

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: PreveCeutical Medical Inc. (the "Issuer")

Trading Symbol: PREV

Number of Outstanding Listed Securities: 390,188,905 common shares

Date: November 6, 2018 (for the month ended October 31, 2018)

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.

On October 1, 2018, the Issuer entered into an agreement with World Wide Holdings LLC, DBA Invictus Resources ("Invictus") for the provision of investor relations services for a term of one month (the "Invictus Agreement") whereby, the Issuer issued 4 million stock options to Invictus, 10% of which vested on October 31, 2018, with the remaining options to vest in accordance with a vesting schedule.

The Issuer also entered into a letter of intent dated effective October 2, 2018, with Penta 5 Packaging Inc. ("Penta 5 Canada") and Penta 5 USA, LLC ("Penta 5 USA", together with Penta 5 Canada and their subsidiaries, the "Penta 5 Group") with respect to a possible strategic acquisition whereby the Issuer would acquire the Penta 5 Group and its assets (the "Proposed Acquisition").

In connection with the Issuer's due diligence regarding the Proposed Acquisition, on October 19, 2018, the Issuer's management team visited Penta 5 USA's packaging facility and met with key members of Penta 5 USA's management and operations staff.

On October 20, 2018, the Issuer issued 2,000,000 stock options to Paget Hargreaves, in connection with Mr. Hargreaves' appointment as a director and officer of the Issuer's subsidiary, PreveCeutical (Australia) Pty Ltd.

On October 30, 2018, the Issuer announced that its research team at The University of Queensland had held a two-day intensive workshop with leading scientific teams from the QIMR Berghofer Medical Research Institute in Brisbane and from Murdoch University in Perth (the "Teams") to collaborate on the Issuer's dual gene therapy research and development program (the "Program"), which is intended to address the increasing prevalence of obesity and diabetes using smart siRNA and tissue targeted bio-responsive delivery systems. The Teams created a 10 to 12 month plan aimed at concluding the current phase of the Program by demonstrating proof-of-concept in the delivery of smart siRNAs and effective in-cell modulation of a key biomarker implicated in diabetes and obesity.

On October 31, 2018, in connection with the Issuer's decision not to renew the Invictus Agreement for any additional one-month terms, 3,600,000 unvested stock options issued to Invictus in connection with the Invictus Agreement were cancelled.

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

During October 2018, management's principal activities consisted of activities which included, but were not limited to matters related to,

- (i) the negotiation of a letter of intent with Penta 5 USA and Penta 5 Canada;
- (ii) due diligence regarding the Proposed Acquisition;
- (iii) conducting its Australian operations; and
- (iv) evaluating the Invictus Agreement.

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.

Not applicable.

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.

See Item 1 for a description of new business relationships entered into during October 2018.

The Penta 5 Group is not considered to be a related party of the Issuer; both Penta 5 Canada and Penta 5 USA are arm's length parties to the Issuer.

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.

See Item 1 for a description of the termination of the Invictus Agreement.

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.

See Items 1 above.

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.

There were no labour disputes or resolutions of labour disputes during the month of October 2018.

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 did not become a party to any new legal proceedings during October 2018.

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

Not applicable.

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

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
Options	4,000,000 ⁽¹⁾	4,000,000 options to purchase an equal number of common shares	N/A

		in the capital of the Issuer at a price of \$0.135 per share, exercisable until October 1, 2019	
Options	2,000,000	2,000,000 options to purchase an equal number of common shares in the capital of the Issuer at a price of \$0.125 per share, exercisable until October 20, 2020	N/A

Note:

(1) 3,600,000 of the stock options were cancelled on October 31, 2018.

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.

Effective October 20, 2018, Maher Khaled ceased to be a director and officer of PreveCeutical (Australia) Pty Ltd and Paget Hargreaves became a director and officer of PreveCeutical (Australia) Pty Ltd.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

The production and distribution of health products are subject to federal, provincial and local laws, rules, regulations, and policies, and to international trade agreements, all of which provide a framework for the Issuer's operations. Regulatory amendments that may impact the Issuer include changes to food and drug laws, labelling laws, accounting standards, tax laws, competition laws and environmental laws, including laws with respect to water rights and water treatment regulations and laws affecting the treatment of animals. Such changes can have an impact on the Issuer's financial results or increase its costs and liabilities. Such changes would also affect all health products and would not disproportionately harm the Issuer relative to the health product industry. Despite this, given the Issuer's current product offering, laws regulating the use and extraction of scorpion venom will directly affect, and may disproportionately affect, the Issuer's business and operations.

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, 2018

Shabira Rajan

Name of Director or Senior Officer

"Shabira Rajan"

Signature

CFO, Controller and Corporate Secretary
Official Capacity

<i>Issuer Details</i> Name of Issuer	For Month End	Date of Report YY/MM/DD
PreveCeutical Medical Inc.	October 31, 2018	18/11/06
Issuer Address		
Suite 2200, 1177 West Hastings Street		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
Vancouver, British Columbia, V6E 2K3	778-945-6290	604-416-7777
Contact Name	Contact Position	Contact Telephone No.
Shabira Rajan	CFO, Controller and Corporate Secretary	604-416-7777 ext. 6239
Contact Email Address	Web Site Address	
shabira@preveceutical.com	https://preveceutical.com/	