

DOXA ENERGY LTD.

NOTICE OF ANNUAL AND SPECIAL MEETING

TO BE HELD ON DECEMBER 17, 2020

AND

MANAGEMENT INFORMATION CIRCULAR

RELATING TO

THE REVERSE TAKEOVER TRANSACTION

INVOLVING THE ACQUISITION BY DOXA ENERGY LTD.

OF PROSTAR GEOCORP, INC.

November 16, 2020

DOXA ENERGY LTD.

**NOTICE OF SPECIAL MEETING
OF SHAREHOLDERS**

NOTICE IS HEREBY GIVEN that a special meeting (the "**Meeting**") of the shareholders (the "**Doxa Shareholders**") of Doxa Energy Ltd. ("**Doxa**") will be held virtually, on December 17, 2020, at the hour of 11:00 a.m. (Vancouver time) for the following purposes:

1. to receive the audited financial statements of Doxa for the years ended December 31, 2019 and December 31, 2018, together with the reports of the auditors thereon and the unaudited interim financial statements for the six months ended June 30, 2020;
2. to appoint Smythe LLP, Chartered Professional Accountants, as auditors for the Company for the ensuing year and to authorize the directors to fix their remuneration;
3. to fix the number of directors for the ensuing year at six (6);
4. to elect directors of Doxa for the ensuing year;
5. to consider, and if thought fit, pass an ordinary resolution approving the proposed reverse takeover transaction between Doxa and ProStar Geocorp, Inc. (the "**Transaction**"), the full text of which is set forth in the management information circular of Doxa accompanying this notice (the "**Circular**") and is more particularly described in the Circular;
6. to consider and if thought fit, pass a special resolution approving the sale of the Company's oil and gas assets, regardless of whether the Transaction completes (the "**Disposition**"), on the terms as set forth in the Circular;
7. to consider and if thought fit, pass a resolution to consolidate the issued and outstanding common shares of the Company on the basis of one (1) new common share for up to (17) old common shares (the "**Consolidation**"), regardless of whether the Transaction completes;
8. to consider and if thought fit, approve a debt settlement with each of Armada Investments Ltd. and Harvco LLC and the creation of a new control position to be held by Harvco LLC resulting therefrom;
9. to consider and if thought fit, pass a special resolution following completion of the Disposition and in the event the Transaction is terminated, authorizing the dissolution of Doxa;
10. to consider and if thought fit, approve a resolution ratifying and approving the renewal of the Company's 10% rolling stock option plan;
11. to consider and if thought fit, in the event the dissolution of Doxa is approved, passing a resolution approving the voluntary delisting of Doxa's common shares from the TSX Venture Exchange; and
12. to consider such other matters, including without limitation such amendments or variations to the foregoing resolutions, as may properly come before the Meeting or any adjournment or postponement thereof.

In light of the ongoing public health concerns related to COVID-19, and based on government recommendations to avoid large gatherings, Doxa will not be permitting attendance in person. Shareholders are urged to vote on the matters before the Meeting by proxy and to listen to the Meeting online. Registered shareholders or proxyholders representing registered shareholders participating in the Meeting virtually will be considered to be present in person at the Meeting for the purposes of determining quorum. Non-registered shareholders who have not duly appointed themselves as a proxyholder will be able to attend the Meeting as a guest, but will not be able to vote at the Meeting.

The record date for determination of the Doxa Shareholders entitled to receive notice of and to vote at the Meeting is October 19, 2020 (the "**Record Date**"). Only holders of record of common shares of Doxa ("**Doxa Shares**") at the close of business on the Record Date will be entitled to vote in respect of the matters to be voted on at the Meeting or any adjournment or postponement thereof.

The form of proxy accompanies this notice of Meeting. The audited financial statements, auditors' report and management's discussion and analysis have been delivered to those shareholders who indicated to Doxa that they wished to receive copies of same. Shareholders will have two options to access the Meeting, being via teleconference or through the Zoom application, which requires internet connectivity. Shareholders wishing to vote in person will need to utilize the Zoom application but any shareholder may listen to the Meeting via teleconference. Shareholders participating via teleconference will not be able to vote in person at the Meeting as the Company's scrutineer must take steps to verify the identity of shareholders or proxyholders using the video features.

In order to dial into the Meeting, shareholders will phone 1-778-907-2071 and enter the Meeting ID and Password noted below.

In order to access the Meeting through Zoom, shareholders will need to download the application onto their computer or smartphone and then once the application is loaded, enter the Meeting ID and Password below or open the following link:

<https://us02web.zoom.us/j/87209615390?pwd=c1pJbE1nU3RVb2s1T1pjUGZEBndsdz09>

Shareholders will have the option through the application to join the video and audio or simply view and listen.

Meeting ID: 872 0961 5390

Password: 238577

Your vote is important regardless of the number of Doxa Shares that you own. Doxa Shareholders who are unable to attend the Meeting are asked to sign, date and return the enclosed form of proxy relating to the Doxa Shares held by them in the envelope provided for that purpose.

To be effective, the proxy must be duly completed and signed and then deposited by mail to of Computershare Investor Services (Attention: Proxy Department) at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, in the enclosed self-addressed envelope, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time of the Meeting, or any adjournment thereof. An instrument of proxy may also be voted using a touch-tone telephone at 1-866-732-VOTE (8683). Alternatively, a registered shareholder can complete internet voting by logging on at www.investorvote.com and entering the CONTROL NUMBER located on the address box of the shareholder's instrument of proxy.

DATED at Vancouver, British Columbia, this 19th day of October, 2020

DOXA ENERGY LTD.
By Order of the Board

"John D. Harvison"

John D. Harvison
President and Chief Executive Officer

TABLE OF CONTENTS

	Page
GENERAL DISCLOSURE INFORMATION	8
CERTAIN INFORMATION	9
CAUTIONARY NOTE REGARDING NON-IFRS MEASURES.....	9
DATE OF INFORMATION	9
CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION	10
GLOSSARY OF TERMS.....	11
SUMMARY.....	22
The Meeting and Items of Business to be Considered at the Meeting	22
The Parties	23
The Transaction.....	24
Concurrent Financing.....	24
Escrow Restrictions.....	24
Changes to Board and Management of the Company	25
Interest of Insiders, Promoters or Control Persons	25
Arm's Length Transaction	26
Available Funds and Use of Proceeds	26
Selected Pro Forma Consolidated Financial Information	27
Market for Securities	28
Sponsor	28
Conflicts of Interest.....	28
Interests of Experts	29
Risk Factors	29
Conditional Approval	29
Listing Matters	29
VIRTUAL MEETING	29
MATTERS TO BE ACTED UPON AT THE MEETING	30
Financial Statements.....	30
Election of Director	30
Appointment of Auditor	32
Proposed Reverse Take-Over.....	32
Approval of Stock Option Plan	33
Doxa Disposition	34
Consolidation	38
Doxa Debt Settlement.....	40
Doxa Dissolution	44
Delisting from the TSX Venture Exchange	45
PROXY-RELATED INFORMATION	46
Solicitation of Proxies	46
Appointment of Proxies	46
Voting of Securities and Exercise of Discretion of Proxies.....	46
Revocation of Proxies	47
Advice to Beneficial Shareholders	47

Interest of Certain Persons in Matters to be Acted Upon	48
Voting Securities and Principal Holders Thereof	49
Interest of Informed Persons in Material Transactions	49
Audit Committee.....	50
Corporate Governance.....	53
Securities Authorized for Issuance under Equity Compensation Plans	55
Indebtedness of Directors, Executive Officers and Senior Officers	56
Management Contracts	56
Additional Information	56
RISK FACTORS.....	57
Completion of the Transaction	57
Market for Securities and Volatility of Share Price.....	57
Speculative Nature of Investment Risk.....	57
Liquidity and Future Financing Risk	57
Risks Related to the Resulting Issuer's Business.....	58
Loss of Foreign Private Issuer Status	64
Dividends	65
General Business Risks.....	65
THE TRANSACTION.....	67
Overview	67
Doxa Debt Settlement.....	67
The Consolidation	68
Doxa Disposition	68
ProStar Debt Settlement.....	69
The Concurrent Financing.....	70
The Name Change.....	70
The Merger	70
The Merger Agreement	71
Escrow Restrictions.....	75
Directors and Management.....	76
INFORMATION CONCERNING THE COMPANY	77
Corporate Structure	77
General Development of the Business	77
History.....	77
Concurrent Financing.....	77
Selected Consolidated Financial Information and MD&A	78
MD&A.....	78
Description of the Securities.....	78
Stock Option Plan.....	78
Prior Sales	80
Stock Exchange Price	80
Executive Compensation.....	80
Non-Arm's Length Transaction	84
Legal Proceedings	84
Principal Shareholders	84
Auditor, Transfer Agent and Registrar	84
Material Contracts	85
Additional Information	85

INFORMATION CONCERNING PROSTAR	86
Corporate Structure of ProStar	86
General Development of ProStar	86
Significant Acquisitions and Dispositions.....	88
Narrative Description of the Business and Operations	88
Future Developments	99
Proprietary Information.....	99
Lending.....	104
Bankruptcy and Similar Procedures.....	104
Reorganization or Restructuring.....	104
Significant Acquisitions and Dispositions.....	104
Selected Consolidated Financial Information	105
MD&A.....	105
Description of the Securities.....	105
Dividends	106
Consolidated Capitalization	106
Prior Sales	107
Stock Exchange Price	107
Principal Shareholders	107
Executive Compensation.....	107
Non-Arm's Length Party Transaction.....	110
Legal Proceedings	110
Auditor, Transfer Agent and Registrar.....	110
Material Contracts	110
INFORMATION CONCERNING THE RESULTING ISSUER.....	111
Corporate Structure.....	111
Narrative Description of the Business of the Resulting Issuer.....	111
Description of the Securities.....	112
Pro Forma Consolidated Capitalization	112
Available Funds and Principal Purposes	113
Dividends	115
Principal Securityholders	115
Directors, Officers and Promoters	115
Management and Directors.....	117
Promoter Consideration	118
Corporate Cease Trade Orders or Bankruptcies	118
Penalties or Sanctions.....	119
Personal Bankruptcies	119
Conflicts of Interest.....	119
Other Reporting Issuer Experience.....	120
Executive Compensation.....	120
Compensation of Directors.....	122
Indebtedness of Directors and Officers	122
Investor Relations Arrangements	122
Options to Purchase Securities	122
Escrowed Securities and Securities Subject to Resale Restrictions	123
Auditor, Transfer Agent and Registrar.....	129

GENERAL MATTERS.....	129
Sponsorship.....	129
Experts	129
Other Material Facts	130
Board Approval	130

SCHEDULES

Schedule "A"	Audited Financial Statements of the Company for the years ended December 31, 2019 and 2018 and unaudited interim financial statements of the Company for the six month period ended June 30, 2020
Schedule "B"	MD&A of the Company for the year ended December 31, 2019, for the six month period ended June 30, 2020
Schedule "C"	Audited Financial Statements of ProStar for the years ended December 31, 2019 and 2018, and unaudited interim Financial Statements of ProStar for the six month period ended June 30, 2020
Schedule "D"	MD&A of ProStar for the years ended December 31, 2019 and 2018, and for the six month period ended June 30, 2020
Schedule "E"	Pro Forma Financial Statements of the Resulting Issuer
Schedule "F"	Dissent Rights
Schedule "G"	Audit Committee Charter of the Company

GENERAL DISCLOSURE INFORMATION

No person has been authorized by ProStar or by the Company to give any information or make any representations in connection with the Transaction herein described other than those contained in this Circular and, if given or made, any such information or representation must not be relied upon as having been authorized by ProStar or the Company, as applicable.

References to "management" in this Circular mean the executive officers of ProStar or the Company, as applicable. Any statements in this Circular made by or on behalf of management are made in such persons' capacities as officers of ProStar or the Company, as applicable, and not in their personal capacities.

All information contained in this Circular with respect to ProStar and the Resulting Issuer has been supplied by ProStar for inclusion herein, and with respect to that information, the Company and their respective directors and officers have relied solely on ProStar. Based on its due diligence conducted in this respect, the Company has no reason to believe that such information is not accurate.

All information contained in this Circular with respect to the Company has been supplied by the Company for inclusion herein, and with respect to that information, ProStar and its directors and officers have relied solely on the Company. Based on its due diligence conducted in this respect, ProStar has no reason to believe that such information is not accurate.

A securityholder should rely only on the information contained in this Circular and should not rely on certain parts of this Circular to the exclusion of others. The information contained in this Circular is accurate only as of the date of this Circular, regardless of the time of delivery of this Circular. ProStar's, as well as the Company's, business, financial condition, results of operations and prospects may have changed since the date of this Circular.

The unaudited pro forma consolidated financial statements of the Resulting Issuer are based on ProStar management assumptions and adjustments which are inherently subjective. The unaudited pro forma consolidated financial statements may not be indicative of the consolidated financial position and consolidated results of operations that would have occurred if the transactions had taken place on the dates indicated or of the consolidated financial position or consolidated operating results which may be obtained in the future. The consolidated actual financial position and consolidated results of operations of the Resulting Issuer for any period following the closing of the transactions contemplated by this Circular will likely vary from the amounts set forth in the unaudited pro forma consolidated financial statements and such variation may be material.

No person is authorized to give any information or to make any representation not contained in this Circular and, if given or made, such information or representation should not be relied upon as having been authorized. This Circular does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation. Neither delivery of this Circular nor any distribution of the securities referred to in this Circular shall, under any circumstances, create an implication that there has been no change in the information set forth herein since the date of this Circular.

