

Management's Discussion and Analysis

For the Quarter Ended: March 31, 2014

Date of Report: May 23, 2014

This management's discussion and analysis of the financial condition and results of operation ("MD&A") of Quinsam Capital Corporation ("Quinsam" or the "Company") should be read in conjunction with Quinsam's unaudited interim condensed financial statements ("interim statements") and notes thereto as at and for the three months ended March 31, 2014. The same accounting policies and methods of computation were followed in the preparation of the interim statements as were followed in the preparation of the annual financial statements as at and for the year ended December 31, 2013, except for those described under the "Changes in Accounting Policies" section elsewhere in this MD&A.

Except as otherwise indicated (see "Use of Non-GAAP Financial Measures" elsewhere in this MD&A), all financial data in this MD&A has been prepared, in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

All dollar amounts in this MD&A are reported in Canadian dollars.

Caution Regarding Forward-Looking Information:

Certain information contained in this MD&A constitutes forward-looking information, which is information regarding possible events, conditions or results of operations of the Company that is based upon assumptions about future economic conditions and courses of action and which is inherently uncertain. All information other than statements of historical fact may be forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. Forward-looking information contained in this MD&A includes, without limitation, our expectations regarding anticipated investment activities and results, the impact of changes in accounting policies and other factors on our operating results, and the performance of global capital markets and interest rates.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Company believes the expectations reflected in the forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A. Some of the risks and other factors which could cause results to differ materially from those expressed in the forward-looking information contained in this MD&A include, but are not limited to: risks relating to investment performance and our ability to generate taxable income from operations, our ability to realize sufficient proceeds from the disposition of our investments in order to fund our obligations as they become due

(which will be based upon market conditions beyond our control), market fluctuations, fluctuations in prices of commodities underlying our interests and equity investments, the strength of the Canadian, U.S. and other economies, foreign exchange fluctuations, political and economic conditions in the countries in which the interests of the Company's portfolio investments are located, and other risks included elsewhere in this MD&A under the headings "Risk Factors" and "Financial Instruments" and in the Company's current annual information form and other public disclosure documents filed with certain Canadian securities regulatory authorities and available under Quinsam's profile at www.sedar.com.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Although the Company has attempted to identify important factors that could cause actual events and results to differ materially from those described in the forward-looking information, there may be other factors that cause events or results to differ from those intended, anticipated or estimated. The forward-looking information contained in this MD&A is provided as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information,

whether as a result of new information, future events or otherwise, except as otherwise required by law. All of the forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

About Quinsam:

Quinsam was incorporated in 2004 under the Canada Business Corporations Act in the Province of British Columbia and its shares are publicly traded on the Canadian Securities Exchange (the "CSE") under the symbol "QCA". The Company is presently domiciled in the Province of Ontario, Canada and its registered office address is at 390 Bay Street, Suite 806, Toronto, Ontario, Canada, M5H 2Y2.

Quinsam is a merchant banking firm focused on the small-cap market. Our merchant banking business may encompass a range of activities including acquisitions, advisory services, lending activities and portfolio investments. Quinsam invests its capital for its own account in assets, companies or projects which we believe are undervalued and where we see a viable plan for unlocking such value. We do not invest on behalf of any third party and we do not offer investment advice.

Overall Performance and Investments:

As at March 31, 2014, the Company held cash of \$822,640 and marketable investments at fair value totalling \$ 981,349 as compared to \$ 275,857 and \$549,140 respectively as at December 31, 2013. The increase in cash and investments in the quarter was due to the realized gain (\$84,609) from the disposition of securities, the unrealized gain on the investment portfolio (\$32,490) and the completion of a non-brokered private placement of 9,207,660 which raised net proceeds of \$894,037.

As at March 31, 2014, the book value per share ("BV per share") was \$0.08 as compared to \$0.06 as at December 31, 2013.

