Management Discussion and Analysis for the Year ended December 31, 2012

This management's discussion and analysis of financial conditions ("**MD&A**") made March 18, 2013 for the year ended December 31, 2012, should be read in conjunction with the audited financial statement for the year ended December 31, 2012.

Forward-looking statements

This MD&A contains forward-looking statements with respect to Quinsam Capital Corporation (the "Company"). These forward-looking statements by their nature involve risks and uncertainties that could cause actual results to differ materially from those contemplated by such statements. The Company considers the assumptions on which these forward-looking statements are based to be reasonable at the time they were prepared, but caution the reader that these assumptions regarding future events, many of which are beyond the control of management, may ultimately prove to be incorrect.

Discussion of Operations and Financial Condition

Prior to August, 2006 the Company was a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange (the "TSX-V"). As a CPC, the Company's principal business was to identify, evaluate and acquire assets, properties or businesses which would constitute a Qualifying Transaction pursuant to the policies of the TSX-V. The Company completed its Qualifying Transaction consisting of the acquisition of certain mineral properties August 2, 2006. The TSX-V issued a bulletin accepting the qualifying transaction and confirming that as of August 9, 2006 the Company would no longer be considered a CPC.

The Company disposed of all of its mineral properties during 2007 and 2008 and had no mineral properties as of March 31, 2010.

In December, 2007 the Company announced that it would significantly expand the scope of its business by pursuing merchant banking opportunities. The Company's merchant banking business encompasses a range of activities including acquisitions, the provision of advisory services, lending activities and portfolio investments.

In 2010, the Company announced that it will be establishing an online learning program for elementary school children. Construction of the web site was commenced in 2010 by a third party web site development company. After various delays in construction, the website was completed and launched in 2011. At the time of the launch of the online learning business, the Company had no subscribers, no traffic to its website and no awareness amongst consumers.

The program, which was delivered exclusively over the internet, focused on the core subject areas of reading and math and included assessment, individualized instruction, and reporting for parents. The Company offered the program on a subscription basis and marketed the service across North America to parents of children from preschool age through grade 5.

Following the launch, the program's growth and sales were far below expectations and the business continued to incur significant losses. The Company's inability to convert a significant percentage of trial users to paying subscribers made scaling of the business uneconomic, and continued operation of the business was an unsustainable drain on the Company's limited capital. The Company sold the online learning business including all related tangible and intangible assets, excluding cash and tax receivables, in August 2012. The Company no longer has any interest in the online learning business.

The Company has resumed its focus on 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 or risk.

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

During the 12 months ended December 31, 2012, the Company had general and administrative expenses of $36,867, interest income of $3,105, a loss on foreign exchange of $835, and a loss from discontinued operations of $115,762 resulting in a net loss of $150,359. In comparison, for the 12 months ended December 31, 2011, the Company had general and administrative expenses of $29,329, interest income of 6,685, a gain on foreign exchange of $1,525 and a loss from discontinued operations of $367,726, including an expense for an impairment of intangible assets of $195,084, resulting in a net loss of $388,845.

General and administrative expenses were somewhat increased during 2012 reflecting costs associated with the share consolidation completed in 2012 and fee increases from service providers.

Interest income was lower during 2012 due to lower cash balances and fluctuations in interest rates

Most of the Company's customers for its former online learning business were in the United States and most of the company's sales take place in U.S. dollars. During the 12 months ended December 31, 2012, the Company maintained a portion of its funds in U.S. dollars and incurred a loss on foreign exchange due to the appreciation of the Canadian dollar in comparison to the U.S. dollar. During the 12 months ended December 31, 2011, the Company incurred a gain on foreign exchange due to the depreciation of the Canadian dollar in comparison to the U.S. dollar.

The Company's online learning business, now discontinued, incurred operating losses throughout its history. During the 12 months ending December 31, 2012 the discontinued business had subscription revenues of $24,396, general and administrative expenses of $148,874, amortization and depreciation expense of $72 and a gain upon the sale of the business of $8,788 for a net loss from discontinued operations of $115,762. In comparison, for the 12 months ended December 31, 2011, the discontinued business had subscription revenues of $835, general and administrative expenses of $156,263, amortization and depreciation expense of $17,214 and an impairment expense of $195,084 for a net loss from discontinued operations of $367,726. The loss from the discontinued business was lower in 2012 than 2011 as during 2011 the Company recorded an impairment equal to the carrying value of the intangible assets of the online learning business. Subscription revenues were significantly higher in 2012 as the website was not launched until August 2011, and revenues during 2011 were very low as the Company had no subscribers, no website traffic and no consumer awareness when the online learning business was launched. Additionally, following the immediate post-launch period the Company experienced various technical problems with the operation of the website which detracted from its marketing efforts. Revenue growth during 2012 failed to meet expectations and did not offset the increase in operating costs which occurred following launch. General and administrative expenses related to the discontinued business were lower in 2012 principally due to the sale of the business part way through the year; the average monthly expenditures on general and administrative expenses during 2012 prior to the sale of the business were higher than in 2011 due to the increased level of operating expenses, including costs related to providing customer service, marketing and website operations, following the launch of the website part way through 2011. These increased costs were only partially offset by customer revenues. Depreciation and amortization were higher during 2011 due to the impairment recorded against the value of the online learning business' intangible assets at December 31, 2011. The operating losses of the discontinued business in 2012 was offset partially by a gain of $8,788 upon the sale of the business in 2012.