CERTAIN INFORMATION

In this Circular, references to "\$" or "dollars" are to the lawful currency of Canada, unless otherwise indicated. All references to "US\$" or "USD" are to the lawful currency of the United States.

Words importing the singular number include the plural and vice versa, and words importing any gender include all genders.

Aggregated figures in graphs, charts and tables contained in this Circular may not add due to rounding. Historical statistical data and/or historical returns do not necessarily indicate future performance. Unless otherwise indicated, the market and industry data contained in this Circular is based upon information from industry and other publications and the knowledge of management and experience of ProStar and the Company in the markets in which they operate. While management of ProStar and the Company believe this data is reliable, market and industry data are subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. Neither ProStar nor the Company has independently verified any of the data from third-party sources referred to in this Circular or ascertained the underlying assumptions relied upon by such sources.

CAUTIONARY NOTE REGARDING NON-IFRS MEASURES

This document includes non-IFRS financial measures. Generally, a non-IFRS financial measure is a numerical measure of a company's performance, financial position or cash flows that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with IFRS and are not measures of financial performance (nor do they have standardized meanings) under IFRS. In evaluating these measures, securityholders should consider that the methodology applied in calculating such measures may differ among companies and analysts.

ProStar uses both IFRS and certain non-IFRS measures to assess performance. Management believes these non-IFRS measures provide useful supplemental information to securityholders in order that they may evaluate ProStar's financial performance using the same measures as management. Management believes that, as a result, the securityholder is afforded greater transparency in assessing the financial performance of ProStar. These non-IFRS financial measures should not be considered as a substitute for, nor superior to, measures of financial performance prepared in accordance with IFRS.

DATE OF INFORMATION

Except as otherwise indicated in this Circular, all information disclosed in this Circular is as of November 16, 2020 and the phrase "as of the date hereof" and equivalent phrases refer to that date.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

The information provided in this Circular, including information incorporated by reference, may contain "forward-looking statements" or "forward-looking information" (collectively referred to hereafter as "**forward-looking statements**") about the Company and/or ProStar. In addition, the Company and/or ProStar may make or approve certain statements in future filings with Canadian securities regulatory authorities, in press releases, or in oral or written presentations by representatives of the Company and/or ProStar that are not statements of historical fact and may also constitute forward-looking statements.

All statements, other than statements of historical fact, made by the Company and/or ProStar that address activities, events or developments that the Company and/or ProStar expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words. Forward-looking statements may relate to future financial conditions, results of operations, plans, objectives, performance or business developments. These statements speak only as of the date they are made and are based on information currently available and on the then current expectations of the Company and/or ProStar and assumptions concerning future events, which are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from that which was expressed or implied by such forward-looking statements. See "*Risk Factors*".

Consequently, all forward-looking statements made in this Circular and other documents of the Company and/or ProStar are qualified by such cautionary statements and there can be no assurance that the anticipated results or developments will actually be realized or, even if realized, that they will have the expected consequences to or effects on the Company and/or ProStar. The cautionary statements contained or referred to in this section should be considered in connection with any subsequent written or oral forward-looking statements that the Company and/or ProStar and/or persons acting on their behalf may issue. The Company and/or ProStar undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

GLOSSARY OF TERMS

"Affiliate" means a Person that is affiliated with another Person as described below.

A Person is an "Affiliate" of another Person if:

- (a) one of them is the subsidiary of the other, or
- (b) each of them is controlled by the same Person.

A Person is a subsidiary of another Person if the Person is controlled by that other Person.

A Person is "controlled" by another Person if:

- (a) voting securities of the Person are held, other than by way of security only, by or for the benefit of that Person, and
- (b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the Person.

A Person beneficially owns securities that are beneficially owned by:

- (a) Person controlled by that first Person, or
- (b) an Affiliate of that Person or an Affiliate of any Person controlled by that Person.

"Associate" when used to indicate a relationship with a Person, means:

- (a) an Issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling it to more than 10% of the voting rights attached to outstanding securities of the Issuer,
- (b) any partner of the Person,
- (c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which a Person serves as trustee or in a similar capacity,
- (d) in the case of a Person who is an individual
 - (i) that Person's spouse or child, or
 - (ii) any relative of the Person or of his spouse who has the same residence as that Person;

but

- (e) where the Exchange determines that two Persons shall, or shall not, be deemed to be Associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D of the Rule Book of the TSX Venture Exchange with respect to that Member firm, Member corporation or holding company.

"**BCBCA**" means the *Business Corporations Act* (British Columbia) S.B.C. 2002 c.57, as amended, including the regulations promulgated thereunder.

"**Beneficial Shareholder**" means a Doxa Shareholder holding its Doxa Shares through an Intermediary, or otherwise not in the shareholder's own name.

"**Board**" means the board of directors of the Company or the Resulting Issuer, as the context requires.

"**Business**" means, in the case of ProStar, the business of ProStar as it is currently conducted, providing patented geospatial technologies that enhance the construction and management of subsurface assets and protect the worker, the public and the environment.

"**CEO**" means Chief Executive Officer.

"**Certificate of Merger**" means the certificate of merger of the Surviving Corporation in respect of the Merger required to be filed with Secretary of State of the State of Delaware in accordance with the relevant provisions of the DGCL.

"**CFO**" means Chief Financial Officer.

"**Circular**" means this management information circular.

"**Closing**" means the completion of the Transaction.

"**Closing Date**" means the date on which the Closing occurs.

"**Company**" or "**Doxa**" means Doxa Energy Ltd., a corporation incorporated under the BCBCA.

"**Company Shares**" or "**Doxa Shares**" means the common shares in the capital of the Company.

"**Completion Date**" means the date of the Final Exchange Bulletin.

"**Concurrent Financing**" means the concurrent non-brokered private placement by Doxa of 14,000,000 Subscription Receipts for aggregate gross proceeds of \$5,600,000 which closed on October 23, 2020.

"**Consolidation**" means the consolidation of the Company's outstanding share capital to be completed in connection with the Closing on the basis of 1 post-Consolidation Company Share for every 17 pre-Consolidation Company Shares with fractions of a share (on an aggregate basis for each shareholder) of less than $\frac{1}{2}$ being eliminated and fractions of $\frac{1}{2}$ or more being rounded up to a whole Company Share.

"**Control Person**" means any Person that holds or is one of a combination of Persons that holds a sufficient number of any of the securities of an Issuer so as to affect materially the control of that Issuer, or that holds more than 20% of the outstanding Voting Shares of an Issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the Issuer.

"**COVID-19**" means coronavirus disease 2019, an infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2).

"**DGCL**" means the Delaware General Corporate Law, as amended from time to time.

"Dissenting Share" means ProStar Shares that are issued and outstanding immediately prior to the Effective Time and that are held by ProStar Shareholders who have not voted in favour of the adoption of the Merger Agreement or consented thereto in writing and who have properly exercised appraisal rights with respect thereto in accordance with, and who have otherwise complied with, DGCL Section 262.

"Doxa Acceleration Right" means the right of the Resulting Issuer to accelerate the expiry date of the Doxa Warrants issued pursuant to the conversion of the Subscription Receipts, in the event that the closing price of the Resulting Issuer Shares on the TSXV exceeds CAD \$1.20 per Resulting Issuer Share for a period of 10 consecutive trading days to the Doxa Accelerated Exercise Period, pursuant to which the applicable Doxa Warrants will expire at 4:00 p.m. (Vancouver time) on the 30th day of the Doxa Accelerated Exercise Period.

"Doxa Accelerated Exercise Period" means the accelerated exercise period of the Doxa Warrants, issued pursuant to the conversion of the Subscription Receipts, of 30 days commencing on the day the Resulting Issuer either (i) disseminates a press release or (ii) sends a written notice to the holders of the applicable Doxa Warrants, advising of the commencement of accelerated exercise period, pursuant to the Doxa Acceleration Right.

"Doxa Debt Facility" means Doxa Subsidiary's outstanding and revolving secured credit facility with UMB Financial Corporation for up to US\$175,000, in principal, of which US\$148,100 has been advanced and matures on June 12, 2021.

"Doxa Debt Settlement" means Doxa's settlement of the Doxa Related Party Debt based on a price of \$0.011701305 per pre-Consolidation Doxa Share in relation to the principal sum of \$2,200,000 of the Doxa Related Party Debt and the forgiveness by the holders thereof of all accrued and unpaid interest thereunder.

"Doxa Disposition" means the disposition by Doxa of all of its oil and gas interests and related equipment and assets through the sale of the Doxa Subsidiary to Dynamic at fair market value, which shall include a release of Doxa in relation to the Dynamic Debt.

"Doxa Pooling Agreement" means the pooling agreement to be entered into among the Company and certain shareholders of the Resulting Issuer holding in the aggregate 3,309,601 Resulting Issuer Shares, pursuant to the terms of such pooling agreement.

"Doxa Material Adverse Change" means:

- (a) any change, effect, development, event or occurrence that, individually or in the aggregate, prevents, or would reasonably be expected to prevent Doxa from performing its material obligations under the Merger Agreement in any material respect prior to the Outside Date; or
- (b) any change, effect, development, event or occurrence that, individually or in the aggregate, is, or would reasonably be expected to be, material and adverse to the business, properties, assets, operations, condition, affairs, liabilities (contingent or otherwise), obligations (whether absolute, conditional or otherwise) or prospects of Doxa, other than any change, effect, development, event or occurrence:

- (i) relating to the announcement of the execution of the Merger Agreement or relating to the Transaction;
- (ii) relating to Canadian, United States of America, or global economic, financial, banking, securities or currency exchange market conditions in general;
- (iii) relating to any effect resulting from an act of terrorism or any outbreak of hostilities or war (or any escalation or worsening thereof);
- (iv) relating to any natural disaster;
- (v) relating to any generally applicable change in applicable Laws (other than orders, judgments or decrees against Doxa) or in IFRS, in each case, to the extent necessary; or
- (vi) relating to any action taken by Doxa at the request of ProStar or that is required or contemplated by the Merger Agreement;

provided, however, that the effect referred to in clauses (ii) through (v) above does not primarily relate to (or have the effect of primarily relating to) Doxa, or disproportionately adversely affects Doxa, compared with other companies of a similar size operating in the industry and jurisdiction in which Doxa operates.

"Doxa Related Party Debt" means the outstanding loans between Doxa and each of Armada Investments Ltd. and Harvco LLC, whereby Armada Investments Inc. provided loans totaling \$1,700,000 and Harvco provided a loan for \$500,000, for an aggregate principal amount of \$2,200,000 plus \$1,489,695 in accrued and unpaid interest as at June 30, 2020.

"Doxa Shareholders" means shareholders of the Company.

"Doxa Stock Option Plan" means the "rolling" stock option plan reserving a maximum of 10% of the issued common shares of the Company at the time of the stock option grant.

"Doxa Subsidiary" means Doxa Energy (US), Inc., a wholly-owned subsidiary of Doxa incorporated in the state of Nevada.

"Doxa Units" means the units offered in the Concurrent Financing at a price of \$0.40 per Doxa Unit, comprised of one post-Consolidation Doxa Share and one half of one Doxa Warrant.

"Doxa Warrants" means the warrants forming part of the Doxa Units, with each whole Doxa Warrant being exercisable for a period of two years from the date of issuance at \$0.60 per post-Consolidation Doxa Share, subject to the Doxa Acceleration Right.

"Dynamic" means Dynamic Production, Inc., a company incorporated in the state of Texas which is controlled by John D. Harvison, the President, CEO and a director of the Company.

"Dynamic Debt" means advances made by Dynamic to Doxa Subsidiary in relation to its business in the aggregate amount of US\$1,485,477, as at June 30, 2020.

"**Effective Time**" means the time upon which the Merger becomes effective as established by the date of issue shown on the Certificate of Merger.

"**Escrow Agent**" means Computershare Investor Services Inc., the registrar and transfer agent of the Company.

"**Escrow Policy**" means Policy 5.4 – *Escrow, Vendor Consideration and Resale Restrictions* of the Exchange.

"**Exchange**" or "**TSXV**" means the TSX Venture Exchange.

"**Exchange Policies**" means the policies of the Exchange and all bulletins, orders, policies, rules, regulations and by-laws of the Exchange as amended from time to time.

"**Final Exchange Bulletin**" means the bulletin issued by the Exchange following the Closing and the submission of all further documentation required by the Exchange, which evidences the final Exchange acceptance of the Transaction.

"**Form 51-102F6**" means Form 51-102F6 – *Statement of Executive Compensation* pursuant to National Instrument 51-102 – *Continuous Disclosure Obligations*.

"**Governmental Entity**" means any:

- (a) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank or Tribunal;
- (b) subdivision, agent, commission, board, or authority of any of the foregoing; or
- (c) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing.

"**Insider**" if used in relation to an Issuer, means:

- (a) a director or senior officer of the Issuer;
- (b) a director or senior officer of a Person that is an Insider or subsidiary of the Issuer;
- (c) a Person that beneficially owns or controls, directly or indirectly, Voting Shares carrying more than 10% of the voting rights attached to all outstanding Voting Shares of the Issuer; or
- (d) the Issuer itself if it holds any of its own securities.

"**Interim Period**" means the period from and including the date of the Merger Agreement including the earlier of the Closing Date and the date of termination of the Merger Agreement.

"**Intermediary**" means a broker, intermediary, trustee or other person holding Doxa Shares on behalf of a Beneficial Shareholder.

"**Issuer**" means a Person and its subsidiaries which have any of its securities listed for trading on the Exchange, and in this Circular means the Company, as the context requires.

