

QUINSAM CAPITAL CORPORATION

**INTERIM FINANCIAL STATEMENTS
(UNAUDITED)**

March 31, 2013

(In Canadian Dollars)

Notice to Reader

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements have been prepared by and are the responsibility of the management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

QUINSAM CAPITAL CORPORATION
STATEMENT OF FINANCIAL POSITION

(unaudited)

March 31, December
2013 31, 2012

ASSETS

CURRENT

Cash and cash equivalents (Note 3)	\$	239,176	\$	226,868
Receivables (Note 4)		1,806		19,664
	\$	240,982	\$	246,532

LIABILITIES

CURRENT

Accounts payable and accrued liabilities (Note 5)	\$	11,976	\$	11,506
		11,976		11,506

SHAREHOLDERS' EQUITY

SHARE CAPITAL (Note 6)		1,719,893		1,719,893
SHARE-BASED PAYMENT RESERVE		4,500		4,500
DEFICIT		(1,495,387)		(1,489,367)
		229,006		235,026
	\$	240,982	\$	246,532

Approved on behalf of the Board

"Roy Zanatta"

Roy Zanatta – Director

"Bryan Beer"

Bryan Beer – Director

The accompanying notes are an integral part of these interim financial statements.

QUINSAM CAPITAL CORPORATION
INTERIM STATEMENTS OF COMPREHENSIVE LOSS

(unaudited)

	3 months ended March 31, 2013	3 months ended March 31, 2012
EXPENSES		
General and administrative	(6,646)	(2,646)
Interest Income	626	1,088
Gain (loss) on foreign exchange	-	(248)
Loss from continuing operations	(6,020)	(1,806)
Loss from discontinued operations (Note 7)	-	(57,611)
COMPREHENSIVE LOSS	\$ (6,020)	\$ (59,417)
Net Loss Per Share - Basic and Diluted		
From continuing operations	\$ (0.00)	\$ (0.00)
From discontinued operations	\$ (0.00)	\$ (0.01)
Weighted average shares outstanding	4,570,000	4,570,000

The accompanying notes are an integral part of these interim financial statements.

QUINSAM CAPITAL CORPORATION
INTERIM STATEMENTS OF CHANGES IN EQUITY

(unaudited)

	Notes	Share capital		Reserves			Total
		Number of shares	Amount	Share based payment reserve	Deficit		
Balance at January 1, 2012	6	4,570,000	\$ 1,717,393	\$ 4,500	\$ (1,339,008)	\$ 385,385	
Comprehensive loss:							
Net loss		-	-	-	(59,417)	(59,417)	
Comprehensive loss		-	-	-	(59,417)	(59,417)	
Balance at March 31, 2012		4,570,000	\$ 1,717,393	\$ 4,500	\$ (1,398,425)	\$ 325,968	
Balance at January 1, 2013	6	4,570,000	\$ 1,719,893	\$ 4,500	\$ (1,489,367)	\$ 235,026	
Comprehensive loss:							
Net Loss		-	-	-	(6,020)	(6,020)	
Comprehensive loss		-	-	-	(6,020)	(6,020)	
Balance at March 31, 2013		4,570,000	\$ 1,719,893	\$ 4,500	\$ (1,495,387)	\$ 229,006	

The accompanying notes are an integral part of these interim financial statements.

QUINSAM CAPITAL CORPORATION
INTERIM STATEMENTS OF CASH FLOWS

(unaudited)

	3 months ended March 31, 2013	3 months ended March 31, 2012
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OPERATING ACTIVITIES		
Net loss from continuing operations	\$ (6,020)	\$ (1,806)
Changes in non-cash working capital		
- receivables and prepaid expenses	17,858	14,212
- accounts payable and accrued liabilities	470	3,329
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Cash flows from operating activities	12,308	15,735
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Net loss from discontinued operations	-	(57,611)
Amortization	-	36
Changes in non-cash working capital:		
Accounts payable and accrued liabilities	-	1,701
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Cash flows from discontinued operations	-	(55,874)
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INCREASE IN CASH AND CASH EQUIVALENTS	12,308	(40,139)
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CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	226,868	398,709
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CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 239,176	\$ 358,570
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SUPPLEMENTARY CASH FLOW INFORMATION

(a) There were no non cash investing activities during the 3 months ended March 31, 2013.

