



## Quinsam Reports Q2/2022 Results

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**Toronto, Ontario, August 26, 2022** – Quinsam Capital Corporation (CSE: QCA) (“Quinsam” or the “Company”) is announcing its Q2/2022 results, with a net loss of \$4.6 million for the quarter (\$0.05 per share basic, \$0.05 fully diluted) versus a net loss of \$0.8 million (\$0.01 per share basic, \$0.01 fully diluted) in Q2/2021.

“At June 30, 2022, we had net assets (pro forma based on the July 5, 2022 cancellation of shares repurchased in the quarter pursuant to the Company’s normal course issuer bid) of approximately \$0.24 per share outstanding,” said Roger Dent, CEO. “Our shares continue to trade at a very steep discount of over 50% from NAV.”

Investors can access the Company’s full financial statements on [www.sedar.com](http://www.sedar.com).

### Recent Activity

Small cap market conditions continued to be extremely difficult in Q2/2022. Supply chain issues and fears of higher rates, inflation and recession had a particularly pronounced impact on small cap stocks.

Quinsam took a very cautious stance in the second quarter, making only one new investment, which was an addition to our holding in Saturn Oil & Gas. Saturn reported excellent results last week and currently trades at well below 1.5x run rate cash flow.

In Q2/2022, 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.

In light of market conditions, Quinsam elected to write down its private equity investments by 15% in Q2/2022 with a limited group of exceptions.

Given prevailing market conditions, the timing of future liquidity events is difficult to predict. Companies were reluctant or unable to trigger liquidity events in Q2 and this situation has continued due to volatile market conditions. That being said, we expect markets to adopt a more normal tone after Labour Day. We are still expecting liquidity events in the

coming months from numerous issuers including Silver Eagle, Gefion, Above Food, Forrest Innovations, Pfane, Zodiac Gold, Electro Metals & Mining and Chargerquest. Given recent market conditions, we are obviously cautious in our outlook.

As we head into the end of the year, Quinsam intends where possible to trigger tax losses in order to recover cash taxes paid in 2019 and 2021.

## **Issuer Bid**

In Q2/2022, Quinsam acquired 1,711,000 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 5,160,000 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.

Quinsam wishes to announce a new issuer bid to purchase up to 4,916,605 of its common shares (the "Bid"). The Company is commencing the Bid because it believes that the current market price of its common shares may not fully reflect the underlying value of the Company's business and future prospects. The Company believes that the repurchase of its common shares for cancellation is in the best interests of its shareholders because the Bid will increase the respective proportionate shareholdings and equity interests of all remaining shareholders. The Company will commence the Bid on September 6, 2022. The Bid will terminate on September 5, 2023, or on an earlier date in the event that the number of common shares sought in the Bid has been repurchased. The Company reserves the right to terminate the Bid earlier if it feels that it is appropriate to do so. All common shares will be purchased on the open market through the facilities of the Canadian Securities Exchange ("CSE"), and payment for the common shares will be made in accordance with CSE policies. The price paid for the common shares will be the prevailing market price at the time of purchase. Purchases may be suspended at any time, and no purchases will be made other than by means of open market transactions during the term of the Bid. The Company has engaged M Partners to act as the broker through which the Bid will be conducted.

## **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”, “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.