



Quinsam Reports Strong Q3/2016 Financial Results And Increases Quarterly Dividend

**NOT FOR DISSEMINATION IN THE UNITED STATES OR FOR
DISTRIBUTION BY ANY UNITED STATES NEWS DISTRIBUTION SERVICE**

Toronto, Ontario – October 27, 2016 - Quinsam Capital Corporation (CSE: QCA) ("Quinsam" or the "Company") today released unaudited financial results for the quarter ended September 30, 2016, declared and increased its regular quarterly dividend and provided investors with an update on recent developments.

Q3/2016 Results

Quinsam reported net income of \$371,384 in Q3/2016 (\$0.01 per share) versus a loss of \$519,175 in Q3/2015 (\$0.02 per share). The quarterly profit was after the deduction of a non-cash expense of a little over \$10,000 for share-based compensation.

The net return after expenses on the company's investments was over 15% in the quarter. "Our strong earnings in Q3/2016 reflect the performance of our particular investments in the context of the improving overall performance of the microcap sector" said Roger Dent, CEO of Quinsam. "We like this stage of the equity market. The level of fear has declined and there is increased willingness to take on microcap risk. We think that this is the kind of environment where "stock pickers" can strongly outperform. In prior positive microcap markets, there was much more leadership from research analysts and the then-numerous small investment dealers. Much of this infrastructure is now absent in the Canadian marketplace and investors have to do much more of the "homework" on their own. In our opinion, this has considerably increased the risk to individual investors while also increasing the opportunities available to the well-informed players in the marketplace."

Quinsam's financial results and MD&A have been posted on [sedar.com](http://www.sedar.com).

Q3/2016 Dividend

The Board of Directors of Quinsam has approved the ninth consecutive quarterly dividend. The new quarterly dividend is \$0.00125 per share (\$0.005 per share per year), an increase of 25%. The dividend represents an indicated yield of 6.25% based on the most recent trading price of \$0.08 per share. The distribution will be paid on November 25, 2016 to shareholders of record on November 4, 2016. This dividend will

not be designated as an "eligible dividend" for Canadian income tax purposes. Future quarterly dividends will be subject to Board approval.

Update on Recent Events

"We saw good performance by several of our investments in the quarter, including Posera, Poydras Gaming (shares and debentures), Nutritional High, Colabor debentures, Deveron, Atico and Pinetree" said Roger Dent.

"We have taken advantage of improved liquidity and repositioned our investment portfolio."

"We increased our share position in Posera by 50% in Q3. We like the recent developments under the new CEO and feel that this software name has been overlooked by investors in general."

"We took a position in convertible debenture units of Engagement Labs as part of its recent restructuring. We have been keeping an eye on this company for many years but we had not invested until now. With the recent restructuring we think that this company is now poised to perform. We compare this financing to the highly successful reboot of Neulion some years ago (Scott Paterson, the current Chairman of Engagement Labs, also oversaw that Neulion restructuring). We are hoping for a similar turnaround and we really liked the double leverage provided by the recent issue of Engagement Labs convertible debenture/warrant units."

"We also took a position in Diamond Estates Winery. This company has been making impressive strides under new leadership although it remains a largely ignored stock. We like the legislative changes going on in the Ontario wine market and we think that Diamond Estates shares could repeat the positive performance of other boutique purveyors of alcoholic beverages." Subsequent to Quinsam's purchase of Diamond Estates, the Ontario Teachers' Pension Plan purchased the Canadian wineries of Constellation Brands, which helped spark interest in the sector.

Subsequent to quarter end, Quinsam invested in units of Advantage Lithium as part of its recently announced \$0.60/unit new issue.

In 2015, Quinsam made an investment in a Capital Pool Company, Quinsam Opportunities I. This company recently announced its "qualifying transaction" whereby Quinsam Opportunities I will facilitate the listing of VitalHub, a company which provides mobile access solutions to users of health care software and data. Quinsam expects the qualifying transaction to be completed in Q4.

Stock Buyback Program

In Q3/2016, Quinsam acquired over 400,000 shares pursuant to its normal course issuer bid to purchase up to 1,320,383 of its common shares. This brings total purchases under the bid to 500,000 shares as at quarter end. All shares were purchased at \$0.08, a level which made the purchases accretive to NAV for remaining shareholders.

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 Quinsam's investors understand its investment decision making process. Generally, Quinsam does not announce the sale of investments.

For further information please contact:

John Lewis, Business Development
(416) 523-7086
john@quinsamcapital.com

Eric Szustak, President
(905) 330-7948
eric@quinsamcapital.com

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: market and general economic conditions, 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 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.