"**MD&A**" means management's discussion and analysis as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations*.

"**Member**" means a member of the Exchange as defined in the Exchange Policies.

"**Merger**" means the merger of the MergerSub and ProStar, on the terms and conditions set out in the Merger Agreement, subject to any amendments or variations thereto made in accordance with the provisions of the Merger Agreement.

"**Merger Agreement**" means the Merger Agreement dated May 22, 2019, as amended on February 11, 2020, May 29, 2020, August 17, 2020 and September 30, 2020 made among the Company, MergerSub and ProStar.

"**MergerSub**" means Doxa Merger Corp., a corporation incorporated under the laws of the State of Delaware, USA.

"**MI 61-101**" means Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* and the companion policies and forms thereto, as amended from time to time.

"**Minority Approval**" means the approval of a majority of the Doxa Shareholders, excluding the votes of interested parties in accordance with the MI 61-101.

"**Name Change**" means the name change of the Company to "Prostar Holdings Inc." (or such other name as directed in writing by ProStar in its discretion) concurrently with the closing of the Transaction.

"**NI 51-101**" means National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities*.

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees*, and the companion policies and forms thereto, as amended from time to time.

"**Non Arm's Length Party**" means in relation to a Person other than an individual, a promoter, officer, director, other Insider or Control Person of that Person (including an Issuer) and any Associates or Affiliates of any of such Persons. In relation to an individual, means any Associate of the individual or any Person of which the individual is a promoter, officer, director, Insider or Control Person.

"**Outside Date**" means the latest date by which the Transaction is to be completed, which date, subject to the terms of the Merger Agreement, shall be three months from the date of the Merger Agreement or such later date as may be agreed upon by the Parties.

"**Party**" means a party to the Merger Agreement, being ProStar, MergerSub and the Company and "**Parties**" means all of them.

"**Person**" includes any natural person, partnership, limited partnership, joint venture, syndicate, sole proprietorship, body corporate with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative.

"**Policy 5.2**" means Policy 5.2 – *Changes of Business and Reverse Takeovers* – of the Exchange Policies.

"**Principal**" means:

- (a) a Person who acted as a Promoter (as such term is defined in the Exchange Policies) of the Issuer within two years before the Final Exchange Bulletin;
- (b) a director or senior officer of the Issuer or any of its material operating subsidiaries at the time of the Final Exchange Bulletin;
- (c) **a 20% holder** – a Person that holds securities carrying more than 20% of the voting rights attached to the Issuer’s outstanding securities immediately after the Final Exchange Bulletin; and
- (d) **a 10% holder** – a Person that:
 - (i) holds securities carrying more than 10% of the voting rights attached to the Issuer’s outstanding securities immediately after the Final Exchange Bulletin; and
 - (ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the Issuer or any of its material operating subsidiaries.

In calculating these percentages, include securities that may be issued to the holder under outstanding convertible securities in both the holder’s securities and the total securities outstanding.

A Company, more than 50% held by one or more Principals, will be treated as a Principal.

A Principal’s spouse and any relatives of the Principal or spouse who live at the same address as the Principal will also be treated as Principals and any securities of the Issuer they hold will be subject to escrow requirements.

"ProStar" means ProStar Geocorp, Inc.

"ProStar Acceleration Right" means the right of the Resulting Issuer to accelerate the expiry date of the ProStar Warrants to 30 days from the date notice of such acceleration is announced by press release or delivered to warrant holders if (i) the closing price of the Resulting Issuer's common shares on the TSX Venture Exchange, or any other stock exchange on which the Resulting Issuer's common shares are then listed, is at a price equal to or greater than \$0.765 for a period of 15 consecutive trading days and (ii) the holder is not in possession of any information that constitutes, or might constitute, material non-public information.

"ProStar Common Shares" means the common shares in the capital of ProStar.

"ProStar Debt Settlement" means ProStar's settlement of a portion of ProStar's outstanding debt owing to certain parties in the amount of US\$1,693,918, through the issuance of one ProStar Series B Preferred Share for every US\$1.00 owing, such settlement amount subject to change but not to exceed \$2,100,000.

"ProStar Pooling Agreement" means the pooling agreement to be entered into among the Resulting Issuer and certain shareholders of the Resulting Issuer who are former shareholders of ProStar holding in the aggregate 30,255,368 Resulting Issuer Shares, pursuant to the terms of such pooling agreement.

"ProStar Material Adverse Change" means:

- (a) any change, effect, development, event or occurrence that, individually or in the aggregate, prevents, or would reasonably be expected to prevent ProStar from performing its material obligations under the Merger Agreement in any material respect prior to the Outside Date; or
- (b) any change, effect, development, event or occurrence that, individually or in the aggregate, is, or would reasonably be expected to be, material and adverse to the business, properties, assets, operations, condition, affairs, liabilities (contingent or otherwise), obligations (whether absolute, conditional or otherwise) or prospects of ProStar, other than any change, effect, development, event or occurrence:
 - (i) relating to the announcement of the execution of the Merger Agreement or relating to the Transaction;
 - (ii) relating to Canadian, United States of America, or global economic, financial, banking, securities or currency exchange market conditions in general;
 - (iii) relating to any effect resulting from an act of terrorism or any outbreak of hostilities or war (or any escalation or worsening thereof);
 - (iv) relating to any natural disaster;
 - (v) relating to any generally applicable change in applicable Laws (other than orders, judgments or decrees against ProStar) or in IFRS, in each case, to the extent necessary; or
 - (vi) relating to any action taken by ProStar at the request of Doxa or that is required or contemplated by the Merger Agreement;

provided, however, that the effect referred to in clauses (ii) through (v) above does not primarily relate to (or have the effect of primarily relating to) ProStar, or disproportionately adversely affect ProStar, compared with other companies of a similar size operating in the industry and jurisdiction in which ProStar operates.

"ProStar Preferred Shares" means collectively the ProStar Series A Preferred Shares, the ProStar Series B Preferred Shares, the ProStar Series C Preferred Shares and the ProStar Series D Preferred Shares.

"ProStar Securities" means, collectively, the ProStar Shares and the ProStar Warrants.

"ProStar Securityholders" means, collectively, the holders of ProStar Securities.

"ProStar Series A Preferred Shares" means the Series A Preferred Shares in the capital of ProStar.

"ProStar Series B Preferred Shares" means the Series B Preferred Shares in the capital of ProStar.

"ProStar Series C Financing" means the private placement by ProStar for aggregate gross proceeds of US\$3,500,000 through the issuance of 3,500,000 ProStar Series C Units at a price of US\$1.00 per ProStar

Series C Unit. Each ProStar Series C Unit is comprised of one (1) ProStar Series C Preferred Share and one-half of one transferrable ProStar Series C Warrant. On and after the Closing Date, each outstanding ProStar Series C Warrant shall be converted into a warrant to acquire, on the same terms and conditions applicable to such ProStar Series C Warrant, four (4) Resulting Issuer Shares at an exercise price of \$0.56 per Resulting Issuer Share.

"ProStar Series C Preferred Shares" means the Series C Preferred Shares in the capital of ProStar.

"ProStar Series C Units" means the units issued pursuant to the ProStar Series C Financing.

"ProStar Series C Warrants" means the outstanding warrants to acquire ProStar Series C Preferred Shares.

"ProStar Series D Financing" means the private placement by ProStar for aggregate gross proceeds of US\$1,500,000 through the issuance of 1,500,000 ProStar Series D Units at a price of US\$1.00 per ProStar Series D Unit. Each ProStar Series D Unit is comprised of one (1) ProStar Series D Preferred Share and one-half of one transferrable ProStar Series D Warrant. On the Closing Date, each outstanding ProStar Series D Warrant shall be converted into a warrant to acquire, on the same terms and conditions applicable to such ProStar Series D Warrant, four (4) Resulting Issuer Shares at an exercise price of \$0.56 per Resulting Issuer Share.

"ProStar Series D Preferred Shares" means the Series D Preferred Shares in the capital of ProStar.

"ProStar Series D Units" means the units issued pursuant to the ProStar Series D Financing;

"ProStar Series D Warrants" means the outstanding warrants to acquire ProStar Series D Preferred Shares.

"ProStar Shareholder Approval" means the approval of the Transaction by written resolution or at a shareholders meeting by ProStar Shareholders holding at least 50% of the outstanding ProStar Shares.

"ProStar Shareholders" means the holders of ProStar Shares.

"ProStar Shares" means collectively the ProStar Common Shares, the ProStar Series A Preferred Shares, the ProStar Series B Preferred Shares, the ProStar Series C Preferred Shares and the ProStar Series D Preferred Shares.

"ProStar Warrants" means the collectively the ProStar Series C Warrants and the ProStar Series D Warrants.

"ProStar Warrantholders" means the holders of the ProStar Series C Warrants and ProStar Series D Warrants.

"Registered Doxa Shareholders" means a registered holder of Doxa Shares and does not include Beneficial Shareholders.

"Resulting Issuer" means the Company at the time of and following completion of the Transaction, as the context requires, under its new name "ProStar Holdings Inc." (or such other name as directed in writing by ProStar in its discretion).

"Resulting Issuer Shares" means the common shares in the capital of the Resulting Issuer.

"**SaaS**" means software as a service, which is the licensing and delivery software to customers where the software is hosted via the internet.

"**SEDAR**" means System for Electronic Document Analysis and Retrieval being the official website that provides access to most public securities documents and information filed by Issuers and investment funds with the Canadian Securities Administrators at www.sedar.com.

"**Sponsorship Policy**" means Policy 2.2 – *Sponsorship and Sponsorship Requirements* of the Exchange Policies.

"**Stock Option Plan**" means the stock option plan of the Company, as amended from time to time, as described under "*Information Concerning the Company – Stock Option Plan*".

"**Subscription Receipts**" means the subscription receipts of Doxa issued in connection with the Concurrent Financing at a price of \$0.40 per Subscription Receipt, with each Subscription Receipt convertible into one post-Consolidation Doxa Unit.

"**Surviving Corporation**" means the corporation that will be formed by the Merger, and which will be a wholly-owned subsidiary of the Resulting Issuer.

"**Termination Date**" means the date on which the Merger Agreement terminates in accordance with its terms.

"**Transaction**" means, collectively, the Merger and related transactions contemplated under the Merger Agreement.

"**Tribunal**" means:

- (a) any court (including a court of equity);
- (b) any federal, provincial, state, county, municipal or other government or governmental department, ministry, commission, board, bureau, agency or instrumentality;
- (c) any securities commission, stock exchange or other regulatory or self-regulatory body; and
- (d) any arbitrator or arbitration tribunal.

"**Value Escrow Agreement**" means the escrow agreement in Exchange Form 5D pursuant to which certain securities will be subject to release in accordance with schedule B(2) of Exchange Form 5D, to be entered into at Closing, among the Company, the Escrow Agent and certain shareholders of the Resulting Issuer (including all Principals of the Resulting Issuer) holding in the aggregate of 20,318,306 Resulting Issuer Shares and 100,000 Resulting Issuer warrants.

"**Voting Share**" means a security of an Issuer that:

- (a) is not a debt security, and
- (b) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

Words importing the masculine shall be interpreted to include the feminine or neutral and the singular to include the plural and vice versa where the context so requires.

Certain additional terms are defined within the body of this Circular and in such cases will have the meanings ascribed thereto.

SUMMARY

The following is a summary of information related to the Company, ProStar and the Resulting Issuer (assuming completion of the Transaction) and should be read together with the more detailed information and financial data and statements contained elsewhere in this Circular, including the Schedules, which are incorporated herein and form part of this Circular. Certain capitalized words and terms used in this Summary are defined in the Glossary of Terms

The Meeting and Items of Business to be Considered at the Meeting

The Meeting will be held virtually on December 17, 2020, commencing at the hour of 11:00 a.m. (Vancouver time). Please see "*Virtual Meeting*" below.

At the Meeting, the Doxa Shareholders will be asked to consider, and if deemed advisable, approve the following:

1. the appointment of Smythe LLP, Chartered Professional Accountants, as auditors for the Company for the ensuing year and to authorize the directors to fix their remuneration;
2. fixing the number of directors for the ensuing year at six (6);
3. electing directors of Doxa for the ensuing year;
4. an ordinary resolution approving the Transaction;
5. a special resolution approving the Doxa Disposition, regardless of whether the Transaction completes;
6. a special resolution following completion of the Doxa Disposition and in the event the Transaction is terminated, authorizing the dissolution of Doxa;
7. an ordinary resolution, assuming the approval of the dissolution of Doxa and only in the event the Transaction is terminated, authorizing the voluntary delisting of the Company's common shares from the TSX Venture Exchange; and
8. the renewal of the Company's 10% rolling stock option plan .

The record date for determining the registered shareholders for the Meeting is October 19, 2020.

For a detailed description of these matters, please see "*Matters to be Acted Upon at the Meeting*".

This year to mitigate risks the health and safety of the Company's shareholders, employees and other stakeholders, the Company will be holding its meeting in a virtual only format. Shareholders will have an equal opportunity to participate at the Meeting online regardless of geographic location. Registered shareholders and proxyholders will be able to attend the virtual meeting and vote. Non-registered shareholders who have not duly appointed themselves as proxyholder will be able to attend the virtual Meeting as a guest, but will not be able to vote at the Meeting. This is because the Company and its transfer agent do not have a record of the non-registered shareholders, and, as a result, will have no knowledge of their shareholdings or entitlement to vote unless they appoint themselves as proxyholder. Please see "*Appointment of Proxies*" and "*Revocation of Proxies*" below.