The accompanying notes are an integral part of these interim financial statements.

QUINSAM CAPITAL CORPORATION

NOTES TO INTERIM FINANCIAL STATEMENTS

MARCH 31, 2012

(unaudited)

NOTE 1- NATURE OF OPERATIONS

Quinsam Capital Corporation (the "Company") was incorporated under the Canada Business Corporations Act on March 18, 2004 in British Columbia. The Company entered into the merchant banking business during December 2007 and in 2010, the Company entered into an online learning business which was sold in 2012. The Company was previously in the business of acquisition and development of mineral property interests and other assets or businesses related to the resource industry. The Company is domiciled in Canada and its registered and records office is at 510-4438 West 10th Avenue, Vancouver, BC.

These financial statements have been prepared on a going concern basis. The Company has incurred losses since inception and further losses are anticipated in the development of its business raising substantial doubt about the Company's ability to continue as a going concern. Its ability to continue as a going concern is dependent upon the ability of the Company to generate profitable operations in the future and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. These financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts of and classification of liabilities that might be necessary in the event the Company cannot continue.

NOTE 2 –SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These interim financial statements have been prepared in accordance with International Accounting Standard ("IAS 34"), Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). They do not include all of the information required for full annual financial statements, and should be read in conjunction with the Company's financial statements as at and for the year ended December 31, 2012. Accounting policies applied in the preparation of these unaudited interim financial statements are the same as those applied in the preparation of Company's annual financial statements for the year ended December 31, 2012. The unaudited interim financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities, which are stated at fair value.

New or amended accounting standards that have been issued by the IASB but are not yet effective, and have not been applied by the Company, are as outlined in Note 2 of the 2012 annual financial statements.

These unaudited interim financial statements were authorized for issue by the Board of Directors on May 29, 2013.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with International Financial Reporting Standards ("IFRS") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates and assumptions relate to the carry value of equipment and intangible assets, estimates of the useful life of equipment and intangible assets and the estimation of future income tax rates. Financial results as determined by actual events could differ from those estimates.

NOTE 3 – CASH AND CASH EQUIVALENTS

	March 31, 2013	December 31, 2012
Cash at bank	\$ 84,732	\$ 72,887
Money market mutual funds	154,444	153,981
	\$ 239,176	\$ 226,868

NOTE 4 – RECEIVABLES

	March 31, 2013	December 31, 2012
Sales tax receivable	\$ 1,806	\$ 19,664

NOTE 5 - TRADE PAYABLES AND ACCRUED LIABILITIES

	March 31, 2013	December 31, 2012
Trade Payables	\$ 10,976	\$ 806
Accrued liabilities	1,000	10,700
	\$ 11,976	\$ 11,506

NOTE 6 - SHARE CAPITAL

At March 31, 2013 there were 4,570,000 issued and fully paid common shares (December 31, 2012 – 4,570,000). There were no changes to the Company's issued share capital, outstanding warrant and outstanding options during the quarter ended March 31, 2013. During 2012, the Company effected a consolidation of its share capital on the basis of 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.

NOTE 7 – DISCONTINUED OPERATIONS

In August 2012 the Company completed the sale of its online learning business and related tangible and intangible assets, excluding cash and 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 results of the discontinued operations for the 3 month periods ending March 31, 2013 and March 31, 2012 are as follows:

	3 months ending March 31, 2013	3 months ending March 31, 2012
Subscription Revenues	\$ -	\$ 5,518
General and administrative expenses	-	(63,093)
Amortization and depreciation	-	(36)
Net Loss from discontinued operations	\$ -	\$ (57,611)