

FORM 7  
**Quadron Cannatech Corporation**  
**MONTHLY PROGRESS REPORT**  
**For the Month of October 2018**

**PRECAUTIONARY NOTE**

All information presented herein is unaudited and prepared on the basis of preliminary information as available within four-trading days of the reporting date. Accordingly, this information may be subject to material adjustment on completion of any unaudited quarterly interim financial reports or the Company's annual audit. The information presented herein should be read in conjunction with the Company's interim unaudited condensed interim financial statements for the three months ended July 31, 2018, and the audited consolidated financial statements for the year ended April 30, 2018 and the related "Management's Discussion and Analysis of Operations" ("MD&A").

Name of CNSX Issuer: **Quadron Cannatech Corporation** (the "Company", "Issuer" or "Quadron").

Trading Symbol: **QCC**

Number of Outstanding Listed Securities: **71,650,447 Common Shares**

Date: **November 6, 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 the CNSX 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 CNSX.ca 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 CNSX Policies. The discussion in this report must be factual, balanced and non-promotional.

# Quadron Cannatech Corporation

## MONTHLY PROGRESS REPORT

### For the Month of October 2018 (continued)

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#### 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.

Quadron operates through its three wholly owned subsidiaries, Soma Labs Scientific Inc. ("Soma Labs"), Greenmantle Products Limited ("Greenmantle"), and Cybernetic Control Systems Inc. ("Cybernetic"). Through its subsidiaries, Quadron delivers a variety of products and services structured to address the complex needs and requirements of cannabis industry participants in Canada, as well as a variety of other sectors. Quadron's principal focus is on the design and production of automated cannabis extraction and processing equipment (via Soma Labs). In addition, the Company distributes ancillary products, such as customized dispensing devices (i.e. vaporizer pens) along with a variety of packaging options (via Greenmantle). Quadron's subsidiary, Cybernetic, specializes in providing equipment automation services, control solutions and process manufacturing expertise to a variety of industry sectors.

2. 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.

None.

3. 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.

None.

4. 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

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### For the Month of October 2018 (continued)

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relationship is with a Related Person of the Issuer and provide details of the relationship.

On October 25, 2018, Quadron announced that it has entered into a binding letter of intent dated October 24, 2018 with Genetic Properties Inc. (“GPI”) and its shareholders, pursuant to which Quadron will acquire up to a one-third equity interest in GPI (the “LOI”). GPI, a private company based in Toronto, Ontario, is applying for a non-cultivation processing license with Health Canada under the Cannabis Act (the “License”). GPI currently owns a freestanding 25,000 square foot state of the art facility, previously used for pharmaceuticals manufacturing. As part of the build out of the facility, GPI will acquire from Quadron, all equipment required for the deployment of an extraction and processing facility within the GPI building, capable of handling up to one hundred thousand kilograms of cannabis per year. Once GPI is in receipt of the License, its activities will focus on the commercial production and supply of cannabis derived products such as gel caps, tinctures, oils, vapour oils, edibles, and other permitted consumables as they become legal. GPI intends to enter into a number of extraction and processing supply contracts on a strategic relationship basis.

The transaction will be completed through a definitive agreement which will contain the principal terms of the LOI in addition to industry standard terms and certain other terms to be agreed upon (the “Definitive Agreement”). Under the Definitive Agreement, Quadron will acquire an aggregate of approximately 33.33% of GPI. Quadron will, on or before November 15, 2018, issue an aggregate of 6,250,000 common shares to the existing GPI shareholders, in exchange for approximately 20.8% of GPI’s outstanding Class A shares. In addition, Quadron will issue 3,750,000 common shares to GPI, in exchange for 750,000 preferred shares of GPI (the “Preferred Shares”). The Preferred Shares will be non-voting and redeemable by GPI at a price of \$1.00 per share in certain circumstances and will pay a dividend. Quadron has also committed to advance GPI \$100,000 by way of a loan with interest at the rate of 7.5% per annum. Upon GPI obtaining the License, Quadron has agreed to acquire an additional 12.5% of GPI’s outstanding Class A shares from the GPI shareholders, by the issuance of additional common shares of Quadron, valued at valued at \$750,000, provided that the Quadron Share value shall be no less than \$0.20 per share. Quadron will also issue \$1,250,000 in common shares to GPI, in exchange for an additional 1,250,000 Preferred Shares. At such time, certain GPI shareholders will also transfer \$750,000 in Quadron common shares, to GPI, in exchange for 750,000 Preferred Shares. Completion of the transaction is subject to the entering into of the Definitive Agreement and related transaction documents including a unanimous shareholders agreement which will govern the operations of GPI.

5. 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.

None.

6. 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

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**For the Month of October 2018 (continued)**

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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.

**None.**

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

**None, other than in the regular course of business as described in Question 1.**

8. 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.

**None.**

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

**On October 15, 2018 Zara Kanji, CPA, CGA was appointed as CFO of Quadron. She replaces Robert Chisholm, CPA, CMA who resigned.**

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

**None.**

11. 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.

**There are currently no legal proceedings to which the Company is a party, nor is management aware of any such matters that are currently pending.**

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

**During the month of October 2018, other than as incurred in the course of normal operations, the Company has not incurred any additional indebtedness.**

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

**The following issuances occurred during the month of October 2018:**

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### For the Month of October 2018 (continued)

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Security	Number Issued	Details of Issuance/Grant	Use of Proceeds
Common Shares	9,624	Warrant Exercise - \$0.20	Working Capital
Stock Options	875,000	Exercise Price \$0.25 - expire October 15, 2023	N/A

14. Provide details of any loans to or by Related Persons.  
**During the month of October 2018, other than in the normal course of business, the Company did not become indebted to any Related Persons nor did it extend any loans to such parties.**
15. Provide details of any changes in directors, officers or committee members.  
**None.**
16. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.  
**None.**

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### For the Month of October 2018 (continued)

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#### 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 CNSX 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 CNSX 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**.

**Doug McFaul**  
 Name of Director or Senior Officer  
 [signed] **"Doug McFaul"**  
 Signature  
**Director**  
 Official Capacity

<b><i>Issuer Details</i></b> Name of Issuer <b>Quadron Cannatech Corporation</b>	For Month End <b>October, 2018</b>	Date of Report YY/MM/DD <b>18/11/06</b>
Issuer Address <b>1600 - 609 Granville Street</b>		
City/Province/Postal Code <b>Vancouver, BC, V7Y 1C3</b>	Issuer Fax No. <b>(866)824-8938</b>	Issuer Telephone No. <b>(778)331-4303</b>
Contact Name <b>Doug McFaul</b>	Contact Position <b>Director</b>	Contact Telephone No. <b>(778)331-4303</b>
Contact Email Address <b>dmcfaul@emprisecapital.com</b>	Web Site Address <a href="http://www.quadroncannatech.com">www.quadroncannatech.com</a>	