



## **Quinsam Announces Year-End and Monthly Update for December 2014**

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Toronto, Ontario – January 6, 2015 - Quinsam Capital Corporation (CSE:QCA) ("Quinsam" or the "Company") today announced an update to investors.

A Look Back at 2014

2014 was the first full year of operations by Quinsam following a change of management in late 2013.

The year was certainly not an easy one for Canadian small cap investors. The TSX Venture Index opened the year at 921.24 and it closed the third quarter at 913.43 for a loss of about 1% in the first 9 months. The last quarter was very difficult, however, and the index closed the year at 687.92 for a total loss on the year of 25.3%.

In the context of this very difficult market, Quinsam was pleased to generate significant positive returns. We started the year with \$0.8 million of assets. We raised net proceeds of \$1.3 million during the year (with \$0.4 million closing just before year end) for total investable assets of \$2.1 million. We ended the year with assets of \$2.8 million, showing strong asset growth despite the difficult overall investment environment.

In addition to growing our reported assets, we materially grew our warrant portfolio. At the start of the year, our warrant portfolio was just 50,000 warrants. At year end, our portfolio stood at 7.7 million warrants from 13 issuers, all of which are carried at intrinsic value (which is often nil). In order to crystallize warrant value, during the year we profitably sold or exercised two tranches of warrants.

We were also pleased to sign our first two advisory agreements in 2014, one with each of Solarvest BioEnergy Inc. (SVS:TSX-V "Solarvest") and NTG Clarity Networks Inc. (NCI:TSX-V "NTG"). In both cases, Quinsam has a material investment and expects very positive developments.

Solarvest is an algae technology company that owns numerous key patents and whose algal-based production platform provides it with an extremely flexible production system. Solarvest has developed a patented (pending) process to produce the world's first organic Omega-3 using algae, to help meet the \$13 billion global Omega-3 market. We anticipate commercialization news in 2015.

NTG provides networking, IT and network-enabled application software solutions to network providers and large enterprises. The company has generated strong earnings and trades at a multiple of well under 10x trailing EPS.

In November we paid our first dividend to our investors. At the most recent trading price, the dividend yield exceeds 3%.

While current small cap markets are difficult and volatile, we are looking forward to 2015. We think that current markets can be very rewarding to investors who are both focused and patient.

#### December Investments

Quinsam undertook two important new investments in the month of December.

We acquired convertible debentures and warrants in Axios Mobile Assets Corp. ("Axios"). Axios is a logistics enabler, featuring next generation, bio-based pallet technology, which can be bundled with its proprietary tracking and information system that helps improve the value chain in the logistics market. The Axios bundled offering is gaining market acceptance based on its unique attributes: lower total cost, longer useful life, customized configurations and a revenue stream through carbon credit generation, monitoring and the monetizing of carbon emissions reductions. This was our third convertible debenture purchase and convertible debentures are now approaching 20% of Quinsam's total assets.

We participated in a new issue of units of Revive Therapeutics Ltd. ("Revive"). Revive has an interesting prospective new treatment for gout with expected near-term clinical results.

We made a number of smaller investments near year end to take advantage of stocks that we felt had been the subject of undue year-end selling.

#### Performance Update

The Company closed December with a total unaudited portfolio of \$2.8 million. This compared with \$2.4 million at the end of November; we also raised \$0.4 million in a private placement that closed in December.

## 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.

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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 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, regulato-

ry 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.