

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: QCA

Number of Outstanding Listed Securities: 114,672,693

Date: August 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 August 22, 2019:

- Quinsam Capital Corporation ("Quinsam" or the "Company") announced its Q2 2019 results with net loss of \$2.7 million (\$0.02 per share basic, \$0.02 fully diluted) versus net income of \$4.6 million (\$0.04 per share basic, \$0.03 fully diluted) in Q2 2018. As at June 30, 2019, the Company had net assets of approximately \$0.38 per share equivalent outstanding.
- Quinsam announced notable dispositions and new investments made during Q2 and early Q3 (see Question 7 for details).
- Quinsam outlined its outlook for Q3 and highlighted a list of expected liquidity events which are expected in Q3 or shortly thereafter (see Question 7 for details).
- Quinsam provided an update on its issuer bid renewal. The Company announced that it intends to proceed with a new normal course issuer bid to purchase up to 5,733,635 of its common shares (the "Bid"). The Company is commencing the Bid because it believes that the current market prices of its common shares may not fully reflect the underlying values of the Company's business and future prospects. Under the terms of the Bid, the Company may acquire up to 5,733,635 of its common shares, representing 5% of its issued and outstanding common shares. The Bid commenced on August 28, 2019 and will terminate on August 27, 2020 or on an earlier date in the event that the number of common shares sought in the Bid has been repurchased.

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:

Notable Dispositions

- Quinsam sold all of its position in Acreage Holdings, previously its largest single holding, after the escrow arrangements expired. The realized price on sales ranged from US\$18.43 to USD\$21.04, while the original cost on this holding was C\$8.03. For tax purposes, a gain on Acreage was triggered in Q4 2018 as a result of its pre-listing corporate reorganization. The Q2 2019 disposition resulted in a loss for tax purposes in 2019 verse the US\$25 Acreage IPO price and helped to contribute to the tax recovery in Q2 2019.
- The Company sold its position in Sproutly shares, which was among its largest holdings, at prices ranging from \$0.80 to \$0.95 versus the recent price of approximately \$0.45. Quinsam continues to hold Sproutly convertible debentures.
- Quinsam sold the shares resulting from the conversion of its C21 and Halo debentures.
- The Company sold its listed warrants in FlowerOne and Halo.
- Quinsam exercised Cannex warrants and sold the resulting shares in Q2 & early Q3.
- Quinsam exercised warrants and sold the resulting shares from a small old legacy position in Acasti in Q3.

New Investments

- Quinsam invested \$412,500 in subscription receipts of Atom Energy, which expects to list in Q3 2019. Atom Energy, which operates as 6th Wave Innovations, has developed a nanotechnology-based method of separating at the molecular level.
- The Company advanced a second \$1.1 million loan to Budd Hutt.

Expected Liquidity Events

- Key private issuers IMC, Embark & Hemp Hydrate are in the process of marketing new issues at premiums to Quinsam's carrying values.

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.

No securities were issued during the current month.

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 September 3, 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	Aug 31, 2019	19/09/03
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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