The Meeting will be held via the Zoom meeting platform. In order to access the Meeting, shareholders will have two options, being via teleconference or through the Zoom application, which requires internet connectivity. Registered Doxa Shareholders wishing to vote in person and any shareholders wishing to view materials that may be presented by the Management will need to utilize the Zoom application, but any shareholder may listen to the Meeting via teleconference. Registered Doxa Shareholders participating via teleconference will not be able to vote in person at the Meeting as the Company's scrutineer must take steps to verify the identity of registered shareholders using the video features.

In order to dial into the Meeting, shareholders will phone 1-778-907-2071 and enter the Meeting ID and Password noted below.

In order to access the Meeting through Zoom, shareholders will need to download the application onto their computer or smartphone and then once the application is loaded, enter the Meeting ID and Password below or open the following link:

<https://us02web.zoom.us/j/87209615390?pwd=c1pJbE1nU3RVb2s1T1pjUGZEBndsdz09>

Shareholders will have the option through the application to join the video and audio or simply view and listen.

Meeting ID: 872 0961 5390

Password: 238577

It is the shareholders responsibility to ensure connectivity during the meeting and the Company encourages its shareholders to allow sufficient time to log in to the Meeting before it begins.

The Parties

The Company is a British Columbia based oil and gas production and exploration company listed on the Exchange. The Company was incorporated under the BCBCA on February 13, 2007. The Company's head and registered and records office is located at 2080 - 777 Hornby Street Vancouver, British Columbia V6Z 1S4.

As an initial step of the Transaction, the Company incorporated the MergerSub under DGCL on May 10, 2019 for the purpose of participating in the Merger. The MergerSub is a wholly owned subsidiary of Doxa. MergerSub does not own any assets and does not carry on any business.

ProStar is a private Delaware incorporated company whose principal business is providing geospatial intelligence software as a service to the pipeline and utility industry. ProStar was incorporated under the DGCL on January 14, 2014. ProStar's head office is located at 760 Horizon Drive, Suite 200, Grand Junction, CO 81506, USA and its registered and records office is located at 1209 Orange Street, Wilmington, DE 19801, County of New Castle. Following completion of the Transaction, the Company intends to be listed as a Tier 2 Issuer on the Exchange, and the business of ProStar will become the business of the Company.

Please see "*Information Concerning the Company*", "*Information Concerning ProStar*" and "*Information Concerning the Resulting Issuer*" for further information.

The Transaction

The parties to the Transaction are the Company, MergerSub and ProStar. Pursuant to the Transaction, Doxa will acquire, through a merger of its wholly-owned subsidiary MergerSub and ProStar, all of the issued and outstanding ProStar Shares, and 62,618,380 Resulting Issuer Shares will ultimately be issued to ProStar Shareholders at a deemed issue price of \$0.255 per Resulting Issuer Share. At and as of the Effective Time, each outstanding ProStar Warrant shall automatically convert into a warrant to acquire, on the same terms and conditions as were applicable to such ProStar Warrant, four (4) Resulting Issuer Shares for each ProStar Series C Preferred Share or ProStar Series D Preferred Share, as applicable, covered by the ProStar Warrant at an exercise price determined in the ProStar Warrant for a period of two years from the Closing Date, subject to the ProStar Acceleration Right.

Upon completion of the Transaction, ProStar will be a wholly-owned subsidiary of the Resulting Issuer, which will be engaged in the existing business of ProStar. The completion of the Transaction contemplated by the Merger Agreement is subject to certain conditions, including (a) obtaining all necessary regulatory approvals, including the approval of the Exchange and, including, without limitation the Exchange being satisfied that after the completion of the Transaction the Company will satisfy the Exchange's minimum listing requirements for a Tier 2 Technology Issuer as prescribed by Policy 2.1 – *Initial Listing Requirements* of the Exchange; (b) obtaining all shareholder and director approvals and consents; (c) Doxa completing the Consolidation; (d) Doxa completing the Name Change; (e) Doxa completing the Doxa Disposition; (f) Doxa completing the Concurrent Financing, which condition has been satisfied; (g) Doxa completing the Doxa Debt Settlement; (i) ProStar completing the ProStar Debt Settlement; and (j) other conditions under the Merger Agreement which are typical for this type of transaction.

For more detailed information regarding the Merger, please see "*The Transaction – The Merger*".

Concurrent Financing

On October 23, 2020, the Company completed the Concurrent Financing. The Concurrent Financing consisted of a non-brokered private placement of 14,000,000 Subscription Receipts at a price of \$0.40 per Subscription Receipt raising proceeds of \$5,600,000.

The Company will pay finder's fees in connection with the Concurrent Financing in the amount of \$351,575 and an aggregate of 878,937 non-transferable finder's warrants (the "**Finder's Warrants**"), with each Finder's Warrant exercisable at a price of \$0.40 per Finder's Warrant for one Doxa Share for a period of 24 months from the date of issuance. All finder's fees will be paid by the Company upon the conversion of the Subscription Receipts into Doxa Units.

Please see "*The Transaction – The Concurrent Financing*" for additional information.

Escrow Restrictions

20,318,306 Resulting Issuer Shares and 100,000 Resulting Issuer warrants held by certain shareholders of the Resulting Issuer (including all Principals of the Resulting Issuer) will be subject to escrow restrictions pursuant to the terms of the Value Escrow Agreement and will be released from escrow based upon the passage of time in accordance with the Escrow Policy.

3,309,601 Resulting Issuer Shares held by certain parties who are not Principals of ProStar and issued pursuant to the Doxa Debt Settlement will be subject to the Doxa Pooling Agreement and will be

released from the Doxa Pooling Agreement based upon the passage of time in accordance with the Doxa Pooling Agreement.

30,255,368 Resulting Issuer Shares issued to certain ProStar Shareholders pursuant to the Merger Agreement who are not Principals of ProStar will be subject to the ProStar Pooling Agreement and will be released from the ProStar Pooling Agreement based upon the passage of time in accordance with the ProStar Pooling Agreement.

For additional information concerning the escrow restrictions applicable to the securities of the Company, please see "*The Transaction – Escrow Restrictions*" and "*Information Concerning the Resulting Issuer – Escrowed Securities and Securities Subject to Resale Restrictions*".

Changes to Board and Management of the Company

In connection with the completion of the Transaction, each of the current directors and officers of Doxa will resign, with the exception of Paul McKenzie who will remain as a director. Herb McKim, Page Tucker, Jonathan Richards and Vasanthan Dasan will be appointed as directors of the Resulting Issuer. Page Tucker will also be appointed the CEO of the Resulting Issuer, Jonathan Richards will be appointed the CFO and Corporate Secretary and Vasanthan Dasan will be appointed the COO.

Please see "*The Transaction – Directors and Management*" and "*Information Concerning the Resulting Issuer – Directors, Officers and Promoters*" for additional information.

Interest of Insiders, Promoters or Control Persons

As of the date of this Circular, Insiders of the Company hold an aggregate of 13,155,286 Company Shares, representing 38.71% of the issued and outstanding Company Shares.

The following table shows the names of the Insiders of the Company (and any Associates and Affiliates) and the number and percentage of Company Shares they currently hold and are expected to hold on completion of the Transaction:

Name of Insider	Company Shares as at the date of this Circular	% of Company Shares as at the date of this Circular	Company Shares after the Transaction	% of Shares of the Resulting Issuer after the Transaction
John D. Harvison <i>President, CEO and Director</i>	3,244,465	9.55%	690,851 ⁽¹⁾	0.81%
Mark Bronson <i>CFO and Director</i>	406,250	1.20%	23,897	0.03%
Estate of G. Arnold Armstrong <i>10% holder</i>	8,413,071	24.76%	2,194,886 ⁽²⁾	2.56%
Paul McKenzie <i>Director</i>	90,000	0.26%	5,294	0.01%
Daniel Frederiksen <i>Director</i>	Nil	N/A	Nil	N/A

Name of Insider	Company Shares as at the date of this Circular	% of Company Shares as at the date of this Circular	Company Shares after the Transaction	% of Shares of the Resulting Issuer after the Transaction
Gerald Graham <i>Director</i>	595,250	1.75%	35,014	0.04%
Jonathon Weiss <i>Director</i>	406,250	1.20%	23,897	0.03%
Shauna Hartman <i>Corporate Secretary</i>	Nil	N/A	Nil	N/A
TOTAL	13,155,286	38.71%	2,973,838	3.47%

Notes:

- (1) Harvo LLC., a company owned and controlled by Mr. Harvison, will receive approximately 500,001 post-Consolidation Doxa Shares in connection with the Doxa Debt Settlement.
- (2) Armada Investments Ltd., a company owned and controlled by the estate of G. Arnold Armstrong will receive approximately 1,700,000 post-Consolidation Doxa Shares in connection with the Doxa Debt Settlement.

Assuming no conversion of convertible securities, the current Insiders of the Company will hold approximately 3.47% of the issued and outstanding Resulting Issuer Shares upon completion of the Transaction.

Please see "*Information Concerning the Resulting Issuer – Pro Forma Consolidated Capitalization*" and "*Information Concerning the Resulting Issuer– Escrowed Securities and Securities Subject to Resale Restrictions*" for additional information.

Arm's Length Transaction

The Transaction is an Arm's Length Transaction within the meaning of the Exchange Policies.

Available Funds and Use of Proceeds

Upon Closing of the Transaction, the Resulting Issuer will have approximately \$5,499,000 of estimated funds available, comprised of:

Approximate working capital deficit of the Company as at the most recent month end prior to the date of this Circular	(\$1,000)
Approximate working capital of ProStar as at the most recent month end prior to the date of this Circular	\$327,000
Approximate net proceeds of the Concurrent Financing (\$5,600,000 less finders' commission of \$351,575 and estimated costs of \$75,000)	\$5,173,000
TOTAL:	\$5,499,000

The principal purpose of such funds, after giving effect to the Transaction and for the 12 months thereafter, will be for, among other things, working capital and the continued development of its products. It is anticipated that the Resulting Issuer will use such funds as follows:

Item	Budgeted Expenditures
Estimated costs of Doxa to complete the Transaction	\$85,000
Estimated Costs of the Company and ProStar to complete the Transaction	\$200,000
Payment of outstanding ProStar debt assumed by the Resulting Issuer	\$875,000
(Gross margin)	(\$1,454,000)
Sales and Marketing	\$950,000
Research and Development	\$1,368,000
Salaries and Consulting Fees	\$750,000
Patent and License Fees	\$443,000
General and administrative expenses for the next 12 months	\$1,400,000
Unallocated working capital	\$882,000
Total	\$5,499,000

See "*Information Concerning the Resulting Issuer – Available Funds and Principal Purposes*" for more information.

Selected Pro Forma Consolidated Financial Information

The following table sets out certain financial information for ProStar and the Company and pro forma financial information for the Company after giving effect to the Transaction and certain other adjustments.

The following information should be read in conjunction with the financial statements and reports thereon included in this Circular, being:

- financial statements of the Company for the years ended December 31, 2019 and 2018 and for the six months ended June 30, 2020, which are together attached as Schedule "A";
- MD&A of the Company for the years ended December 31, 2019 and 2018 and for the six months ended June 30, 2020, which is attached as Schedule "B" hereto;
- financial statements of ProStar for the years ended December 31, 2019 and 2018 and for the six months ended June 30, 2020, which are attached hereto as Schedule "C";
- MD&A of ProStar for the years ended December 31, 2019 and 2018, and for the six months ended June 30, 2020, which is attached hereto as Schedule "D"; and
- unaudited pro forma financial statements of the Resulting Issuer giving effect to the Transaction which are attached as Schedule "E" hereto.

The information provided in the table below is derived from the unaudited financial statements of the Company for the six months ended June 30, 2020, the unaudited financial statements of ProStar for the

six months ended June 30, 2020 and the unaudited pro forma financial statements of the Resulting Issuer giving effect to the Transaction.

Balance Sheet Data	The Company as at June 30, 2020 US\$	ProStar as at June 30, 2020 US\$	Pro Forma as at June 30, 2020 US\$
Assets:			
Current Assets	\$1,932,085	\$213,506	\$2,927,506
Non-current Assets	\$-	\$140,420	\$140,420
Total Assets	\$1,932,085	\$353,926	\$3,067,925
Liabilities:			
Current Liabilities	\$1,892,692	\$2,811,726	\$242,772
Preferred Shares	\$-	\$12,337,005	\$-
Derivative liability			
- Warrants	\$-	\$-	\$1,399,668
Non-current Liabilities	\$2,707,498	\$1,019,704	\$511,724
Total Liabilities	\$4,600,190	\$16,168,435	\$2,154,164
Shareholder's Equity:			
Capital Stock	\$8,695,994	\$1,635,813	\$21,478,689
Contributed Surplus	\$-	\$379,160	\$1,108,819
Accumulated other comprehensive income (loss)	\$792,325	\$-	\$-
Deficit	\$(12,156,424)	\$(17,829,482)	\$(21,673,746)
Total Equity (Deficit)	\$(2,668,105)	\$(15,814,509)	\$913,762

Market for Securities

The Company Shares are listed on the Exchange with the trading symbol "DXA". The closing price of the Company Shares on October 26, 2018, being the last day Company Shares traded prior to the announcement of the Transaction, was \$0.015. See "*Information Concerning the Company – Stock Exchange Price*".

Upon completion of the Transaction, the Resulting Issuer Shares will continue to be listed on the Exchange as a Tier 2 Issuer under the anticipated trading symbol "MAPS".

There is no public market for the shares of ProStar.

