

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1 Name and Address of Company

Quinsam Capital Corporation (“Quinsam”)
390 Bay Street
Toronto, Ontario
M5H 2Y2

Item 2 Date of Material Change

October 18, 2017

Item 3 News Release

A news release with respect to the material change referred to in this report was disseminated on October 18, 2017.

Item 4 Summary of Material Change

The material change is fully described in the press release attached hereto as Schedule “A”.

Item 5 Full Description of Material Change

The material change is fully described in the press release attached hereto as Schedule “A”.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

No information has been omitted from this report on the basis that it is confidential information.

Item 8 Executive Officer

For additional information with respect to this material change, the following person may be contacted:

Eric Szustak, President
(905) 330-7948
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Item 9 Date of Report

This report is dated as of the 18th day of October, 2017.



Quinsam Capital Corporation Completes Acquisition of High Standard Royalty Corp.

**NOT FOR DISSEMINATION IN THE UNITED STATES OR FOR
DISTRIBUTION BY ANY UNITED STATES NEWS DISTRIBUTION
SERVICE**

Toronto, Ontario, October 18, 2017 – Quinsam Capital Corporation (“**Quinsam**”) (**CSE:QCA**) is pleased to announce that further to its press release dated May 10, 2017, Quinsam has acquired all of the issued and outstanding common shares of High Standard Royalty Corp. (“**High Standard**”).

“The acquisition of High Standard brings with it a significant expansion of our skill set and knowledge base in the cannabis sector”, said Roger Dent, CEO of Quinsam. “We look forward to working closely with Adam Szweras, Peter Bilodeau and the rest of the Foundation team.”

“In addition to growing our expertise, we were also very interested in some of their transaction flow in the US cannabis business. Of particular short term interest is their agreement to fund Herbiculture Inc., which is planning to open a licensed medical marijuana dispensary in Maryland by the end of 2017.”

Adam Szweras commented: "We are excited to join forces with Roger Dent, Terry Booth, and the rest of the Quinsam team to fill a unique void in the Cannabis investment space. Under Roger's leadership, we believe Quinsam can be a significant provider of capital and driver of growth as the industry develops and matures."

Transaction Structure

The transaction ("**Transaction**") has been structured as a share exchange agreement ("**Share Exchange Agreement**") between Quinsam, High Standard and existing shareholders of High Standard (collectively referred to as the "**Vendors**").

Pursuant to the Share Exchange Agreement, Quinsam has agreed to acquire all of the issued and outstanding shares of High Standard owned by the Vendors. In consideration for the High Standard shares Quinsam has issued an aggregate of 4,000,000 common shares ("**Common Shares**") as well as 4,000,000 common share purchase warrants ("**Warrants**") to the Vendors. Each Warrant has an exercise price of \$0.30 and will expire 36 months from the closing date of the Transaction. On closing, an aggregate of 2,000,000 Common Shares and 2,000,000 Warrants were placed in escrow and will be released subject to the achievement of a growth milestone.

The securities issued and issuable pursuant to the Offering will be subject to a four month and one day statutory hold period.

Early Warning Report

Pursuant to the Transaction, FMI Capital Advisory Inc. ("**FMI**") has acquired 2,650,000 Common Shares and 2,700,000 Warrants. After the acquisition of Common Shares and Warrants, FMI now has ownership or direction and control over 2,650,000 Common shares and 2,700,000 Warrants of Quinsam representing approximately 10.97% of the issued and outstanding common shares of Quinsam on a partially diluted basis. The Common Shares and Warrants acquired by FMI pursuant to the Transaction are being held for investment purposes, and depending on market and other conditions, FMI may from time to time in the future increase or decrease its ownership, control or direction over securities of Quinsam through market transactions, private agreements, or otherwise.

As the number of common shares owned or controlled, directly or indirectly by FMI after the Transaction exceeds 10% of the issued and outstanding common shares on a partially diluted basis, in satisfaction of the requirements of the National Instrument 62-104 – *Take-Over Bids And Issuer Bids* and National Instrument 62-103 – *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*, an Early Warning Report respecting the acquisition of common shares by FMI will be filed under Quinsam's SEDAR Profile at www.sedar.com.

About Quinsam Capital Corporation

Quinsam is a merchant bank based in Canada. Our merchant banking business may encompass a range of activities including acquisitions, advisory services, lending activities and portfolio investments. Quinsam invests its capital for its own account in assets, companies or projects which we believe are undervalued and where we see a viable plan for unlocking such value. We do not invest on behalf of any third party and we do not offer investment advice.

Generally, Quinsam does not believe that individual investments are material reportable events. Quinsam chooses to announce certain investments once the

company is certain that it has finished buying its position because the Company feels that this information helps Quinsam's investors understand its investment decision making process. Generally, Quinsam does not announce the sale of investments.

For further information please contact:

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This press release may contain forward-looking statements relating to anticipated future events, results, circumstances, performance or expectations that are not historical facts but instead represent our beliefs regarding future events, which are inherently uncertain. Forward-looking statements can often, but not always, be identified by forward-looking words such as "anticipate", "believe", "continue", "expect", "goal", "plan", "intend", "estimate", "may", "project", "predict", "potential", "target", and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance.

By their nature, forward-looking statements require us to make assumptions which include, among other things, that (i) Quinsam will have sufficient capital under management to effect its business strategies, (ii) the business strategies will produce the results intended by Quinsam, and (iii) the markets will react and perform in a manner consistent with the business strategies.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Company believes that the expectations reflected in the forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct. Some of the risks and other factors that could cause actual results to differ materially from those expressed in forward-looking information expressed in this press release include, but are not limited to: market and general economic conditions, interest rates, regulatory and statutory developments, the nature of the Company's investments, the available opportunities and competition for investments, the concentration of the Company's investments in certain industries and sectors, reliance on key personnel, risks affecting the Company's investments, management of the growth of the Company, and exchange rate fluctuations. Readers are cautioned that the foregoing list of risks and factors is not exhaustive. Although the Company has attempted to identify important factors that could cause actual events or results to differ materially from those described in forward-looking information, there may be other factors that cause events or results to differ from those intended, anticipated or estimated.

The forward-looking information contained herein is provided as at the date of the date of this press release, based upon the opinions and estimates of management and information available to management as at the date of this press release. The Company does not undertake and specifically disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless required by applicable law. Readers are cautioned not to place undue reliance on forward-looking information contained in this press release.