The following is Quinsam's Book Value per share for the eight most recently completed interim financial periods:

	BV Per Share (\$)
March 31, 2014	0.08
December 31, 2013	0.06
September 30, 2013	0.05
June 30, 2013	0.05
March 31, 2013	0.05
December 31, 2012	0.05
September 30, 2012	0.06
June 30, 2012	0.01

Investments:

Investments at cost and fair value consist of the following as at:

Investments	March 31, 2014		December 31 2013	
	Fair Value(\$)	Cost(\$)	Fair Value(\$)	Cost(\$)
Shares	981,349	931,157	545,890	530,284
Warrants	0	0	3,250	0

The fair value of Quinsam's publicly-traded investments is determined in accordance with the Company's accounting policy. The amounts at which the Company's publicly-traded investments could be disposed of currently may differ from their carrying values based on the market quotes, as the value at which significant ownership positions are sold is often different than the quoted market price due to a variety of factors such as premiums paid for large blocks or discounts due to illiquidity, and the current market prices may differ significantly from the historical prices used to calculate fair value for the purposes of the Company's financial statements.

Results of Operations:

The Company's selected quarterly results for the eight most recently completed interim financial periods are as follows.

	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Revenue	\$117,296	\$24,387	\$661	\$666	\$626	\$554	\$644	\$9,566
Comprehensive Income/ (Loss)	\$104,878	(\$28,906)	(\$4,389)	(\$2,327)	(\$6,020)	(\$13,014)	(\$18,468)	(\$59,459)
Working Capital	\$1,805,962	\$807,047	\$222,290	\$226,679	\$229,006	\$235,026	\$248,040	\$266,315
Shareholders' Equity	\$1,805,962	\$807,047	\$222,290	\$226,679	\$229,006	\$235,026	\$248,040	\$266,508
Net Book Value/ Share	\$ 0.08	\$ 0.06	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.01
Share Outstanding	23,777,660	14,570,000	4,570,000	4,570,000	4,570,000	4,570,000	4,570,000	22,850,000

The shares were consolidated on a one new for five old shares in Q3 2012

Three Months Ended March 31, 2014 and 2013:

Quinsam generated net investment revenue of \$117,099 for the three months ended March 31, 2014 (three months ended March 31, 2013 - \$0), comprised of realized gains on the disposition of securities of \$84,609 (three months ended March 31, 2013 - \$0) and unrealized gains on investments of \$32,490 (three months ended March 31, 2013 - \$0). There were no investments undertaken in the comparable 2013 first quarter.

For the three months ended March 31, 2014, other income totalled \$197 as compared to \$626 for the three months ended March 31, 2013. Other income is comprised of interest and dividend income.

Operating, general and administrative expenses for the three months ended March 31, 2014 increased to \$12,418 from \$6,646 for the three months ended March 31, 2013. As the business was reactivated in Q4 2013, there were higher costs associated with professional fees and general and administrative costs in the current quarter.

Net income for the three months ended March 31, 2014 was \$104,878 (\$0.01 per share) as compared to a net loss of \$6,020 (\$0.00 per share) for the three months ended March 31, 2013.

Cash Flow:

Net cash used in the operations for the three months ended March 31, 2014 was \$ 2,294 compared to \$12,308 in cash generated in the comparable prior period.

In the current quarter, net proceeds of \$894,037 were raised through a non brokered private placement of 9,207,660 shares at \$0.10 per share.

Liquidity and Capital Resources:

	March 31, 2014	December 31, 2013
Total Assets	\$ 1,825,439	\$ 831,063
Total Liabilities	\$ 19,477	\$ 24,016
Shareholders' Capital	\$ 3,232,093	\$ 2,338,056
Deficit	(\$1,426,131)	(\$1,531,009)
Net Asset Value Per Share	\$0.08	\$0.06

Quinsam relies upon various sources of funds for its ongoing operating and investing activities. These sources include proceeds from dispositions of investments, interest and dividend income from investments, consulting fees, capital raising activities such as private placement debt and equity financings.

Quinsam believes it will be able to generate sufficient cash to fund its normal course of operations through the purchase and sale of existing investments.

Liabilities:

The Company's present liabilities are limited to trade payables incurred in the normal course of day to day business.