Sponsor

Pursuant to the Sponsorship Policy, sponsorship is generally required in conjunction with a Reverse Takeover. The Exchange has provided the Company with a waiver from the requirement to obtain a Sponsor in connection with the transactions contemplated herein.

Please see "*General Matters – Sponsorship*".

Conflicts of Interest

The directors and officers of the Company and ProStar are involved in other projects, including projects in the technology industry, and may have a conflict of interest in allocating their time between the

business of the Company and other businesses or projects in which they are or will become involved. Please see "*Information Concerning the Resulting Issuer – Conflicts of Interest*".

For information concerning the director and officer positions held by the proposed directors and officers of the Resulting Issuer, please see "*Information Concerning the Resulting Issuer – Other Reporting Issuer Experience*".

Interests of Experts

To the best of ProStar's and the Company's knowledge, no direct or indirect interest in the Company or ProStar is held or will be received by any experts. Please see "*General Matters – Experts*" for more information.

Risk Factors

The Company and ProStar are and will be subject to certain risk factors, which should be carefully considered in connection with your review of the Transaction. There are certain risks that the Resulting Issuer will face in its normal course of business following completion of the Transaction.

There can be no assurance that debt or equity financing or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Company. Shareholders of the Resulting Issuer must rely on the ability, expertise, judgment, discretion, integrity and good faith of the management of Resulting Issuer. Doxa's inability to access sufficient capital for the Resulting Issuer's operations could have a material adverse effect on the Resulting Issuer's financial condition, results of operations or prospects.

See "*Risk Factors*" for a more detailed description of these risk factors and other risks. Company Shares are a risky and speculative investment.

Conditional Approval

Documentation respecting the Transaction has been filed with the Exchange and the TSXV has conditionally approved the Transaction, including the actions required pursuant to the foregoing Doxa covenants, subject to the Company fulfilling all of the requirements of the TSXV.

Listing Matters

The Doxa Shares are listed for trading on the Exchange with the trading symbol "DXA".

VIRTUAL MEETING

This year to mitigate risks the health and safety of the Company's shareholders, employees and other stakeholders, the Company will be holding its meeting in a virtual only format. Shareholders will have an equal opportunity to participate at the Meeting online regardless of geographic location. Registered Doxa Shareholders and proxyholders will be able to attend the virtual meeting and vote. Non-registered shareholders who have not duly appointed themselves as proxyholder will be able to attend the virtual Meeting as a guest, but will not be able to vote at the Meeting. This is because the Company and its transfer agent, do not have a record of the non-registered shareholders, and, as a result, will have no

knowledge of their shareholdings or entitlement to vote unless they appoint themselves as proxyholder. Please see "*Appointment of Proxies*" and "*Revocation of Proxies*" below.

The Meeting will be held via the Zoom meeting platform. In order to access the Meeting, shareholders will have two options, being via teleconference or through the Zoom application, which requires internet connectivity. Registered Doxa Shareholders wishing to vote in person and any shareholders wishing to view materials that may be presented by the Management will need to utilize the Zoom application, but any shareholder may listen to the Meeting via teleconference. Registered Doxa Shareholders participating via teleconference will not be able to vote in person at the Meeting as the Company's scrutineer must take steps to verify the identity of registered shareholders using the video features.

In order to dial into the Meeting, shareholders will phone 1-778-907-2071 and enter the Meeting ID and Password noted below.

In order to access the Meeting through Zoom, shareholders will need to download the application onto their computer or smartphone and then once the application is loaded, enter the Meeting ID and Password below or open the following link:

<https://us02web.zoom.us/j/87209615390?pwd=c1pJbE1nU3RVb2s1T1pjUGZEBndsdz09>

Shareholders will have the option through the application to join the video and audio or simply view and listen.

Meeting ID: 872 0961 5390

Password: 238577

It is the shareholders responsibility to ensure connectivity during the meeting and the Company encourages its shareholders to allow sufficient time to log in to the Meeting before it begins.

MATTERS TO BE ACTED UPON AT THE MEETING

Financial Statements

The audited financial statements of the Company for the financial year ended December 31, 2019 and the auditors' report thereon as well as the unaudited interim financial statements for the six months ended June 30, 2020 will be presented to the Meeting. Copies are available online at www.sedar.com.

Election of Director

Management intends to propose for adoption an ordinary resolution that the number of directors of the Issuer be fixed at six. If there are more nominees for election than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected until all such vacancies have been filled.

Each director of the Company is elected annually and holds office until the next Annual General Meeting of the Doxa Shareholders unless that person ceases to be a director before then. You can vote for all of these directors, vote for some of them and withhold for others, or withhold for all of them. Unless otherwise instructed, the named proxyholders will vote FOR the election of each of the proposed nominees set forth above as directors of the Company.

The following table sets out the names of the persons to be nominated for election as directors, the positions and offices which they presently hold with the Company, their respective principal occupations and the number of shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Circular:

Name of Nominee and Present Offices Held	Present Principal Occupation ⁽¹⁾	Director Since	Doxa Shares Beneficially Owned or Controlled ⁽²⁾
John D. Harvison Fort Worth, Texas <i>President, CEO and Director</i>	President of Dynamic Production, Inc. from July 2005 to Present; Vice President of Dynamic Production, Inc. from July 1987 to July 2005	February 4, 2009	3,244,465 ⁽⁴⁾
Daniel Frederiksen ⁽³⁾ Vancouver, B.C. <i>Director</i>	Controller of Armada Investments Ltd. from January 1999 to Present	February 4, 2009	Nil
Paul McKenzie ⁽³⁾ Vancouver, B.C. <i>Director</i>	CEO and Director of Nexoptic Technology Corp from April 2019 to Present and from March 2010 to November 2017; Chief Business Officer of NexOptic Technology Corp. from November 2017 to April 2019	February 4, 2009	90,000
Gerald Graham Fort Worth, Texas <i>Director</i>	Land Manager for Dynamic Production, Inc. from March 1981 to September 2005; Vice President for Dynamic Production, Inc. from September 2005 to Present	February 4, 2009	595,250
Jonathon Weiss Fort Worth, Texas <i>Director</i>	Engineering Manager for Dynamic Production, Inc. from 1987 to July 2005; Vice President for Dynamic Production, Inc. from July 2005 to Present	February 4, 2009	406,250
J. Mark Bronson Fort Worth, Texas <i>Director and Chief Financial Officer</i>	Chief Financial Officer of Dynamic Production, Inc. from March 2006 to Present; Chief Financial Officer of FFP Operating Partners from September 2003 to March 2006	August 27, 2009	406,250

Notes:

- (1) The information as to principal occupation, business or employment and Shares beneficially owned or controlled is not within the knowledge of the management of Doxa and has been furnished by the respective nominees. Each nominee has held the same or similar principal occupation with the organization indicated or a predecessor thereof for the last five years.
- (2) The approximate number of Shares of Doxa carrying the right to vote in all circumstances beneficially owned directly or indirectly, or over which control or direction is exercised by each proposed nominee as at the date hereof is based on information furnished by the transfer agent of Doxa and by the nominees themselves.
- (3) Member of the Audit Committee.
- (4) Of which 2,365,001 Doxa Shares are held directly and 879,464 Doxa Shares are held through Harvco LLC, a private company of which Mr. Harvison and his family are the sole shareholders.

Appointment of Auditor

Unless otherwise specified, the persons named in the enclosed instrument of proxy will vote for the reappointment of Smythe LLP, Chartered Professional Accountants, of Vancouver, B.C. as auditor of the Issuer for the ensuing year, at a remuneration to be fixed by the directors. Smythe LLP was first appointed auditor of the Company in 2009.

Proposed Reverse Take-Over

Doxa and ProStar entered into the Merger Agreement providing for the completion of the Transaction. At the Meeting, the Doxa Shareholders will be asked to consider and, if deemed advisable, approve the following resolution to approve the Transaction.

"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. The acquisition (of all of the issued and outstanding securities of ProStar by the Company pursuant to the Merger Agreement, and all the transactions contemplated therein and the payment of consideration in respect thereof be and are hereby confirmed and approved.
2. Subject to the approval of the TSXV, the completion of the Transaction on such terms and conditions as the Board may determine in its sole discretion, and all matters related and transactions ancillary thereto in accordance with the terms of the Merger Agreement be and are hereby authorized and approved.
3. Notwithstanding the approval of these resolutions by the Doxa Shareholders, or the approval of the Transaction by the Exchange, the Board is hereby authorized and empowered without further notice to, or approval of, the Doxa Shareholders (but subject to the terms of the Merger Agreement), to: (i) amend, modify or supplement the Merger Agreement in accordance with the respective terms and (ii) not proceed with the Transaction and related transactions, at any time prior to the closing of the Transaction.
4. Any one or more directors or officers of the Company be and are hereby authorized, for and on behalf and in the name of the Company, to execute and deliver all such agreements, applications, forms, waivers, notices, certificates, confirmations and other documents and instruments, and to do or cause to be done all such other acts and things as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to these resolutions, the Transaction, and the completion of the transactions contemplated by the Merger Agreement in accordance with the terms of the Merger Agreement, including:
 - (a) all actions required to be taken by or on behalf of Doxa or its subsidiaries, including making all necessary filings and obtaining all necessary approvals, consents and acceptances of appropriate regulatory authorities; and
 - (b) the signing of certificates, consents and other documents or declarations required pursuant to the Merger Agreement or otherwise to be entered into by Doxa or its subsidiaries, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing by such director or officer."

The resolution in respect of the Transaction must be approved by a simple majority of the votes cast at the Meeting. It is the intention of the persons named in the enclosed proxy, in the absence of instructions to the contrary, to vote the proxy in favour of the Transaction.

Approval of Stock Option Plan

At the Company's Annual General Meeting held December 12, 2018, Doxa Shareholders ratified the Doxa Stock Option Plan, under which the directors were authorized to grant options for 10% of the issued and outstanding shares of the Company from time to time. The purpose of the Doxa Stock Option Plan is to attract and motivate directors, officers and employees of and consultants to the Company and its subsidiaries and thereby advance the Company's interests by affording such persons with an opportunity to acquire an equity interest in the Company through the stock options. The Company is currently listed on Tier 2 of the TSXV.

Under the policies of the TSXV, options granted under such a rolling plan are not required to have a vesting period, although the directors may continue to grant options with vesting periods, as the circumstances require. The Doxa Stock Option Plan authorizes the Board to grant stock options on the following terms:

1. The number of shares subject to each option is determined by the Board provided that the Doxa Stock Option Plan, together with all other previously established or proposed share compensation arrangements may not, during any 12-month period, result in:
 - (a) the number of shares reserved for issuance pursuant to stock options granted to any one person exceeding 5% of the issued shares of the Company; and
 - (b) the issuance, within a one-year period, to insiders of the Company of a number of shares exceeding 10%, or to one insider of a number exceeding 5%, or to a consultant of a number exceeding 2%; or to all employees (as defined by the Exchange) who provide Investor Relations services of a number exceeding 2% of the issued shares of the Company.
2. The aggregate number of shares which may be issued pursuant to options granted under the Doxa Stock Option Plan, may not exceed 10% of the issued and outstanding shares of the Company as at the date of the grant.
3. The exercise price of an option may not be set at less than the closing market price during the trading day immediately preceding the date of grant of the option less the discounted permitted by the policies of the TSXV.
4. The options may be exercisable for a period of up to 10 years.
5. The options are non-assignable, except in certain circumstances. The options can only be exercised by the optionee as long as the optionee remains an eligible optionee pursuant to the Doxa Stock Option Plan or within a period of not more than 90 days (30 days for providers of investor relations services) after ceasing to be an eligible optionee or, if the optionee dies, within one year from the date of the optionee's death.
6. On the occurrence of a takeover bid, issuer bid or going private transaction, the Board will have the right to accelerate the date on which any option becomes exercisable.

The Doxa Stock Option Plan must be approved yearly by the Doxa Shareholders in order to re-set the number of shares that can be granted under the Doxa Stock Option Plan.

If Doxa Shareholder approval of the Doxa Stock Option Plan is obtained, any options granted or amendments made to options previously granted pursuant to the Doxa Stock Option Plan will not require further shareholder approval although notice of options granted under the Doxa Stock Option Plan must be given to the Exchange. Any amendments to the Doxa Stock Option Plan must also be approved by the Exchange and, if necessary, by the Doxa Shareholders prior to becoming effective.

Doxa Shareholder approval of the Doxa Stock Option Plan requires a simple majority of the votes cast by the shareholders.

The text of the Plan is available for review by any shareholder up until the day preceding the Meeting at the Company's registered and records offices at 2080 – 777 Hornby Street, Vancouver, British Columbia.

Doxa Shareholders will be asked at the Meeting to consider and, if deemed advisable, approve with or without variation the following resolution:

"BE IT RESOLVED THAT the Doxa Stock Option Plan authorizing the directors to grant options on shares up to a maximum of 10% of the Company's shares issued and outstanding from time to time, as at the date of the relevant grant, be and it is hereby approved, together with all options granted thereunder as at the date hereof, and that the Board be and they are hereby authorized, without further shareholder approval, to carry out the intent of this resolution."

If this resolution is approved by shareholders it is expected that the Board will in due course grant further options under the Doxa Stock Option Plan as the Board deems fit in light of the overall compensation program and the relative efforts and contributions of the eligible participants under the Doxa Stock Option Plan.

Doxa Disposition

It is a condition of the Transaction with ProStar that at or prior to the closing of the Transaction that the Company will dispose of its existing oil and gas interests and related equipment and assets through the sale of Doxa Energy US, Inc., provided that such sale includes a release of the Credit Facility (as defined below), at fair market value. The Doxa Shareholders previously approved the terms of the Doxa Disposition, conditional upon the completion of the Transaction at the shareholder meeting held on December 12, 2018. The Company now wishes to complete the Doxa Disposition, regardless of whether the Transaction completes.

