

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

Item 1 Name and Address of Company

Quinsam Capital Corporation (“**Quinsam**”)
390 Bay Street, Suite 806
Toronto, Ontario
M5H 2Y2

Item 2 Date of Material Change

February 12, 2018.

Item 3 News Release

A news release with respect to the material change report was disseminated on February 12, 2018.

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:

Roger Dent
(647) 993-5475
roger@quinsamcapital.com

Item 9 Date of Report

This report is dated as of the 13 day of February, 2018.

SCHEDULE A



QUINSAM ANNOUNCES RECEIPT OF MARYLAND MEDICAL CANNABIS DISPENSARY LICENSE BY HERBICULTURE

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

Toronto, Ontario – February 12, 2018 Quinsam Capital Corporation (the “Company” or “Quinsam”) (CSE:QCA) is pleased to announce that Herbiculture Inc. (“Herbiculture”) has received a license to commence dispensary operations from the Maryland Medical Cannabis Commission.

In 2017, Quinsam signed an agreement to finance the startup costs of establishing this medical marijuana dispensary located in Burtonsville, Maryland (the “Financing”). The Financing was in the form of a USD \$655,000 senior secured promissory note carrying an interest rate of 10% with a 3-year term. Quinsam has also received a 35% equity interest in Herbiculture.

The Herbiculture dispensary is scheduled to open on February 24, 2018. The dispensary will be one of the few licensed medical cannabis dispensaries in Maryland. The dispensary is strategically located in the most populous county in Maryland (Montgomery County) and is situated in close proximity to two major metropolitan areas: Baltimore and Bethesda. Herbiculture is one of only two license holders permitted to operate in Maryland’s 14th Senatorial District.

In addition, Herbiculture is currently 4th in line to receive a marijuana processor license (the “Processor License”) issued by the Maryland Medical Cannabis Commission. If Herbiculture is successful in securing the Processor License, Quinsam will have the right to finance 100% of the funds required to establish marijuana processing operations in the form of a senior secured promissory note (the “Processor Note”) with the following terms:

- i) Quinsam will receive 75% of net income derived from marijuana processing up until the Processor Note has been repaid + a 10% IRR; and

- ii) Quinsam will receive a 51% ownership interest in the marijuana processing operation.

"Herbiculture has built out its facility on budget and in the expected time frame" said Roger Dent, CEO of Quinsam. "We congratulate Herbiculture on the achievement of this important milestone. We look forward to the opening of the dispensary and we continue to hope that the Processor License application will progress."

About Quinsam Capital Corporation

Quinsam is a merchant bank based in Canada that is focusing on cannabis-related investments. 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:

Roger Dent, CEO
(647) 993-5475
roger@quinsamcapital.com

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: cannabis companies Quinsam has invested in obtaining and maintaining regulatory approvals including acquiring and renewing U.S. state, local or other licenses, and the uncertainty of existing protection from U.S. federal or other prosecution; regulatory or political change such as changes in applicable laws and regulations, including U.S. state-law legalization; market and general economic conditions of the cannabis sector or otherwise, 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 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.