Commitments:

As at March 31, 2014, the Company had commitments for cash resources of \$19,477 (December 31, 2013 - \$24,016) which are detailed below. The available cash on hand is sufficient to pay these commitments as at March 31, 2014:

	Total Due	Less than 1 Year	1-3 Years	4-5 Years	After 5 Years
A/P and Accrued Liabilities	\$19,477	\$19,447	-	-	-

A breakdown of the Company's liabilities and obligations as at December 31, 2013 is as follows:

	Total Due	Less than 1 Year	1-3 Years	4-5 Years	After 5 Years
A/P and Accrued Liabilities	\$24,016	\$24,016	-	-	-

Related Party Transactions:

All transactions with related parties have occurred in the normal course of operations. Related party transactions were as follows during the three month period ended March 31, 2014 and the comparable three month period ended March 31, 2013:

Type of Service	Nature of Relationship	2014	2013
Salaries	Directors and Officers	-	-
Director fees	Directors	-	\$ 500
Stock based compensation	Directors and Officers	-	-

During the three months ended March 31, 2014, the Company granted to directors, officers and consultants the following options:

Date Granted	Options Granted	Exercise Price	Expiry Date
Nil	Nil	Nil	Nil

During the three months ended March 31, 2013, the Company granted to directors, officers and consultants the following options:

Date Granted	Options Granted	Exercise Price	Expiry Date
Nil	Nil	Nil	Nil

Off-Balance Sheet Arrangements:

As at March 31, 2014, the Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the results of operations or financial condition of Quinsam.

Investor Relations:

During the three months ended March 31, 2014, Quinsam's management handled the Company's investor relations activities.

Internal Controls Over Financial Reporting:

Management's Report on Disclosure Controls and Procedures:

Disclosure controls and procedures have been designed to provide reasonable assurance that all material information related to the Company is identified and communicated on a timely basis. Management of the Company is responsible for the design and operations of disclosure controls and internal control over financial reporting. There have been no changes in the Company's disclosure controls and procedures during the period ended March 31, 2014.

Internal Control over Financial Reporting:

The Company's management is responsible for establishing and maintaining adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and preparation of the financial statements for external purposes in accordance with generally accepted accounting principles. However, the Company's management, including its Chief Executive Officer and Chief Financial Officer, believe that due to inherent limitations, internal control over financial reporting may not prevent or detect all misstatements and fraud or on a timely basis. Also, projections of any evaluation of the effectiveness of internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

There have been no changes in the Company's internal control over financial reporting during the period ended March 31, 2014 that have materially affected or are reasonably likely to materially affect, the Company's internal control over financial reporting.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this MD&A and the financial statements is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the financial statements.

Management of Capital:

The Company includes the following items in its managed capital as at the following dates:

	March 31, 2014	December 31, 2013
Share Capital	\$ 3,205,144	\$ 2,311,107
Options Reserve	\$ 26,949	\$ 26,949
Deficit	(\$ 1,426,131)	(\$ 1,531,009)

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets.

There were no changes to the Company's objectives in managing and maintaining capital during the three months ended March 31, 2014.

The Company's management is responsible for the management of capital and monitors the Company's capital on a daily basis. The Company expects that its current capital resources will be sufficient to discharge its liabilities as at March 31, 2014.

Risk Management:

Financial Instrument Risk:

The Company's financial instruments primarily consist of investments in publicly listed companies.

The investment operations of Quinsam's business involve the purchase and sale of securities and, accordingly, the majority of the Company's assets and liabilities are financial instruments. The use of financial instruments can expose the Company to several risks, including liquidity, market, interest rate, currency and credit risks. A discussion of the Company's use of financial instruments and their associated risks is provided below.

Liquidity Risk:

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they become due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company, or if the value of the Company's investments declines resulting in lesser proceeds from disposition and losses upon disposition.

The Company generates cash flow primarily from the issuance of share capital, proceeds from the disposition of its investments in addition to interest and dividend income earned on its investments. Quinsam invests significantly in securities of "junior" issuers, which can at times be relatively illiquid, and if the Company decides to dispose of securities of a particular issuer it may not be able to do so at the time at favourable prices, or at all. Overall, the Company has

sufficient marketable securities that are freely tradable and relatively liquid to fund its obligations as they become due under normal operating conditions such that, absent overall market disruptions or extreme circumstances, liquidity risk can be minimized.

There were no significant or material changes to the Company's risk management policy during the three months ended March 31, 2014.

The following table summarizes the carrying amount and the contractual maturities of both the interest and principal portion of significant financial liabilities as of March 31, 2014:

	Carrying Amount	Within 1 year	1 year to 3 years	3 years to 5 years
Accounts payable and accrued liabilities	\$ 19,477	\$ 19,477	\$ -	\$ -
	<u>\$ 19,477</u>	<u>\$ 19,477</u>	<u>\$ -</u>	<u>\$ -</u>

Market Risk:

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices. The Company is exposed to market risk in trading its investments and unfavourable market conditions could result in dispositions of investments at less than favourable prices.

