

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: QCA

Number of Outstanding Listed Securities: 119,292,644

Date: October 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 October 2, 2018, Quinsam Capital Corporation ("Quinsam" or the "Company") announced that it expects a number of upcoming liquidity events by its investee companies (see Question 7 for details).

In a press release dated October 4, 2018, the Company noted that one of its investee companies, Halo Labs Inc. ("Halo") – had obtained a listing on the NEO Exchange (see Question 7 for details).

In a press release dated October 16, 2018, the Company provided update to its investors on two of its investee companies, CannAmerica Brands Corp. ("CannAmerica") and FLRish Inc. ("FLRish") (see Question 7 for details).

In a press release dated October 22, 2018, the Company announced it had signed a market-making agreement (the "Agreement") with Trapeze Capital Corp. ("Trapeze") to provide market-making services.

In a press release dated October 24, 2018, the Company announced its quarterly dividend of \$0.00125 per share (\$0.005 per share per year). The distribution will be paid on November 22, 2018 to shareholders of record on November 1, 2018. This dividend will be designated as an "eligible dividend" for Canadian income tax purposes. The Company also provided additional updates on a number of its cannabis-related investments (see Question 7 for details).

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 October 22, 2018, the Company signed a market-making agreement with Trapeze, which will provide market-making services. Under the terms of the Agreement, Trapeze will receive cash compensation of \$6,500 per month. The Agreement is for an initial term of 180 days, with automatic renewals for a further 180 days unless terminated.

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.

Based on information that has been announced, the Company anticipates the following liquidity events in the near term for its investee companies:

- FLRish, which Quinsam invested US\$1.25 million in it, has announced an RTO with Lineage Grow Company Ltd. FLRish announced a new financing round of securities convertible at \$6.90 per share, which Quinsam is also participating in. FLRish operates in California under the Harborside name, and it plans to file its listing statement shortly and is targeting a Q4 listing. When it lists, Quinsam expects this company to have a very favourable market reception.
- Halo has received conditional listing approval from the Canadian Securities Exchange (the “CSE”) for its merger with Apogee Opportunities Inc. Quinsam invested \$500,000 in Halo and the listing is imminent.
- Next Green Wave Holdings Inc., in which Quinsam invested \$525,000 at \$0.35 a share, has received conditional listing approval. Trading is anticipated in October 2018.
- IM Cannabis Corp., in which Quinsam invested \$400,000, has announced an RTO with Navasota Resources Inc. and it expects to list on the CSE in November 2018.
- Irri-Al-Tal Ltd. has announced an RTO with Sagittarius Capital Corp. Quinsam invested \$350,000 in the company and trading is anticipated in October 2018.
- Xtraction Services, Inc. (“Xtraction”) has announced an RTO with Caracara Silver Inc. Quinsam invested US\$400,000 in Xtraction’s convertible debentures.
- Xanthic Biopharma Inc. (“Xanthic”) is merging with Green Growth Brands, a major US cannabis growth initiative. Quinsam holds in excess of 2 million shares of Xanthic. The merger was announced in July and completion of the deal is anticipated for prior to the end of the year.
- Segra International Corp. intends to list its shares on the CSE prior to October 31, 2018. Quinsam invested \$100,000 at \$0.25 per share and \$300,000 at \$0.75 per unit.
- MVC Technologies Inc. (dba Sail Cannabis), in which Quinsam invested \$440,000, has announced its intention to go public through an RTO with a numbered company. Trading is anticipated for later this year.
- CityView Green has announced a going-public merger with Icon Exploration Inc. Quinsam acquired 3 million shares of CityView Green as part of a mortgage loan advance. We anticipate a listing before year-end.
- Osoyoos Cannabis Inc. (“Osoyoos”) has announced an RTO with LKP Solutions Inc. Quinsam invested \$500,000 in Osoyoos and trading is anticipated for later this year.

- CannAmerica, in which Quinsam invested \$495,000, has obtained a listing on the CSE and the stock commenced trading on October 15, 2018 under the symbol "CANA".
- Grown Rogue Unlimited, LLC, in which Quinsam invested \$440,000, has announced an RTO with Novicius Corp. A CSE listing is expected.
- Biome Grow Inc. (formerly Cultivator Catalyst) has announced that it has received conditional listing approval from the CSE for its RTO transaction with Orca Touchscreen Technologies Ltd. Quinsam invested \$300,000 in this company.
- ALQ Gold Corporation, in which Quinsam invested \$405,000, has completed a filing statement for a public listing which is expected later this year.

