



Quinsam Highlights S-1 Filing by Investee Agriforce and Updates Investors on our Skylight Health and Empower Clinics Investments

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Toronto, Ontario, December 17, 2020 – Quinsam Capital Corporation (CSE: QCA) ("Quinsam" or the "Company") is pleased to announce that one of its investee companies, Agriforce Growing Systems Ltd. ("Agriforce"), has filed an S-1 Statement to facilitate an initial public offering in the United States. Agriforce is a company with proprietary cultivation technology that is designed to increase crop yields, decrease production costs, protect plants from pathogens and contamination and reduce the impact on the environment.

Quinsam made a number of investments in Agriforce in recent years. As at September 30, 2020, Quinsam owned 925,000 shares of Agriforce and warrants to purchase a further 925,000 shares. Since that time, Quinsam has exercised 700,000 warrants. The effective carrying cost of our current pre-consolidation holding of 1.625 million shares as at September 30, 2020 (including the cost of the warrant exercise) was approximately C\$1.1 million. This holding is less than 5% of the outstanding shares of Agriforce.

There is no certainty that Agriforce will complete its IPO transaction. Also, we caution investors that pre-IPO investors including Quinsam agreed to various escrow arrangements, so our ability to sell shares in the near term is limited. A closing of the IPO is possible in 2020 though an early 2021 closing looks more probable.

"We are pleased with the progress made by Agriforce" said Roger Dent, CEO of Quinsam. "We are hopeful that the IPO will be successfully concluded."

Update on Skylight Health and Empower Clinics

Quinsam would like to remind investors that it invested in \$150,000 of units of CBII Insights in September 2020. The company has since changed its name to Skylight Health. We acquired 1,000,000 units of the company at \$0.15 per unit, which included a half warrant at \$0.20. The units remain subject to a statutory hold until January 24, 2021. Skylight shares recently traded at \$1.20.

Quinsam made a number of investments in Empower Clinics in recent years. We disposed of our shares in this company in prior periods. We did however retain approximately 4 million warrants striking at \$0.12 and \$0.16, to which we attributed about \$8,000 of value as at September 30, 2020. The shares have recently performed well and we have exercised all of these warrants. We have disposed of the great majority of the resultant shares already, resulting in a profit of approximately \$500,000.

“At this point it is not clear where we will value our Agriforce Investment as at December 31. We also will have many other valuation adjustments in our other portfolio investments, both positive and negative. However, we wanted to let investors know at this time about the developments at these companies, which could have a material impact on Quinsam.”

About Quinsam Capital Corporation

Quinsam is a merchant bank based in Canada with a focus on “small cap” investments. 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 Quinsam’s investors understand its investment decision making process. Generally, Quinsam does not announce the sale of investments.

For further information please contact:

Roger Dent, CEO
(647) 993-5475
roger@quinsamcapital.com

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: 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 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 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.