In accordance with IFRS 9, Quinsam is required to fair value its investments at the end of each reporting period. This process could result in significant write-downs of the Company's investments over one or more reporting periods, particularly during periods of overall market instability, which would have a significant unfavourable effect on Quinsam's financial position.

There were no changes to the way that the Company manages market risk since December 31, 2013. The Company manages market risk by having a portfolio that is not singularly exposed to any one issuer.

The Company has also set thresholds on purchases of investments over which approval of the Board of Directors is required. During periods of market volatility in the small cap sector, the value of the Company's investment portfolio can be quite vulnerable to market fluctuations.

Interest Rate Risk:

Interest rate risk is the impact that changes in interest rates could have on the Company's profit and liabilities. As at March 31, 2014, the Company did not have any significant interest rate risk.

Currency Risk:

Currency risk is the risk that the fair value of or future cash flows from, the Company's financial instrument will fluctuate because of foreign exchange rates. The Company's operations are exposed to minimal foreign exchange fluctuations as the investee Companies are listed on Canadian Exchanges and are traded in CDN dollars.

The Company believes that it is not exposed to foreign exchange risk as at March 31, 2014.

There were no significant or material changes to the Company's risk management policy during the three months ended March 31, 2014.

Additional risks not currently known to the Company or that are currently believed to be immaterial, may also affect and negatively impact the Company's business.

RISK FACTORS

The Company's investing activities are, by nature, subject to a number of inherent risks, including those described in the Risk Management section.

Some risks are described below. Additional risks not currently known to us, or that we currently believe to be immaterial, may also affect and negatively impact our business.

Portfolio Exposure:

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. Quinsam'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.

Junior exploration, biotechnology and technology companies may never achieve commercial discoveries and productions. This may create an irregular pattern in the Company's revenue and profitability. Additionally, macro factors such as fluctuations in commodity prices and global political, economic and market conditions could have an adverse effect on one or more sectors to which the Company is exposed, and a disproportionate effect on the sectors as compared to the overall market, thereby negatively impacting one or more of the portfolio companies concurrently

Cash Flows/Revenue:

Quinsam generates revenue and cash flows primarily from proceeds from the disposition of its investments, in addition to interest and dividend income earned on the Company's investments. The availability of these sources of funds and the amount of funds generated from these sources are dependent upon various factors, most of which are outside of the Company's direct control. The Company's liquidity and operating results may be adversely affected if access to the capital markets is hindered, whether as a result of a downturn in the market conditions generally or to matters specific to Quinsam, or if the value of the Company's investments decline, resulting in lesser proceeds of disposition and capital losses for Quinsam upon disposition.

Share Prices of Investments:

Quinsam's investments in securities of public companies are subject to volatility in the share prices of the companies. There can be no assurance that an active trading market for any of the subject shares is sustainable. The trading prices of the subject shares could be subject to wide fluctuations in response to various factors beyond the control of Quinsam, including quarterly variations in the subject companies' results of operations, changes in earnings, analyst estimates, industry conditions and general market and economic conditions. Such fluctuations could adversely affect the market price of the Company's investments and significantly negatively impact upon the Company's operating results.

Dependence on Management:

Quinsam is dependent upon the efforts, skill and business contacts of key members of management, for among other things, the information and deal flow they generate during the normal course of their activities and the synergies which exist amongst their various fields of expertise and knowledge. Accordingly, the Company's continued success will depend upon the continued service of these individuals who are not obligated to remain employed with Quinsam. The loss of the services of any of these individuals could have a material adverse effect on the Company's revenues, net income and cash flows and could harm the Company's ability to maintain and grow existing assets and raise additional funds in the future

Additional Financing Requirements:

Quinsam anticipates ongoing requirements for funds to support the Company's growth and may seek to obtain additional funds for these purposes through public or private equity share offerings. There are no assurances that additional funding will be available to the Company at all, on acceptable terms or prices. Any additional equity financings may cause shareholders to experience dilution. Any limitations on the Company's ability to access the capital markets for additional funds could have a material adverse effect on the Company's ability to grow its investment portfolio.