On September 12, 2012, Doxa Subsidiary entered into the Doxa Debt Facility with UMB Financial Corporation ("**UMB**"). The initial borrowing capacity under the Doxa Debt Facility was US\$5,000,000 which has now been adjusted to US\$175,000 with the maturity date of the facility being extended until June 12, 2021. The Doxa Debt Facility bears interest at a rate equal to prime plus 1% with an interest rate floor of 6%. Interest accrued is payable monthly. The Doxa Debt Facility is personally guaranteed by John D. Harvison and is secured by Doxa Subsidiary's oil and gas interests. As at June 30, 2020, the amount outstanding under the Doxa Debt Facility was US\$148,100.

In addition to the Doxa Debt Facility, Doxa Subsidiary is indebted to Dynamic, a company owned and controlled by John D. Harvison, in relation to the Dynamic Debt for lease operating expenses relating to Doxa Subsidiary's oil and gas interests in the amount of US\$1,485,477 as at June 30, 2020.

On September 2, 2019, the Company, Dynamic and Doxa Subsidiary entered into a share purchase agreement, as amended August 17, 2020 (the "**Share Purchase Agreement**") pursuant to which the Company agreed to sell to Dynamic all of the issued and outstanding shares of Doxa Subsidiary for US\$1.00 having regard for the value of the assets of Doxa Subsidiary, as set forth in a report of Cawley, Gillespie and Associates Inc. dated as at December 31, 2019 as against the value of the Dynamic Debt and Doxa Debt Facility owed by Doxa Subsidiary, which report attributed a before tax net present value of US\$1,374,700 to the proved developed producing and non-producing reserves held by Doxa Subsidiary reflecting a 10% discount.

The Disposition will be subject to the approval of the TSXV and is intended to be completed regardless of whether the Transaction is completed.

At the Meeting, Doxa Shareholders will be asked to consider and, if thought fit, to pass with or without amendment, the following special resolutions (the "**Disposition Resolution**"):

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The Company is hereby authorized to sell all or substantially all of its undertaking through the sale of Doxa Subsidiary to Dynamic pursuant to the Share Purchase Agreement.
2. Any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver under the corporate seal or otherwise all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to this resolution, including the Share Purchase Agreement.
3. The board of directors of the Company be and it is hereby authorized to revoke this resolution and any or all of the actions herein described, notwithstanding the approval by the Doxa Shareholders of same, at any time prior to the completion thereof, if, in the sole discretion of the Board, it is in the best interests of the Company to do so.
4. In the event the sale is not concluded as outlined, the directors may by resolution make such modifications to the terms thereof as they may deem necessary in the circumstances to as to proceed with the sale of Doxa Subsidiary as intended herein.

In order to become effective, the Disposition Resolution must be approved by at least two-thirds of the votes cast on the Disposition Resolution by the Doxa Shareholders, present in person or represented by proxy, at the Meeting.

Unless the shareholder has specified in the enclosed form of proxy that the shares represented by such proxy are to be voted against the Disposition Resolution, the persons named in the enclosed form of proxy will vote FOR the Disposition Resolution.

Related Party Approval

As Dynamic is a company owned and controlled by John D. Harvison, who is the President and a director of the Company, the completion of the Doxa Disposition with Dynamic constitutes a 'related party transaction' as defined in MI 61-101.

Pursuant to MI 61-101, if a transaction is a 'related party transaction', a formal valuation and Minority Approval, may be required.

Where an issuer is listed or quoted on the TSX Venture Exchange and no other stock exchange outside of Canada and the United States, MI 61-101 provides an exemption to the general requirement to obtain a valuation for a transaction that is a related party transaction. No formal valuations of the Company, Doxa Subsidiary or its assets have been made in the last 24 months, to the knowledge of Company, the Board or its management, other than the reserves evaluations prepared for the Company in accordance with NI 51-101. The Company, in determining the purchase price for the Doxa Disposition has relied upon the evaluation summary of oil and gas interests held by Doxa Subsidiary as prepared by Cawley, Gillespie and Associates, Inc., a reserves evaluator, for the purposes of Doxa's disclosure requirements pursuant to NI 51-101, which report attributed a before tax net present value of US\$1,374,700 to the proved developed producing and non-producing reserves held by Doxa Subsidiary reflecting a 10% discount.

MI 61-101 requires that the Company obtain Minority Approval for the Doxa Disposition. As a result, at the Meeting, the Company will request the Minority Approval for the Disposition Resolution.

In determining what constitutes Minority Approval for the Disposition Resolution, the Company must exclude the votes attached to affected securities, that to the knowledge of the Company or any interested party (as such term is defined in MI 61-101) or their respective directors and officers, after reasonable inquiry, are beneficially owned or over which control or direction is exercised by (a) the Company, (b) an interested party (as such term is defined in MI 61-101), (c) a related party of an interested party, or (d) a joint actor with a person referred to in (b) or (c) above.

The Company has determined that pursuant to MI 61-101, 2,365,0001 shares held directly by Mr. Harvison and 879,464 shares held indirectly by Mr. Harvison through Harvco LLC, a private company owned and controlled by Mr. Harvison, must be excluded from the vote of the shareholders in the Disposition Resolution for the purposes of the Minority Approval. Mr. Harvison and Harvco LLC may still vote on the Disposition Resolution for the purposes of obtaining the two-thirds approval as required by the BCBCA.

Dissenting Shareholders' Rights

Under the BCBCA, the Disposition Resolution gives rise to dissent rights. Doxa Shareholders are entitled to the dissent rights set out in the BCBCA and to be paid the fair value of their shares if such shareholder dissents to the Doxa Disposition and the Doxa Disposition becomes effective. Neither a vote against the Disposition Resolution, nor an abstention or the execution or exercise of a proxy vote against such resolution will constitute notice of dissent, but a shareholder need not vote against such resolution in order to dissent.

However, in accordance with the BCBCA, a shareholder who has submitted a dissent notice and who votes in favour of the Disposition Resolution or otherwise acts inconsistently with the dissent, will cease to be entitled to exercise any right of dissent (the "**Dissent Rights**"). A shareholder must dissent with respect to all shares either held personally by him or on behalf of any one beneficial owner and which are registered in one name. A brief summary of the provisions of the dissent rights of shareholders under the BCBCA is set out below and is qualified in its entirety by the reference to the full text of Part 8, Division 2 of the BCBCA, which is attached to this Circular as Schedule "F".

The statutory provisions dealing with the right of dissent are technical and complex. Any shareholders who wish to exercise their right of dissent should seek independent legal advice, as failure to comply strictly with the provisions of Part 8, Division 2 of the BCBCA may prejudice their right of dissent.

Doxa Shareholders registered as such on the Record Date of the Meeting may exercise rights of dissent pursuant to and in the manner set forth in Part 8, Division 2 of the BCBCA, provided that the notice of dissent duly executed by such shareholder is received by the Company two business days in advance of the date of the Meeting. Dissenting Doxa Shareholders (the "**Dissenting Shareholder**") are ultimately entitled to be paid fair value for their dissenting shares (the "**Doxa Dissenting Shares**") and shall be deemed to have transferred their Doxa Dissenting Shares to the Company.

Prior to the Doxa Disposition becoming effective, the Company will send a notice of intention to act to each Dissenting Shareholder stating that the Disposition Resolution has been passed and informing the Dissenting Shareholder of their intention to act on such Disposition Resolution. A notice of intention need not be sent to any shareholder who voted in favour of the Disposition Resolution or who has withdrawn his notice of dissent. Within one month of the date of the notice given by the Company of its intention to act, the Dissenting Shareholder is required to send written notice to the Company that he requires the Company to purchase all of his shares and at the same time to deliver certificates representing those shares to the Company. Upon such delivery, a Dissenting Shareholder will be bound to sell and the Company will be bound to purchase the shares subject to the demand for a payment equal to their fair value as of the day before the day on which the Disposition Resolution was passed by the shareholders, excluding any appreciation or depreciation in anticipation of the vote (unless such exclusion would be inequitable). Every Dissenting Shareholder who has delivered a demand for payment must be paid the same price as the other Dissenting Shareholders.

A Dissenting Shareholder who has sent a demand for payment, or the Company, may apply to the Supreme Court of British Columbia which may: (a) require the Dissenting Shareholder to sell and the Company to purchase the shares in respect of which a notice of dissent has been validly given; (b) set the price and terms of the purchase and sale, or order that the price and terms be established by arbitration, in either case having due regard for the rights of creditors; (c) join in the application of any other Dissenting Shareholder who has delivered a demand for payment; and (d) make consequential orders and give such directions as it considers appropriate. No Dissenting Shareholder who has delivered a demand for payment may vote or exercise or assert any rights of a shareholder in respect of their shares for which a demand for payment has been given, other than the rights to receive payment for those shares. Until a Dissenting Shareholder who has delivered a demand for payment is paid in full, that Dissenting Shareholder may exercise and assert all the rights of a creditor of the Company. No Dissenting Shareholder may withdraw his demand for payment unless the Company consents.

Strict adherence to the procedures set forth above will be required and failure to do so may result in the loss of all Dissent Rights. Accordingly, each shareholder who might desire to exercise Dissent Rights should carefully consider and fully comply with the provisions set forth above and below and consult his or her legal advisor.

All Dissent Notices to the Company should be addressed to the Company at its registered office at Suite 2080-777 Hornby Street, Vancouver, British Columbia V6Z 1S4, Attention: Shauna Hartman.

The directors of the Company may elect not to proceed with the transactions contemplated in the Disposition Resolution if any notices of dissent are received.

The foregoing summary does not purport to provide a comprehensive statement of the procedures to be followed by a dissenting shareholder who seeks payment of the fair value of his shares. The BCBCA requires strict adherence to the procedures established therein and failure to do so may result in the loss of all dissenters' rights. Accordingly, each shareholder who might desire to exercise the dissenters'

rights should carefully consider and comply with the provisions of the section and consult such shareholders' legal advisor

Consolidation

The Transaction is conditional on, among other things, the Consolidation. While the Company's articles permit the Company to complete a share consolidation without the approval of the Company's shareholders, the policies of the TSXV require that any consolidation exceeding a ratio of 10 for 1 must be approved by the Doxa Shareholders and accordingly an ordinary resolution regarding the Consolidation is proposed as set forth below. As the Company proposes to dissolve should the Transaction not complete, the Company is proposing that the Consolidation be completed regardless of whether the Transaction completes to allow for the settlement of debt.

Effect of Consolidation

If the Consolidation resolution is approved at the Meeting and is implemented by the Company each holder of issued pre-consolidation common shares will receive one (1) post-consolidation common share for up to each seventeen (17) pre-consolidation common shares currently held.

If the Consolidation resolution is approved at the Meeting and the Board has determined that it is appropriate to implement such resolution, the Consolidation will become effective upon the date specified by the Board, and each person who becomes entitled to receive post-consolidation common shares on the terms described above will be recorded as such on the share register of the Company.

Exchange of Shares

The specific procedures for the deposit of certificates representing pre-consolidation common shares and the delivery of certificates for post-consolidation common shares will be set out in a Letter of Transmittal to be delivered to shareholders following the Company's determination to implement the Consolidation. It is recommended that shareholders complete and return their Letter of Transmittal to the Company's registrar and transfer agent at its principal office in Vancouver, BC, as soon as possible following receipt of same. Upon return of a properly completed Letter of Transmittal, along with certificates representing pre-consolidation common shares, certificates for the appropriate number of post-consolidation common shares will be distributed without charge.

No fractional post-consolidation common shares will be issued and no cash will be paid in lieu of fractional post-consolidation common shares. Fractional interests in post-consolidation common shares of less than one-half of a share will be cancelled without reimbursement to the holders of such fractional interests, and all fractional interests in post-consolidation common shares of one-half or greater will be increased to one whole share.

Income Tax Considerations

There are no material Canadian or U.S. income tax considerations to either the Company or its shareholders with respect to the Consolidation.

Resolutions

In accordance with the Consolidation, the Doxa Shareholders will be asked to approve the following resolutions:

BE IT RESOLVED that:

1. the authorized and issued capital of the Company be altered by consolidating all of the currently authorized common shares without par value, both issued and unissued, on the basis of up to every seventeen (17) common shares without par value being consolidated into one (1) common share without par value or such other consolidation ratio, not exceeding the ratio set forth above, as the board of directors and management of the Company may deem appropriate, subject to the consent and approval of the TSX Venture Exchange;
2. all fractional interests in post-consolidation common shares of less than one-half of a share be cancelled without reimbursement to the holders of such fractional interests, and all fractional interests in post-consolidation common shares of one-half or greater be increased to one whole share;
3. the Company's Board of Directors be authorized to determine the effective date of the consolidation, the Company's Chief Executive Officer be authorized to make any and all other determinations with respect to such matters as may arise and require determination hereafter in connection with the consolidation, and any one director or officer of the Company be authorized and directed, by and on behalf of the Company, to do all acts and things and to execute and deliver such documents and instruments as he may deem necessary or advisable to give effect to the foregoing resolutions; and
4. the Board of Directors of the Company shall have the authority to revoke this resolution and to not proceed with the matters referred to herein, without the further approval of the shareholders of the Company.

The Company currently has 33,980,141 common shares issued and outstanding, which will become 1,998,832 common shares, before fractions are adjusted, after the Consolidation. As the Company is authorized to issue an unlimited number of common shares without par value, no change in the Company's authorized capital will result from the proposed Consolidation.