In Q3 and Q4, Quinsam had also been reducing exposure to Canadian ACMPR companies. The following sales have helped reduce the impact of the recent market correction on the Company's portfolio:

- Sold all Aleafia shares. The Company also exercised all of our warrants and sold the resulting shares.
- Sold all remaining Auxly shares obtained through its takeover of Dosecann. The Company also exercised the Auxly warrants and sold those shares.
- Sold all shares and warrants in Harvest One.
- Converted debentures and exercised warrants in Hiku and sold the resulting shares.
- Sold entire position in Namaste.
- Reduced holdings in Ndiva and GTEC Holdings.
- Added to position in Eve in Q3 but later sold all of what we added plus the majority of our initial position.
- Sold the majority of our position in Biome Grow.
- Sold all Planet13 shares. Also exercised all warrants and sold a large number of the resulting shares.
- Sold the majority of position in C21.
- Sold the majority of position in Next Green Wave.
- Sold the majority of position in Platinex.
- Sold remaining position in Khiron.
- Converted one of the Canada House debentures and sold the resulting shares.
- Acquired and sold small positions in Charlotte's Web and Valens.

The Company had also redeployed sale proceeds into a number of new investments, which include the following:

- Algae Dynamics Corp., in which Quinsam invested \$200,000, has some very interesting technology relating to cannabis medical applications.
- Asterion Cannabis Inc., in which Quinsam invested \$400,000, is developing an Australian cannabis operation.
- Blackshire Capital Corp. (“Blackshire”), in which Quinsam invested \$385,000, is a cannabis-focused company with a number of interesting investment initiatives paired with significant hands-on management resources. Blackshire is a major holder of Zenabis, which is planning a near term public listing. It also has a well thought out Ontario retail initiative.
- Canivate Growing Systems Ltd., in which Quinsam invested \$245,000, has a highly innovative greenhouse technology.
- Consortium Inc., in which Quinsam is investing approximately \$600,000, is a major US licensed producer.
- Curaleaf, Inc, in which Quinsam is investing approximately \$450,000, is a major US licensed producer.
- Embark Health Inc., in which Quinsam is investing \$500,000, is creating a major Canadian oil extraction operation.
- Empower Clinics Inc. was a previous investment for us. Quinsam invested \$250,000 in its recent \$575,000 convertible debenture issue at \$0.18. This was a highly attractive deal that also included warrant coverage.
- The Company topped up the FLRish investment by \$250,000 in their latest round of financing.
- Full Spectrum Brands Canada, in which Quinsam is investing \$500,000, is a company engaged in branded cannabis products that has interesting upside potential.
- Geflion Canada Inc., in which Quinsam invested \$300,000, has interesting transdermal cannabis delivery technology paired with a very modest valuation.
- Hemp Hydrate International Holdings Ltd. was a previous investment. Quinsam topped up the investment by \$100,000 as the last money in a financing round prior to an offering price increase.
- Miraculo (dba Cannabis MD) was already a holding for Quinsam. The Company is adding \$200,000 as part of its current financing round.
- Pure Global Cannabis Inc., in which Quinsam invested \$350,000, issued attractively priced convertible debenture units.
- Sproutly Canada, Inc. was already a major holding for Quinsam. The Company is adding \$250,000 of units and \$250,000 of convertible debentures in its current raise.

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.

| Security | Number Issued | Details of Issuance | Use of Proceeds ⁽¹⁾ |
|-----------------|----------------------|-----------------------------|---|
| Common shares | 554,415 | Exercise of broker warrants | \$133,564; 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 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 November 1, 2018.

Eric Szustak
Name of Director or Senior
Officer

"Eric Szustak"
Signature
Director and Corporate Secretary
Official Capacity

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| Issuer Details Name of Issuer | For Month End | Date of Report YY/MM/DD |
| Quinsam Capital Corporation | October 31, 2018 | 18/11/01 |
| Issuer Address | | |
| 77 King Street West, Suite 2905 | | |
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