

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: EXMceuticals Inc. (the "Issuer" or the "Company").

Trading Symbol: EXM

Number of Outstanding Listed Securities: 39,669,310

Date: October 31, 2019

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

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.

The Issuer obtained the official full license for cannabis research and development from the Portuguese National Authority of Medicines and Health Products (INFARMED). This license now allows the Issuer to import, research and refine cannabinoids and cannabis by-products inside Portugal / Europe, operate the existing R&D facility, as well as to operate the existing pilot-scale refinery for the transformation of cannabis-based ingredients.

The Issuer commenced further cultivation of cannabis in Uganda and is further developing its nursery operations and farming infrastructure in the country, in anticipation of larger volume requirements being needed by its Portugal operations.

The Issuer continued building out the infrastructure at its cultivation asset in the DRC, with particular focus on progressing the build of the nursery, in anticipation larger volume requirements being needed by its Portugal operations.

2. Provide a general overview and discussion of the activities of management.

Management of the Issuer continued to work very closely with the relevant Portuguese authorities and our retained consultants regarding the overall and future licensing for the anticipated commercial expansion of the issuers Portuguese activities. Management have also been assisting in the drafting on the expansion and factory plans for the commercial operation that are now the main focus given that the R&D license has been issued. The company plans to file for the industrial and commercial license within 2 months from today.

Management of the issuer continued to work closely with the local management teams in Uganda and the DRC in order to enhance the status of the planting operations, farming and extraction installations.

Management time was also spent negotiating for the potential license to operate in Malawi, as well as finalising the documents and legal due processes for the planned acquisition of Malawi Mangos.

In addition, members of the management team continued to negotiate with local governments and partners in Ethiopia, Zambia and Burundi.

Management are also in active discussions with other third party potential sources and growers of cannabis and hemp biomass that could be used to fill our resource requirements.

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.

The issuer is now able, via its Portugal subsidiary, to commence its cannabis R&D activities. This work will largely be devoted to work for the parent company but we are now in active discussions with other groups who we could provide R&D services for (on a commercial basis).

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.

Not applicable

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.

Not applicable

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.

Not applicable

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.

Not applicable

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

Not applicable

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.

Not applicable

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

Not applicable

11. Report on any labour disputes and resolutions of those disputes if applicable.

Not applicable

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.

Not applicable

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

The Issuer entered into a loan facility agreement dated October 21, 2019 with Jonathan Summers (the "Lender"), pursuant to which the Issuer borrowed CAD\$500,000 (the "Loan Facility"). The Loan Facility has a maturity date of December 31, 2020 (the "Loan Facility Maturity Date") with interest thereon at a fixed rate of 15% per annum until the Loan Facility Maturity Date, and 20% per annum thereafter. The Loan Facility is repayable in cash, and the accrued interest is convertible into common shares of the Company at the option of the Lender.

As additional consideration for the Loan Facility, the Issuer also agreed to issue special warrants (the "Special Warrants") to the Lender to acquire up to 74,074 common shares in the capital of the Issuer (the "Special Warrant Shares") equal in value to 20% of the principal amount of the Loan Facility at a conversion rate of \$1.35 per Special Warrant Share. Conversion of the Special Warrants to Special Warrant Shares is subject to the closing of one or more private placements in which the Lender will have subscribed for securities of the Issuer at an aggregate subscription price of no less than the principal amount of the Loan Facility (the "Qualifying Financing"). Upon closing of a Qualifying Financing, the Special Warrants automatically convert into Special Warrant Shares. The Special Warrants are otherwise not convertible, and in the event the Lender does not participate in a Qualifying Financing on or prior to the Loan Facility Maturity Date the Special Warrants will expire.

The Loan Facility also provides for the grant of performance-based warrants (the "Bonus Warrants"), entitling the Lender to acquire a percentage of the principal amount funded under the Loan Facility in common shares of the Issuer at a price of \$1.35 per share. The percentage of Bonus Warrants the Lender will receive will be determined based on the Issuer's share price at the time the Loan Facility is fully repaid as follows:

- (i) **equal to 15% of the principal amount of the Loan Facility if the fair market value of the Issuer's shares is between \$1.35 and \$2.00 per share;**
 - (ii) **equal to 25% of the principal amount of the Loan Facility if the fair market value of the Issuer's shares is between \$2.00 and \$3.00 per share;**
 - (iii) **equal to 35% of the principal amount of the Loan Facility if the fair market value of the Issuer's shares is between \$3.00 and \$4.00 per share;**
 - (iv) **equal to 45% of the principal amount of the Loan Facility if the fair market value of the Issuer's shares is between \$4.00 and \$6.00 per share; and**
 - (v) **equal to 60% of the principal amount of the Loan Facility if the fair market value of the Issuer's shares is above \$6.00 per share.**
14. Provide details of any securities issued and options or warrants granted.
Not applicable
15. Provide details of any loans to or by Related Persons.
Not applicable
16. Provide details of any changes in directors, officers or committee members.
Not applicable
17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.
Other trends and risks which are likely to impact the Issuer are discussed in the Issuer's Form 2A Listing Statement dated January 28, 2019 and filed on the CSE website and SEDAR. The Issuer's financial statements (the "Q3 Financial Statements") and corresponding management's discussion and analysis (the "Q3 MD&A") for the nine months ended March 31, 2019 also discuss risks which are likely to impact the Issuer. The Q3 Financial Statements and Q3 MD&A are both available under the Issuer's profile on SEDAR at www.sedar.com.

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 6, 2019.

Jonathan Summers
Name of Director or Senior
Officer

"Jonathan Summers"
Signature

Chairman
Official Capacity

Issuer Details		For Month End	Date of Report
Name of Issuer EXMceuticals Inc.		October 2019	YY/MM/DD 19/11/06
Issuer Address Suite 600, 1134 Grande Allée Ouest			
City/Province/Postal Code Quebec City, Quebec, G1S 1E5		Issuer Fax No. 418-681-7100	Issuer Telephone No. 418-681-7007
Contact Name Genevieve Gagne		Contact Position Corporate Secretary	Contact Telephone No. 418-681-7007
Contact Email Address Genevieve.Gagne@jolicoeurlacasse.com		Web Site Address www.exmceuticals.com	

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