The Consolidation resolutions provide the directors with sole and exclusive authority to determine whether the Consolidation should be acted upon and discretion to amend the consolidation ratio as deemed appropriate, the consolidation ratio not to exceed 17:1.

The Consolidation is subject to the approval of the TSXV.

The foregoing resolutions permit the Board of Directors, without further approval from the shareholders, to proceed with the Consolidation at any time following the Meeting up to the date of the Company's next Annual Meeting. Alternatively, the Board of Directors may choose not to proceed with the Consolidation if the Board of Directors, in their discretion, deems that it is no longer desirable to do so.

Management of the Company recommends that shareholders vote in favour of the foregoing resolutions, and the persons named in the enclosed Proxy intend to vote for the approval of the foregoing resolutions at the Meeting unless otherwise directed by the shareholders appointing them. If the Consolidation is not approved, the Transaction cannot be completed

Doxa Debt Settlement

The Transaction is conditional upon the closing of the debt settlement agreements dated May 22, 2019 (the "**Debt Settlement Agreements**") entered into with each of Harvco LLC ("**Harvco**") and Armada Investments Ltd. ("**Armada**") in relation to the settlement of the Doxa Related Party Debt, through the issuance of 188,013,211 pre-Consolidation common shares of the Company at a price of \$0.0117001305 per pre-Consolidation share. Pursuant to the Debt Settlement Agreements, only the aggregate principal amount of \$2,200,000 advanced will be settled through the issuance of Doxa Shares and the accrued and unpaid interest (\$1,489,695 as at June 30, 2020) will be forgiven by Armada and Harvco.

Of the aggregate principal of \$2,200,000 payable:

- (a) \$1,700,000 is owed to Armada (the "**Armada Settlement**"), a company owned and controlled by the estate of G. Arnold Armstrong, the Company's former Chairman, in relation to a loan agreement between the Company and Armada dated August 10, 2010, as amended, in relation to a loan of \$1,200,000 in principal and a second loan agreement between the Company and Armada dated July 27, 2011, as amended, in relation to a further loan of \$500,000 in principal; and
- (b) \$500,000 is owed to Harvco (the "**Harvco Settlement**"), a company owned and controlled by John D. Harvison, the Company's President and a director, in relation to a loan agreement between the Company and Harvco dated August 10, 2010, as amended, in relation to a loan of \$500,000 in principal.

The Debt Settlement Agreements will settle such outstanding debt obligations through the issuance of 188,013,211 common shares at a price of \$0.011701305 per pre-Consolidation share. The completion of the Doxa Debt Settlement is subject to the approval of the TSX Venture Exchange and is conditional upon the completion of the Consolidation but not the Transaction, as the Company intends to proceed with the Doxa Debt Settlement regardless of whether the Transaction has completed. However the completion of the Doxa Debt Settlement is a condition of the Transaction and must be completed in order for the Transaction to complete.

The completion of the Doxa Debt Settlements will result in the issuance of common shares to each of Harvco and Armada and alter the number of shares held by their beneficial owners as follows:

Name	Number of Shares issuable pursuant to Doxa Debt Settlement	Number of Doxa Shares currently held	Percentage of outstanding Doxa Shares currently held	Percentage of outstanding Doxa Shares to be held following Doxa Debt Settlement
G. Arnold Armstrong (owner of Armada)	145,282,936	8,413,071	24.44%	69.23%
John D. Harvison (owner of Harvco)	42,730,275	3,244,465	9.55%	20.71%
TOTAL	188,013,211	11,657,536	33.99%	89.93%

The numbers above are presented pre-Consolidation and do not assume the completion of the Transaction or conversion of securities issued under the Concurrent Financing or any assignment of the Doxa Shares issuable pursuant to the Doxa Debt Settlement which will occur with the Transaction as set forth below.

The purpose of the Doxa Debt Settlement is to reduce the Company's current liabilities and to satisfy the conditions of the Transaction. **If approved at the Meeting, the Doxa Debt Settlement will be completed regardless of whether the Transaction is completed.**

As Harvco is an entity controlled by a director and officer of the Company and as Armada is an entity controlled by a Control Person of the Company, the completion of the Doxa Debt Settlement constitutes a 'related party transaction' as defined under MI 61-101. Pursuant to MI 61-101, if a transaction is a 'related party transaction', a formal valuation and Minority Approval, may be required.

Where an issuer is listed or quoted on the TSXV and no other stock exchange outside of Canada and the United States, MI 61-101 provides an exemption to the general requirement to obtain a valuation for a transaction that is a related party transaction. No formal valuations of the Company or the debts forming the Doxa Debt Settlement have been made in the last 24 months, to the knowledge of Company, the Board or its management.

MI 61-101 requires that the Company obtain Minority Approval for the Doxa Debt Settlement. As a result, at the Meeting, the Company will request the Minority Approval for the Doxa Debt Settlement.

In determining what constitutes Minority Approval for the Doxa Debt Settlement, the Company must exclude the votes attached to affected securities, that to the knowledge of the Company or any interested party (as such term is defined in MI 61-101) or their respective directors and officers, after reasonable inquiry, are beneficially owned or over which control or direction is exercised by (a) the Company, (b) an interested party (as such term is defined in MI 61-101), (c) a related party of an interested party, or (d) a joint actor with a person referred to in (b) or (c) above.

The Company has determined that pursuant to MI 61-101:

- (a) 3,148,214 held directly by the estate of Mr. Armstrong and 5,264,857 shares held by Armada must be excluded from the vote of the Doxa Shareholders as relating to the Armada Settlement;
- (b) 2,365,001 shares held directly by Mr. Harvison and 879,464 shares by Harvco must be excluded from the vote of the Doxa Shareholders as relating to the Harvco Settlement; and
- (c) 200,000 shares held directly by Paul McKenzie, a director of the Company, must be excluded from the vote of the Doxa Shareholders as relating to the Armada Settlement as Mr. McKenzie is an 'interested party' that will receive from Armada a portion of the shares issued to Armada as outlined below, in the event the Transaction is completed.

Should shareholder approval for the Doxa Debt Settlement not be obtained, the Company will not be able to complete the Doxa Debt Settlement and will continue to owe to the amounts due to Harvco and Armada and will have no cash with which to otherwise settle such amounts. Additionally, the Company will be unable to satisfy the conditions of the Transaction.

In the absence of contrary directions, the management designees set forth in the proxy intend to vote proxies in the accompanying form in favour of the resolution approving the completion of the Doxa Debt Settlement.

Resolution for the Doxa Debt Settlement

The disinterested shareholders of the Company will be asked at the Meeting to consider, and if deemed advisable, approve with or without variation the following ordinary resolution:

BE IT RESOLVED that:

1. the completion of the Armada Settlement and the issuance of 145,282,936 pre-Consolidation common shares to Armada in connection therewith be and is hereby approved;
2. the completion of the Harvco Settlement and the issuance of 42,730,275 pre-Consolidation common shares to Harvco in connection therewith be and is hereby approved; and
3. the directors of the Company be and are hereby authorized to execute and deliver such documents, and to do such acts, as may be necessary or advisable to effect the Doxa Debt Settlement.

Approval of Control Block Position

As disclosed above, the completion of the Harvco Settlement will result in the issuance of an aggregate of 42,730,725 common shares of the Company representing 19.25% of the Company's issued and outstanding shares.

The completion of the Doxa Debt Settlement will result in John D. Harvison holding, directly and indirectly, approximately 20.71% of the issued and outstanding share capital of the Company, prior to the completion of the Transaction, the Concurrent Financing and proposed transfers of the Doxa Shares issuable pursuant to the Harvco Settlement. In accordance with the policies of the TSXV, disinterested shareholder approval is required to the creation of a new Control Person (the "**Control Position**"). The Company is seeking shareholder approval at the Meeting for the creation of a Control Position to be held by Mr. Harvison as a result of the Doxa Debt Settlement.

Should shareholder approval for the Control Position to be held by Mr. Harvison not be obtained, the Company will not be able to complete the Doxa Debt Settlement and will continue to owe to Harvco a debt of \$793,271.77 which will continue to accrue interest, and will have no cash with which to otherwise settle Harvco's debt.

In the absence of contrary directions, the management designees set forth in the proxy intend to vote proxies in the accompanying form in favour of the resolution approving the creation of the Control Position.

Resolution for the Control Position

The disinterested shareholders of the Company will be asked at the Meeting to consider, and if deemed advisable, approve with or without variation the following ordinary resolution:

BE IT RESOLVED that:

1. the creation of the control position held by John D. Harvison as a result of the Harvco Settlement be and is hereby approved.
2. the directors of the Company be and are hereby authorized to execute and deliver such documents, and to do such acts, as may be necessary or advisable to effect the Harvco Settlement.

As of the date of this Circular and based upon information available to the Company, 3,244,465 shares held directly and indirectly by Mr. Harvison are not eligible to vote for the approval of the creation of the Control Position.

Transfers of Doxa Shares issuable pursuant to the Doxa Debt Settlement

In connection with the Transaction, each of Armada and Harvco have entered into share purchase agreements with individuals as designated by ProStar pursuant to which Armada and Harvco agreed to sell to such individuals portions of the Doxa Shares which will be issued to them pursuant to the Doxa Debt Settlement for nominal consideration. The share transfers under the share purchase agreements will only be completed if the Transaction is completed. The particulars of the transfers to be completed (on a post-Consolidation basis) are as set forth in the following table:

Transferor	Transferee	Number of Post-Consolidation Doxa Shares
Harvco	Page Tucker	2,013,545
Armada	Page Tucker	2,486,455
Armada	Paul McKenzie	1,000,000
Armada	Jonathan Richards	700,000
Armada	Vasanthan Sivagnanadasan	650,000
Armada	Herb McKim	900,000
Armada	Ranjeet Sundher	350,000
Armada	Samantha Shorter	309,600
Armada	Edward Evans	350,000
Armada	Carl Lashua	100,000
Total		8,859,600

Following completion of the transfers as set forth above, Armada would continue to hold 1,700,000 of the 8,546,055 post Consolidation Doxa Shares issued to it pursuant to the Doxa Debt Settlement and Harvco would continue to hold 500,001 of the 2,513,546 post-Consolidation Doxa Shares issued to it pursuant to the Doxa Debt Settlement.

Doxa Dissolution

Following completion of the Doxa Disposition, in the event the Transaction is not completed, the Company will have minimal assets and accounts payable. Dynamic has agreed to settle the Company's remaining outstanding payables in cash to the extent that Doxa does not have sufficient cash resources to make such payments, which is anticipated to be likely.

The Board has determined that should the Transaction be terminated, that following the payment of the Company's accounts payables and any other accrued liabilities and costs associated with de-listing from the TSXV to voluntarily dissolve Doxa due to the ongoing costs of maintain a public company. With the exception of the Concurrent Financing, Doxa has been unable to complete a financing since 2010 and has been reliant on loans made by its directors to sustain its existence. The junior oil and gas sector continues to operate in survival mode following several economic crises, including but not limited to the impacts of the COVID-19 pandemic. Following completion of the Doxa Disposition, the Company will be unable to meet the continued listing requirements of the TSXV and would be transferred to NEX. NEX is a separate trading platform of the TSXV for companies that have fallen below the TSXV's listings standards.

On the basis of the foregoing, the Board has determined that should the Transaction not be possible to complete, the best way forward for Doxa will be to proceed with the dissolution of the Company. The dissolution will not proceed unless the Transaction is terminated and will only proceed following the completion of the Doxa Disposition.

At the Meeting, Doxa Shareholders will be asked to consider and, if thought fit, to pass with or without amendment, the following special resolutions pertaining to the dissolution of Doxa (the "**Dissolution Resolution**"):

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The Board is authorized to cause all debts and liabilities of the Company to be satisfied and distribute all remaining cash, if any, to shareholders as a return of capital.
2. After the distribution of any remaining property of the Company, the Company be authorized to dissolve and, for the purposes of bringing such dissolution into effect, the Board shall authorize the dissolution of the Company pursuant to section 314(1)(a) of the BCBCA and shall instruct the Company's agent to file an application for dissolution in the approved form with the Registrar of Companies.
3. The board of directors of the Company be and it is hereby authorized to revoke this resolution and any or all of the actions herein described, notwithstanding the approval by the Doxa Shareholders of same, at any time prior to the completion thereof, if, in the sole discretion of the Board, it is in the best interests of the Company to do so.
4. Any one officer or director of the Company, or its agent, be authorized to execute, under the seal of the Company or otherwise, and to deliver all further documents and to take all further action as may be required to give effect to these resolutions.

In order to become effective, the Dissolution Resolution must be approved by at least two-thirds of the votes cast on the Dissolution Resolution by the Doxa Shareholders, present in person or represented by proxy, at the Meeting.

Unless the shareholder has specified in the enclosed form of proxy that the shares represented by such proxy are to be voted against the Dissolution Resolution, the persons named in the enclosed form of proxy will vote FOR the Dissolution Resolution.

Delisting from the TSX Venture Exchange

In the event the Transaction is not completed, and the dissolution of Doxa, as contemplated above, is approved by the Company's shareholders, it is necessary for the Company to voluntarily delist its common shares from the TSXV.

The delisting will not proceed unless the Transaction is terminated and will only proceed following the completion of the Doxa Disposition and provided that the shareholders have approved the dissolution of Doxa. The delisting of the Doxa Shares would occur immediately prior to the dissolution of Doxa.

