

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: QCA

Number of Outstanding Listed Securities: 118,579,029

Date: July 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 July 9, 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 July 24, 2018, the Company announced the refiling of its Q1 2018 MD&A. The refiling was made in connection with a continuous disclosure review by the Ontario Securities Commission (the "OSC") to conform to the guidance provided in Staff Notice 51-352 (Revised) *Issuers with U.S. Marijuana-Related Activities* published by the Canadian Securities Administrators on February 8, 2018. The Revised MD&A was refiled at the request of the OSC to, among other things, provide more prominent and comprehensive disclosure as to the Company's involvement in any marijuana-related activities in the United States, and its relationship with investee entities from the cannabis sector in its portfolio investment, including the type of investment, the Company's percentage ownership interest in the investee, the significance of each investee, the jurisdictions the investee operates in, and the nature of the Company and each investees' involvement/operations in the marijuana industry in each jurisdiction in which it operates.

In a press release dated July 25, 2018, the Company announced the approval of its sixteenth consecutive quarterly dividend. The dividend is \$0.00125 per share (\$0.005 per share per year), and will be paid on August 20, 2018 to shareholders of record on August 1, 2018.

In a press release dated July 30, 2018, the Company announced that it intends to proceed with a normal course issuer bid to purchase up to 5,928,951 of its common shares (the "Bid"). The Company is commencing the Bid because it believes that the current market price of its common shares may not fully reflect the underlying value of the Company's business and future prospects. The Company believes that the repurchase of its common shares for cancellation is in

the best interests of its shareholders because the Bid will increase the respective proportionate shareholdings and equity interests of all remaining shareholders. The Company will commence the Bid on August 6, 2018. The Bid will terminate on August 6, 2019, or on an earlier date in the event that the number of common shares sought in the Bid has been repurchased. The Company reserves the right to terminate the Bid earlier if it feels that it is appropriate to do so. All common shares will be purchased on the open market through the facilities of the Canadian Securities Exchange (“CSE”), and payment for the common shares will be made in accordance with CSE policies.

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.

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.

No material contracts or agreements expired or terminated during the current month and no material financing arrangements were cancelled during the current 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 had provided the following updates on its investments during the current month:

- In March 2018, Quinsam made a \$1.5 million investment in debentures of C21 Investments Inc. ("C21"), a US cannabis issuer. The debentures converted on listing at \$1 per share and Quinsam also received a 10% bonus lowering our effective cost to \$0.90 per share. C21 has completed transformational acquisitions, has now listed and the shares recently traded at \$2.50;
- In January 2018, Quinsam invested \$875,000 in Dosecann Inc. which was acquired by Auxly Cannabis Group Inc. ("Auxly" and formerly Cannabis Wheaton Income Corp.) at a significant premium. Quinsam has since liquidated a portion of its resulting Auxly position;
- In April 2018, Quinsam invested \$1 million in units of Planet13 Holdings Inc. at \$0.80 per unit. The shares have now listed and trade at a premium. Quinsam has liquidated a portion of the share position;
- Quinsam has a 35% stake in Herbiculture Inc. In Q2 2018, Quinsam announced an LOI to sell this stake to Lineage Grow Company Ltd. for shares with a value of approximately \$800,000. The sale has not closed but is expected to close in the coming weeks;
- The takeover of I-5 by Captor Capital Corp. ("Captor") was completed in Q2 2018. CPTR is halted pending completion of a change of business filing with the CSE. We understand that the stock should resume trading in a few weeks. Based on the last trade price for Captor, our investment in I-5 was up approximately 100% from our cost;
- Earlier in 2018, Quinsam invested US\$250,000 in PlantExt Ltd., which completed a US\$2.4 million pre-listing financing at US\$0.70 per share in Q2 2018. As such, Quinsam will increase our carrying price accordingly;

- In Q1 2018, Quinsam invested \$525,000 in units of Crossgate Capital Corporation (operating as Next Green Wave) at a price of \$0.35 per unit. The company closed a financing price at \$0.60 late in Q2. Therefore, Quinsam will adjust our carrying value accordingly.
- Quinsam holds a legacy investment in PMML Corp., a private e-sports gaming platform, of 2,000,000 common share equivalents. The investment was carried at the end of Q1 2018 at C\$0.10 per common share equivalent based on its last financing in 2017. In Q2 2018, PMML completed its largest financing to date, at US\$0.23 per share, and Quinsam will revalue our shares accordingly.
- In April 2018, Quinsam invested \$500,000 in Sproutly Inc. (“Sproutly”) debentures. Sproutly is now listed for trading under the symbol SPR. Our debentures convert on a compulsory basis at an equivalent of approximately \$0.17 per share. Sproutly is an ACMPR applicant and will remain carried at our cost in our Q2 2018 results.

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 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 securities were issued 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 were noted to directors, officers or committee members during the current 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 July 31, 2018.

Eric Szustak
Name of Director or Senior
Officer

"Eric Szustak"
Signature
Director and Corporate Secretary
Official Capacity

Issuer Details Name of Issuer Quinsam Capital Corporation	For Month End July 31, 2018	Date of Report YY/MM/DD 18/07/31
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
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