

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: Quinsam Capital Corporation (the "Issuer").

Trading Symbol: QCA

Number of Outstanding Listed Securities: 114,761,693

Date: July 31, 2019

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

In a press release dated July 2, 2019, Quinsam Capital Corporation ("Quinsam" or the "Company") provided its investors and shareholders an update on recent events. Quinsam notes that the cannabis sector generally had negative performance in Q2 of 2019. For example, the Horizon Marijuana Life Sciences Index ETF NAV fell from \$21.58 at the end of March 2019 to \$18.25 at the end of June 2019, for a decline in the quarter of 15.4%. While Quinsam's investments do not necessarily move in tandem with the overall cannabis market, the operating environment in Q2 was noted to be inconducive to strong performance.

From the same press release, the Company announced the grant of 2,500,000 Deferred Share Units ("DSUs") at a deemed value of \$0.20 each in payment of previously accrued compensation related to the Company's 2018 portfolio performance. The DSU issuance was capped at a level that was materially below the issuer bid share repurchases in Q2 of 2019 and was priced at a premium to the recent share price.

In another press release dated July 31, 2019, Quinsam announced that its Board of Directors had approved the Company's twentieth consecutive quarterly dividend at \$0.00125 per share. The dividend will be paid on August 26, 2019 to shareholders of record on August 9, 2019. This dividend will be designated as an "eligible dividend" for Canadian income tax purposes.

Also, during the current period, the Company also provided updates on a number of investments it had previously undertaken (see Question 7 for details).

2. Provide a general overview and discussion of the activities of management.

The Company is an investment and merchant banking firm focused on the small-cap market, with early-stage investments in areas such as resources, technology and in the cannabis market.

Management, under the direction and guidance from its CEO, continues to review investment opportunities in the small cap environment, while adding and trimming positions when deemed appropriate.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

N/A.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

N/A.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

There were no new business relationships entered into in the current month.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

No material contracts or agreements expired or terminated during the month and no material financing arrangements were cancelled during the month.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the

disposition was to a Related Person of the Issuer and provide details of the relationship.

Below are significant updates provided by Quinsam on certain of its investments:

City View Green Holdings

At the beginning of 2018, Quinsam advanced \$1.2 million as a second mortgage on a Brantford industrial building. By making this loan, Quinsam helped to launch City View Green Holdings (“CVG”) as a cannabis company. As a founding shareholder of CVG, Quinsam obtained approximately 25 million shares. Quinsam also obtained the right to interest, loan arrangement fees and a profit participation on a sale of the building. On July 30, 2019, CVG completed a sale/leaseback transaction on the Brantford building. As a result, Quinsam’s mortgage on the property was repaid in full in cash. Quinsam also obtained a total of an additional 2,693,460 shares of CVG as compensation for the interest and other rights referred to above.

Liquidity Event Announcements

A number of Quinsam’s investee companies have announced their intent to go forward with liquidity events in Q3 and Q4/2019. Recent announcements include:

- Molecule has announced its intention to go public through a transaction with Everton Resources.
- CBX Brands (referred to as Hystyle in our earlier disclosure) has announced its intention to go public through a transaction with Leo Acquisitions.
- Frontier Wellness has announced its intention to go public through a transaction with Efficacious Elk Capital.
- Seven Leaf Ventures has signed an LOI to be acquired by Stem Holdings.
- Core Process Solutions (referred to as Critical CO2 in our earlier disclosure) has filed a prospectus to go public.
- In addition, the merger of Osoyoos Cannabis and Anahit International is expected to be completed in September. In addition, IMC, Cannivate, Xtraction Services and Theracann are all targeting listings in Q3/2019 or Q4/2019

8. Describe the acquisition of new customers or loss of customers.

N/A.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

N/A.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

The Issuer made no material employee hiring, terminations or lay-offs in the current month.

11. Report on any labour disputes and resolutions of those disputes if applicable.

The Issuer was not involved in any labour disputes during the current month.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

The Issuer was not involved in any material legal proceedings during the current month.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

No indebtedness was incurred or repaid by the Issuer during the current month.

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
Common shares	1,198,000	Exercise of options @ \$0.10	\$119,800; for working capital purposes

(1) State aggregate proceeds and intended allocation of proceeds.

15. Provide details of any loans to or by Related Persons.

No loans to or by Related Persons were made by the Issuer during the current month.

16. Provide details of any changes in directors, officers or committee members.

No changes were noted to directors, officers or committee members during the current month.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

The Issuer is not aware of any trends which are likely to materially impact the issuer's business or markets. The Company is reliant on the stability of the equity markets to provide returns on its investment portfolio. Given the nature of the Company's activities, its results of operations and financial condition are dependent upon the market value of securities that comprise the Company's portfolio. The Company's investments are small-cap businesses which the Company believes exhibit potential for growth and sustainable cash flows but which may not ever mature or generate the returns the Company expects or may require a number of years to do so.

Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated July 31, 2019.

Eric Szustak
Name of Director or Senior
Officer

"Eric Szustak"
Signature
Director and Corporate Secretary
Official Capacity

Issuer Details Name of Issuer	For Month End	Date of Report YY/MM/DD
Quinsam Capital Corporation	July 31, 2019	19/07/31
Issuer Address		
77 King Street West, Suite 2905		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
Toronto/Ontario/M5K 1H1	()	(905) 330-7948
Contact Name	Contact Position	Contact Telephone No.
Keith Li	CFO	(647) 660-8703
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