

## **QUINSAM CAPITAL CORPORATION PROVIDES CORPORATE UPDATE**

**VANCOUVER, B.C. – August 10, 2012** – Quinsam Capital Corporation (CNSX: QCA) ("Quinsam" or the "Company") today provided a corporate update to its shareholders.

The Company announced that it has entered into an agreement to sell its online learning business.

The Company initially announced its initiative to develop an online after-school study program in 2010. After several delays in the construction of the website, the program was commercially launched in 2011. Since launch, the program's growth and sales have been far below expectations and the business has continued to incur significant losses. The Company recorded an impairment equal to the carrying value of its intangible assets related to the online learning business as of December 31, 2011. Sales for the 3 months ended June 30, 2012 were only \$9,566.

The Company has entered into an agreement to sell the online learning business and related tangible and intangible assets, excluding cash and tax receivables, to a company indirectly owned by the Company's President (the "Purchaser") in return for a nominal payment and the assumption of the Company's future obligations related to the business, including future obligations to customers, to its content providers under the Company's licensing agreements and to other suppliers. If the Purchaser subsequently sells the online learning business to a 3<sup>rd</sup> party within 12 months, 80% of the proceeds of such sale, subject to certain adjustments, will be paid to the Company. The completion of the sale is expected to take place on August 31, 2012 and is subject to various terms and conditions.

The Company will continue its merchant banking business, where the Company seeks acquisitions and investments where the acquisition cost is significantly lower than what the Company believes to be the fundamental value of the asset. This may include investments in distressed assets, out of favor industries, early stage businesses or other situations that are highly complex, unstructured and have a high degree of risk.

The Company also announced that it would be considering other corporate actions or transactions to create long term value for shareholders.

The Company commented, "We are very disappointed with the lack of growth in the e-learning business. Our inability to convert a significant percentage of trial users to paying subscribers has made scaling of the business impossible. It has become clear that we were very unlikely to see the rapid growth needed to earn significant returns to shareholders, and continued operation of the business was an unsustainable drain on the Company's limited capital. With revenues of less than \$4,000 per month, the only realistic alternative to the proposed transaction was to close the business, which would have disrupted the children now using the e-learning system. The transaction we have agreed to will allow the Company to exit the business while avoiding various costs and liabilities related to a shutting down of the business. It will also allow the

children now using the learning system to maintain their use of it. The Purchaser is considering converting the business into a non-profit entity.”

For further information please contact Quinsam Capital Corporation at (604) 224 0460 or [info@quinsamcapital.com](mailto:info@quinsamcapital.com).

**THE CNSX HAS NOT REVIEWED AND DOES NOT ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THE CONTENT OF THIS PRESS RELEASE.**

This news release contains certain statements that may be deemed “forward-looking statements”. Forward looking statements are statements that are not historical facts and are generally, but not always, identified by the words “expects”, “plans”, “anticipates”, “believes”, “intends”, “estimates”, “projects”, “potential” and similar expressions, or that events or conditions “will”, “would”, “may”, “could” or “should” occur. Although Quinsam believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in forward looking statements. Forward looking statements are based on the beliefs, estimates and opinions of Quinsam’s management on the date the statements are made. Quinsam undertakes no obligation to update these forward-looking statements in the event that management’s beliefs, estimates or opinions, or other factors, should change, except as required by law.