Outstanding Share Data:

The Company is authorized to issue an unlimited number of common shares (no par value).

As at May 23, 2014, the number of common shares of the Company outstanding and the number of common shares issuable pursuant to other outstanding securities of Quinsam are as follows:

Common Shares	Number Outstanding
Outstanding	23,777,660
Issuable Under Options	450,000
Total Diluted Common Shares	24,227,660

Additional information about the Company's share capital can be found in Note 7 of the Notes to the financial statements as at and for the twelve months ended December 31, 2013.

Segmented Information:

The Company has a single reportable geographic segment, Canada, and all of the Company's Management and assets are located in Canada.

The internal reporting provided to management of the Company is prepared on a consistent basis with the measurement and recognition principles of IFRS. There were no changes in the reportable segments during the three months ended March 31, 2014.

Changes in Accounting Policies:

There were no changes enacted in the current period.

Future Accounting Policies

IFRS 9 Financial Instruments: This standard replaces the current IAS 39 Financial Instruments Recognition and Measurement. The standard introduces new requirements for classifying and measuring financial assets and liabilities. The effective date of IFRS 9 is January 1, 2018. The Company has not yet evaluated the impact on the financial statements.

Critical Accounting Estimates:

The preparation of the Company's financial statements in conformity with IFRS requires management to make estimates and assumptions about future events that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

Critical accounting estimates used in the preparation of the Company's financial statements are the recognition of the Company's deferred tax asset ("DTA"), the Company's estimate of inputs for the calculation of the value of stock-based compensation expense.

Recognition of Deferred Tax Assets:

The Company follows the liability method of tax allocation in accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases. As at March 31, 2014, management determined, based upon the Company's historical level of taxable income that no value should be assigned to the deferred tax asset.

Stock-based Compensation Expense and Warrants:

The Company uses the Black-Scholes option pricing model ("B-S") to calculate stock-based compensation expense and the value of warrants and broker warrants issued as part of the Company's private placements. The B-S requires six key inputs to determine a value for an option, warrant or broker warrant: risk free interest rate, exercise price, market price at date of issue, expected dividend yield, expected life and expected volatility. Certain of the inputs are estimates which involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control. For example, a longer expected life of the option or a higher volatility number used would result in an increase in stock-based compensation expense. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of stock-based compensation expense.

The following table summarizes stock options granted during the three months ended March 31, 2014 and March 31, 2013:

Date Granted	Options Granted	Exercise Price	Expiry Date
-	-	-	-

Valuation of Unlisted Warrants of Public Companies:

The Company uses Black Scholes (B-S) to calculate the fair value of unlisted warrants of public companies if there are sufficient and reliable observable market inputs. If there are no reliable, observable and insufficient inputs available, the warrants are valued using their intrinsic value.

As at March 31, 2014, the Company has valued all non-tradable warrants using intrinsic value for a total fair value of \$0.00 (2013-\$0.00).

Subsequent Events:

Nil

Outlook:

The Company's outlook is in large part dependent on overall conditions in the investment market and in particular on conditions in the small cap market.

While market conditions, particularly in the small cap market, continue to be volatile, management of the company believe that current market conditions are favourable and that the potential for creating positive investment returns exists.

Use of Non-GAAP Financial Measures:

This MD&A contains references to "net asset value per share" (basic and diluted) ("NAV") which is a non-GAAP financial measure. NAV is calculated as the value of total assets less the value of total liabilities divided by the total number of common shares outstanding as at a specific date. NAV (diluted) is calculated as total assets less total liabilities divided by the total number of common shares of the Company outstanding as at a specific date, calculated based upon the assumption that all outstanding securities of the Company that are convertible into or exercisable for common shares have been converted or exercised. The term NAV does not have any standardized meaning according to GAAP and therefore may not be comparable to similar measures presented by other companies. There is no comparable GAAP financial measure presented in Quinsam's financial statements and thus no applicable quantitative reconciliation for such non-GAAP financial measure. The Company believes that the measure provides information useful to its shareholders in understanding our performance, and may assist in the evaluation of the Company's business relative to that of its peers.

Additional Information:

Additional information relating to Quinsam Capital Corporation, including its annual management information circular for the Company's most recently completed financial year, is available under the Company's profile on SEDAR at www.sedar.com.