabis operation in Guelph (Med Compassion Cannabis Farms/251 Massey Road) completed a major refinancing. As a result, we received over \$1.5 million in principal, interest and fees from this investee. This has reduced our cannabis exposure by approximately 5% and has resulted in our current cash balance growing to over \$2 million.

Given recent market volatility, we have been hesitant about new investments. Also, we are trying to find new investments that allow Quinsam to be a differentiated vehicle in the market.

We have made one new recent investment, a \$200,000 investment in Silver Eagle Mines. This investment will provide us with an equity position of over 10% in this company as well as a substantial warrant position. Silver Eagle has a very interesting organic phosphate opportunity in Nevada. Silver Eagle had a very modest pre-money valuation in the \$1 million vicinity. Silver Eagle has filed a non-offering prospectus and we are hoping for

a listing prior to year-end. Given the minimal pre-money value, fertilizer prices and agricultural supply concerns, we are optimistic that this investment can perform very well even in current market conditions.

Given prevailing market conditions, the timing of future liquidity events is difficult to predict. We are still expecting liquidity events in the coming months from numerous issuers including Gefion, Above Food, Forrest Innovations, Pfane, Zodiac Gold, Electro Metals & Mining and Chargerquest. Given recent market conditions we are obviously cautious in our outlook. That being said these companies have all in our opinion made good progress since we invested.

Issuer Bid

In Q1/2022, Quinsam acquired no 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. To date the Company has acquired 3,449,000 shares pursuant to this issuer bid. Quinsam has now repurchased and cancelled over 20 million shares since 2018 pursuant to its issuer bids, resulting in significant NAV per share 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 the 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”, “esti-

mate”, “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.