

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: QCA

Number of Outstanding Listed Securities: 118,396,029

Date: May 31, 2018

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 May 8, 2018, the Company announced that it has entered into an agreement to sell its right to a 35% equity stake in Herbiculture Inc. ("Herbiculture") to Lineage Grow Company Ltd. ("Lineage"). Lineage will acquire Quinsam's 35% equity interest in Herbiculture for total consideration of 3,900,000 common shares of Lineage (see Question 5 for details).

In a press release dated May 16, 2018, the Company announced that it has completed or committed to a number of new investments (see Question 7 for details).

In a press release dated May 18, 2018, the Company announced that it has completed the sale of its position in Dosecann Inc. ("Dosecann") as part of the takeover of Dosecann by Cannabis Wheaton Income Corp. ("Cannabis Wheaton") (see Question 7 for details).

In a press release dated May 30, 2018, the Company announced its Q1/2018 quarterly results. The Company recorded net income of \$4.9 million (\$0.05 per share) in Q1/2018 versus \$nil (\$0.00 per share) in Q1/2017.

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.

There were no new products or services developed in the current month.

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.

There were no products or services discontinued in the current month.

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.

On May 8, 2018, the Company entered into a letter of intent ("LOI") with Lineage to sell the Company's 35% interest in Herbiculture, a medical marijuana dispensary located in the State of Maryland (the "Transaction"). The Company will retain its original USD \$655,000 loan to Herbiculture. Pursuant to the LOI, Lineage will acquire Quinsam's 35% equity interest in Herbiculture for total consideration of USD \$720,000, to be satisfied by Lineage issuing to Quinsam 3,900,000 common shares of Lineage upon closing of the Transaction. On closing, Lineage will also enter into an agreement with Herbiculture and its shareholders for Lineage to be granted a right of refusal to purchase 35% of securities offered by Herbiculture and a tag along right in case the majority shareholders of Herbiculture sell their stake. The Transaction is subject to final due diligence, execution of a definitive acquisition agreement which shall supersede the LOI, receipt of applicable corporate approvals, and other regulatory and/or governmental approval.

FMI Capital Advisory Inc. ("FMI") is acting as exclusive financial advisor to Lineage in connection with the Transaction. Adam Szweras and Peter Bilodeau, directors of Quinsam, are principals of FMI.

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.

The Company has completed or committed to a number of new investments:

- Quinsam invested US\$1.25 million in Oakland-based FLRish as part of a US\$6.5 million Series A financing that also included Cresco Capital Partners and Murray Field & Co. FLRish manages two Harborside retail dispensaries and brands, and as well has a large cannabis cultivation facility. The dispensaries are located in Oakland and San Jose. The new capital will be used to continue building out the firm's cultivation facility, expand its retail platforms and for corporate development purposes.
- The Company invested US\$992,000 in Acreage Holdings ("Acreage"), which has perhaps the largest collection of licenses that exists in the United States. Acreage is expected to pursue a public listing in 2018.
- On March 5, 2018, Quinsam signed a binding LOI with Medicinal Compassion Canni Farms Inc. and a numbered company to provide financing for a late-stage ACMPR applicant. Pursuant to the LOI, Quinsam is to advance a \$1.5 million loan for a period of 12 months at an interest rate of 12%. The loan will be secured by a mortgage on a 54,000 square foot building in Guelph, Ontario on a 2.75 acre lot. Closing of the initial drawdown has now been completed.
- The Company made an initial \$500,000 convertible debenture investment in King and Pegahmagabow Inc., a Canadian indigenous-controlled company that is planning to offer well-priced pre-packaged cannabis products through on-reserve sales outlets. In the immediate term, it plans to commence production of tobacco products that will be sold free of provincial taxes through on-reserve retail channels. Quinsam sees strong potential in native-controlled cannabis, especially if the business model that now exists in tobacco (which allows on-reserve sales to be free of provincial taxes) is also rolled out for cannabis.
- The Company also invested:
 - \$400,000 in Ancient Strains, which will be a licensed producer in Uruguay;
 - \$250,000 in Green Stripe, a Jamaican licensee that was also priced at a very modest pre-money value;
 - US\$400,000 in convertible debentures issued by Xtraction Services, which earns revenue streams through the provision of its oil extraction technology; and

- \$250,000 in convertible debentures of ThermaBright, which is pursuing topical medicinal products that combine cannabis with its heat and light technologies.
- The Company had also completed the sale of its position in Dosecann, as part of the takeover of Dosecann by Cannabis Wheaton. Quinsam received 1,092,000 shares of Cannabis Wheaton plus 546,000 warrants in Cannabis Wheaton with an exercise price of \$0.962. In addition, Quinsam will receive additional Cannabis Wheaton shares in lieu of the interest owing on the debenture. In aggregate, the value of the securities obtained by Quinsam is well in excess of \$2 million at the present time

8. Describe the acquisition of new customers or loss of customers.

There were no material acquisitions of new customers or loss of customers in the current month.

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.

There were no material new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks in the current month.

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 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 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 month.

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
Common shares	42,000	Exercise of broker warrants	\$6,300; for working capital purposes

(1) State aggregate proceeds and intended allocation of proceeds.

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 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 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 June 1, 2018.

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	May 31, 2018	18/06/01
Issuer Address 390 Bay Street, Suite 806		
City/Province/Postal Code Toronto/Ontario/M5H 2Y2	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 kli@bransonservices.com	Web Site Address www.quinsamcapital.com	