The net loss was lower in the 12 months ended December 31, 2012 as compared to the same period for 2011 due principally to lower losses from discontinued operations. The net loss excluding the loss from discontinued operations was higher in 2012 than 2011 due to somewhat higher general and administrative expenses, lower interest income, and a loss on foreign exchange.

The Company has not had any material customer disputes, allowances or returns. All future customer obligations related to its online learning business were transferred to the purchaser of that business upon its sale in 2012.

The Company made no capital expenditures during the 12 months ended December 31, 2012. The Company made capital expenditures of $134,855 during the 12 months ended December 31, 2011. Of this, $123,675 was incurred pursuant to the licensing agreements related to the Company's online learning business and the remainder was for technical development of the website for the online learning business. The company has recorded an impairment against these intangible assets.

During the 3 months ended December 31, 2012, the Company had general and administrative expenses of $13,590, interest income of $554 and a gain on foreign exchange of $22, resulting in a loss of $13,014. In comparison, during the 3 months ended December 31, 2011, the Company had general and administrative expenses of $9,929, interest income of $1,341 a loss on foreign exchange of $230 and a loss from discontinued operations of $268,480, resulting in a loss of $277,298. The loss from discontinued operations in the 3 months ending December 31, 2011 includes an impairment of intangible assets of $195,084. Losses were much lower in the 3 months ended December 31, 2012 in comparison to the 3 months ended December 31, 2011 due to the sale of the online learning business in August 2012.

At December 31, 2012, the Company had working capital of $235,026.

During the 12 months ended December 31, 2012 the Company did not issue any common shares. During the 12 months ended December 31, 2011 the Company issued 100,000 common shares as part of its agreement to license an online learning system from a U.S. education company. The Company did not grant any stock options during the 12 month periods ending December 31, 2012 or December 31, 2011.

As of March 18, 2013, the Company had 4,570,000 common shares issued and outstanding. On August 1, 2012, the Company effected a consolidation of its share capital on the basis of up to five (5) existing common shares for one (1) new common share. All share and per share amounts for all periods are stated on a post-consolidation basis.

The Company’s financial results are reported in Canadian dollars and in accordance with International Financial Reporting Standards (“IFRS”).

Selected Annual Information

	Year ended December 31, 2012	Year ended December 31, 2011	Year ended December 31, 2010
Revenues	$ -	$ -	$ -
Net Loss	(150,359)	(388,845)	(143,090)
Total Assets	246,532	420,278	788,798
Total Long Term Liabilities	-	-	-
Cash dividends declared per share	-	-	-
Net Loss per share, basic diluted	(0.03)	(0.09)	(0.03)

Summary of Quarterly Results

	3 months ended Dec 31, 2012	3 months ended Sept 30, 2012	3 months ended June 30, 2012	3 months ended Mar 31, 2011
Revenues	$ -	$ -	$ -	$ -
Net Income (Loss)	(13,015)	(18,468)	(59,459)	(59,417)
Net Income (Loss) per share, basic & diluted	(0.00)	(0.00)	(0.01)	(0.01)

	3 months ended Dec 31, 2011	3 months ended Sept 30, 2011	3 months ended June 30, 2011	3 months ended Mar 31, 2011
Revenues	$ -	$ -	$ -	$ -
Net Income (Loss)	(277,298)	(44,637)	(35,886)	(31,024)
Net Income (Loss) per share, basic & diluted	(0.06)	(0.01)	(0.01)	(0.01)

Liquidity and Capital Resources

As at December 31, 2012, the Company had working capital of $235,026 which is sufficient for the Company to meet its ongoing obligations. The Company may raise additional funds in the future in order to pursue business opportunities.

Related Party Transactions

During 2012, prior to the sale of its online learning business, the Company engaged a company owned by the President of the Company to provide management and administrative services to the Company for a cost of $13,250 per month. While in effect, such payments were in lieu of any payments under the President's employment agreement with the Company. The Company also engaged the same company for public relations and marketing services on an hourly basis and in an amount not to exceed $6,000 per month. The purpose of the agreements was to minimize the amount of overhead expenses the Company would incur related to the start-up of its learning business. These arrangements were terminated upon the sale of the online learning business. During the year a total of $136,975 (2011: $144,223) was paid in management and consulting fees.

On August 31, 2012 the Company completed the sale of its online learning business and related tangible and intangible assets, excluding cash and tax receivables, in return for $1 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. The purpose of the sale was to preserve the Company's limited capital and avoid insolvency. The sale of the online learning business resulted in a gain of $8,788. The purchaser was a company controlled by a director of the Company.

Breakdown of General and Administrative Expenses

		Year ended December 31, 2012		Year ended December 31, 2011
Professional Fees	$	18,745	$	14,153
Filing & Transfer Agent Fees		15,487		12,576
Other General & Administrative		2,635		2,600
	$	36,867	$	29,329

Management's Responsibility for Financial Information

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management, and have been examined and approved by the Board of Directors. The financial statements were prepared by management in accordance with the International Financial Reporting Standards and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors.

This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

The external auditors, Dale Matheson Carr-Hilton LaBonte LLP appointed by the shareholders at the Annual General Meeting have audited the Company's financial statements with their report indicating the scope of their audit and their opinion on the financial statements.

Additional information related to the Company is available on SEDAR at www.sedar.com.