

## FORM 7

### MONTHLY PROGRESS REPORT

Name of Listed Issuer: Quinsam Capital Corporation (“Quinsam” or the “Issuer”).

Trading Symbol: QCA

Number of Outstanding Listed Securities: 104,992,106

Date: December 31, 2020

#### **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 the current period, management has continued to monitor its investment portfolio, through trades made in its brokerage accounts.

On December 17, 2020, the Company provided updates on one of its investee companies, Agriforce Growing Systems Ltd. (“Agriforce”), which has filed an S-1 Statement to facilitate an initial public offering (“IPO”) 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 Quinsam’s pre-consolidation holding of 1.625 million shares was approximately \$1.1 million. This holding is less than 5% of the outstanding shares of Agriforce. As at December 31, 2020, the IPO for Agriforce has not yet closed, and an early 2021 closing looks more probable.

On December 31, 2020, 1,696,952 common shares of the Company previously repurchased under a normal course issuer bid were cancelled and returned to the treasury.

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.

Market conditions had stabilized somewhat since Q3 2020 and carried into Q4 2020. With that said, valuations of some of the Company's publicly-traded investments had rebounded, and this has also improved the prospects for our private company and debt investments, although our carrying values were not generally impacted., conditions for cannabis-related and small cap stocks have on balance been positive. While market conditions are highly unsettled due to the COVID-19 pandemic and related economic factors, the Company currently has a positive outlook, and believes that the unsettled and volatile conditions will provide interesting opportunities for those willing to take measured risks.

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 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.

There were no material contracts or agreements which expired or terminated during the month and no other 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.

There are no significant updates on the Company's portfolio for the current month.

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 new securities had been issued or granted 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 in directors, officers or committee members had been made.

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 several years to do so.

In addition, on January 30, 2020, the World Health Organization declared that the recent COVID-19 outbreak was a global health emergency, recognizing that the disease represents a risk outside of China, where it emerged in the last couple of months. Companies across various industries could be impacted materially by the coronavirus.

COVID-19's known and unknown impact on earnings, costs, employees, supply chains, customers and other stakeholders, as well as other business matters, may be material for the Issuer, and may have a material impact on the Issuer's gross earnings, net earnings and other business matters. Environmental, social and governance factors may also impact the Issuer's operations in the near future.

Quinsam has operated on a "virtual basis" for a number of years. Therefore, the general closure of non-essential businesses in response to the outbreak does not impact day-to-day operations.

## 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 was no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer follows 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 the information in this Form 7 Monthly Progress Report is true.

Dated January 6, 2021.

Eric Szustak

Name of Director or Senior  
Officer

"Eric Szustak"

Signature

Director and Corporate Secretary  
Official Capacity

<b>Issuer Details</b> Name of Issuer Quinsam Capital Corporation	For Month End December 31, 2020	Date of Report YY/MM/DD 21/01/06
Issuer Address 77 King Street West, Suite 2905		
City/Province/Postal Code Toronto/Ontario/M5K 1H1	Issuer Fax No. ( )	Issuer Telephone No. (905) 330-7948
Contact Name Keith Li	Contact Position CFO	Contact Telephone No. (647) 660-8703
Contact Email Address <a href="mailto:kli@bransonservices.com">kli@bransonservices.com</a>	Web Site Address <a href="http://www.quinsamcapital.com">www.quinsamcapital.com</a>	