At the Meeting, Doxa Shareholders will be asked to consider and, if thought fit, to pass with or without amendment, the following ordinary resolutions pertaining to the delisting of Doxa (the "**Delisting Resolution**"):

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The Company is authorized to apply to voluntarily delist its securities from the TSX Venture Exchange.
2. The board of directors of the Company be and it is hereby authorized to revoke this resolution and any or all of the actions herein described, notwithstanding the approval by the Doxa Shareholders of same, at any time prior to the completion thereof, if, in the sole discretion of the Board, it is in the best interests of the Company to do so.
3. Any one officer or director of the Company, or its agent, be authorized to execute, under the seal of the Company or otherwise, and to deliver all further documents and to take all further action as may be required to give effect to these resolutions.

In order to become effective, the Delisting Resolution must be approved by (i) a simple majority of the votes cast on the Delisting Resolution by the Doxa Shareholders, present in person or represented by proxy, at the Meeting, and (ii) a majority of the minority shareholders obtained in accordance with the requirements of the TSXV, being at least a majority of the votes cast on the Delisting Resolution at the Meeting, excluding votes attached to Doxa Shares held by directors, officers and other insiders of the Company, whether in person or by proxy. To the knowledge of the Company, such persons own an aggregate of 13,155,286 Doxa Shares, representing approximately 38.71% of the issued and outstanding Doxa Shares on the Record Date.

Unless the shareholder has specified in the enclosed form of proxy that the shares represented by such proxy are to be voted against the Delisting Resolution, the persons named in the enclosed form of proxy will vote FOR the Delisting Resolution.

PROXY-RELATED INFORMATION

Solicitation of Proxies

This Circular is furnished in connection with the solicitation of proxies by management of Doxa for use at the Meeting. The solicitation will be by mail and possibly supplemented by telephone or other personal contact to be made without special compensation by regular officers and employees of Doxa. Doxa expects that no solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by Doxa. Doxa does not reimburse Doxa Shareholders, nominees or agents for the costs incurred in obtaining from their principals authorization to execute forms of proxy. Doxa has arranged for Intermediaries to forward meeting materials to Beneficial Shareholders held as of record by those Intermediaries and Doxa may reimburse Intermediaries for their reasonable fees and disbursements in that regard

Appointment of Proxies

Accompanying this Circular is a form of proxy for use by Registered Doxa Shareholders. The persons named in the accompanying form of proxy are directors, officers and/or authorized representatives of Doxa and are proxyholders nominated by the Board. **A Doxa Shareholder has the right to appoint a person (who need not be a Doxa Shareholder) to attend and act on its behalf at the Meeting other than the persons named in the enclosed instrument of proxy.** To exercise this right, a Doxa Shareholder must strike out the names of the nominees of management named in the instrument of proxy and insert the name of its nominee in the blank space provided on the proxy.

A form of proxy will only be valid if it is duly completed and signed as set out below and then deposited at Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, or by facsimile at 416-595-9593 before 10:00 a.m. (Vancouver time) on December 15, 2020 or, if the Meeting is adjourned or postponed, before 11:00 a.m. (Vancouver time) on the day that is at least two business days preceding the date of the reconvening of any adjourned or postponed Meeting.

An instrument of proxy must be signed by the Doxa Shareholder or its attorney in writing, or, if the Doxa Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer.

Voting of Securities and Exercise of Discretion of Proxies

If a Doxa Shareholder specifies a choice with respect to any matter to be acted upon, the Doxa Shares represented by proxy will be voted or withheld from voting by the proxyholder in accordance with those instructions on any ballot that may be called for. In the enclosed form of proxy, in the absence of any instructions in the proxy, it is intended that such shares will be voted by the proxyholder, if a nominee of management, in favour of the motions proposed to be made at the Meeting as stated under the headings in the Notice of Meeting to which this Circular is attached, including in favor of the Transaction and the Doxa Disposition. If any amendments or variations to such matters, or any other matters, are properly brought before the Meeting, the proxyholder, if a nominee of management, will exercise its discretion and vote on such matters in accordance with its best judgment.

The instrument of proxy enclosed, in the absence of any instructions in the proxy, also confers discretionary authority on any proxyholder with respect to the matters identified herein, amendments or variations to those matters, or any other matters which may properly be brought before the Meeting.

To enable a proxyholder other than the nominees of management named in the instrument of proxy to exercise its discretionary authority, a Doxa Shareholder must strike out the names of the nominees of management in the enclosed instrument of proxy and insert the name of its nominee in the space provided, and not specify a choice with respect to the matters to be acted upon. This will enable the proxyholder to exercise its discretion and vote on such matters in accordance with its best judgment.

At the time of printing this Circular, management of Doxa is not aware that any amendments or variations to existing matters or new matters are to be presented for action at the Meeting.

Revocation of Proxies

A proxy may be revoked by:

- (a) signing a proxy bearing a later date and depositing it at the place and within the time before the Meeting aforesaid.
- (b) signing and dating a written notice of revocation (in the same manner as the proxy is required to be executed, as set out in the notes to the proxy) and either delivering the same to Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1 at any time up to and including 2:00 p.m. (Vancouver time) on the last business day preceding the day of the Meeting, or any adjournment or postponement thereof at which the proxy is to be used, or to the Chair of the Meeting on the day of the Meeting or any adjournment or postponement thereof before any vote in respect of which the proxy has been given has been taken.
- (c) attending the Meeting or any adjournment or postponement thereof and registering with Doxa's scrutineer thereat as a Doxa Shareholder present in person, whereupon such proxy will be deemed to have been revoked.
- (d) in any other manner provided by law. A Beneficial Shareholder who wishes to change its vote must, at least seven days before the Meeting, arrange for its Intermediary to revoke its proxy on its behalf.

Only registered Doxa Shareholders have the right to revoke a proxy.

Advice to Beneficial Shareholders

The information set forth in this section is of significant importance to many Doxa Shareholders, as a substantial number of Doxa Shareholders do not hold their Doxa Shares in their own name. Beneficial Shareholders should note that only proxies deposited by Doxa Shareholders appearing on the records maintained by the Company's transfer agent as Registered Doxa Shareholders will be recognized and allowed to vote at the Meeting. If a Doxa Shareholder's common shares are listed in an account statement provided to the Doxa Shareholder by a broker, in all likelihood those shares are not registered in the Doxa Shareholder's name and that Doxa Shareholder is a Beneficial Shareholder. Such shares are most likely registered in the name of the Doxa Shareholder's broker or an agent of that broker. In Canada the vast majority of such shares are registered under the name of CDS & Co., the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms. In the United States, the vast majority of such common shares are registered under the name of Cede & Co., the registration name for The Depository Trust Company, which acts as nominee for many United States brokerage firms. Common shares held by brokers (or their agents or nominees) on behalf

of a broker's client can only be voted at the Meeting at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting common shares for the broker's clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate party well in advance of the Meeting.**

In accordance with the requirements of National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") of the Canadian Securities Administrators, the Company has distributed copies of the Notice of Meeting, this Circular and the instruments of proxy to the clearing agencies and Intermediaries for onward distribution to Beneficial Shareholders. Intermediaries are required to forward the Company's proxy solicitation materials to Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive them under NI 54-101. **The Issuer has determined to pay for the distribution by Intermediaries of the Meeting materials to holders who have advised the Intermediaries that they object to the disclosure of ownership information about the Beneficial Shareholder and such Beneficial Shareholders will receive the Meeting materials.**

Regulatory policies require Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. The vast majority of Intermediaries now delegate responsibility for obtaining instructions from Beneficial Shareholders to Broadridge Financial Solutions Inc. ("**Broadridge**") in Canada. Broadridge typically prepares a machine readable Request for Voting Instructions ("**VIF**"), mails these VIFs to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge, usually by way of mail, the Internet or telephone. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting by proxies for which Broadridge has solicited voting instructions. **A Beneficial Shareholder who receives a VIF cannot use that form to vote shares directly at the Meeting. The VIF must be returned to Broadridge (or instructions respecting the voting of shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the shares voted. If you have any questions respecting the voting of common shares held through an Intermediary, please contact that Intermediary for assistance.**

The purpose of this procedure is to permit Beneficial Shareholders to direct the voting of the common shares which they beneficially own. A Beneficial Shareholder receiving a VIF cannot use that form to vote common shares directly at the Meeting. Beneficial Shareholders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered. Should a Beneficial Shareholder who receives a VIF wish to attend the Meeting or have someone else attend on their behalf, the Beneficial Shareholder may request a legal proxy as set forth in the VIF, which will grant the Beneficial Shareholder or their nominee the right to attend and vote at the Meeting.

All references to Shareholders in this Circular and the accompanying instrument of proxy and Notice of Meeting are to Registered Shareholders unless specifically stated otherwise.

Interest of Certain Persons in Matters to be Acted Upon

In considering the recommendations of the Board to vote in favour of the matters discussed in this Circular, Doxa Shareholders should be aware that certain of the directors and insiders of the Company have interests in the Transaction, the Doxa Debt Settlement and in the Doxa Disposition that are different from, or in addition to, the interests of the Doxa Shareholders generally.

These interests relate to the fact that such directors and insiders, being John D. Harvison, director and CEO and the estate of G. Arnold Armstrong, former director, will receive Doxa Shares pursuant to the

Doxa Settlement, which constitutes a 'related party transaction' as defined at MI 61-101 and thereafter transfer certain of the Doxa Shares received pursuant to the Doxa Debt Settlement to persons as designated by ProStar in connection with the Transaction for nominal consideration as more particularly outlined at "*Matters to be Acted Upon at the Meeting – Doxa Debt Settlement*" and below at "*The Transaction – Doxa Debt Settlement*".

In addition, John D. Harvison owns and controls Dynamic, which will acquire the Doxa Subsidiary pursuant to the Doxa Disposition. As a result, the completion of the Doxa Disposition with Dynamic constitutes a 'related party transaction' as defined in MI 61-101, as described at "*Matters to be Acted Upon at the Meeting – Doxa Disposition – Related Party Approvals*".

Other than as disclosed elsewhere in this Circular or in their capacity as a Doxa Shareholder and being treated equally to all other Doxa Shareholders, none of the directors or senior officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or senior officers of the Company since the commencement of the Company's last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting

Voting Securities and Principal Holders Thereof

Only those Doxa Shareholders of record on the Record Date will be entitled to vote at the Meeting or any adjournment or postponement thereof, in person or by proxy. The Record Date of October 19, 2020 should be distinguished from the Effective Date, which is expected to be on or before December 31, 2020. Doxa Shareholders must be Doxa Shareholders on the Closing Date to participate in the Transaction. On the Record Date, 33,980,141 Doxa Shares were issued and outstanding, each Doxa Share carrying the right to one vote.

To the knowledge of the directors and executive officers of Doxa, no person beneficially owns, controls or directs, directly or indirectly, shares carrying 10% or more of the voting rights attached to all shares of Doxa, except as follows:

Name	Number of Doxa Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly	Percentage of Outstanding Doxa Shares
Estate of G. Arnold Armstrong	8,413,071 ⁽¹⁾	24.44% ⁽²⁾

Notes:

- (1) Of which 3,148,214 shares are held directly and the remaining 5,264,857 shares are held indirectly through Armada Investments Ltd., a private company which is owned and controlled by Mr. Armstrong's estate and immediate family.

Interest of Informed Persons in Material Transactions

For the purposes of this Circular, "**informed person**" means:

- (a) a director or executive officer of the Company;
- (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company;

- (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Issuer or who exercises control or direction over voting securities of the Issuer, or a combination of both, carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company, other than voting securities held by the person or company as underwriter in the course of a distribution; and
- (d) the Company if it has purchased, redeemed or otherwise acquired any of its own securities, for so long as it holds any of its securities.

Other than in their capacity as a Doxa Shareholder and being treated equally to all other Doxa Shareholders, no informed person, no proposed director of the Company and no associate or affiliate of any such informed person or proposed director, has any material interest, direct or indirect, in any material transaction since the commencement of the Company's last completed financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Company or any of its subsidiaries, except as follows:

- (a) as described above, John D. Harvison owns and controls Dynamic which will acquire the Doxa Subsidiary pursuant to the Doxa Dispositions, as described at "*Matters to be Acted Upon at the Meeting – Doxa Disposition*"; and
- (b) John D. Harvison, through Harvco LLC, and the estate of G. Arnold Armstrong, through Armada Investments Ltd. will receive Doxa Shares pursuant to the Doxa Debt Settlement and will transfer of a portion of those Doxa Shares to persons as designated by ProStar for nominal consideration, all as more particularly described above at "*Matters to be Acted Upon at the Meeting – Doxa Debt Settlement*" and below at "*The Transaction – Doxa Debt Settlement*".

Audit Committee

Audit Committee Charter

The audit committee has various responsibilities as set forth in National Instrument 52-110 ("**NI 52-110**"). The charter of the Company's audit committee (the "**Audit Committee**") is set out in Schedule "G" attached hereto.

Composition of the Audit Committee

The Audit Committee consists of three directors. Unless it is a 'venture issuer' (an issuer the securities of which are not listed or quoted on any of the Toronto Stock Exchange, a market in the United States of America other than the over-the-counter market, or a market outside of Canada and the U.S.A.) as of the end of its last financial year, NI 52-110 requires each of the members of the Audit Committee to be independent and financially literate. Since Doxa is a 'venture issuer', it is exempt from this requirement. In addition, Doxa's governing corporate legislation requires Doxa to have an Audit Committee composed of a minimum of three directors, a majority of whom are not officers or employees of Doxa.

The members of Doxa's audit committee are Daniel Frederiksen (chair), Paul McKenzie and Mark Bronson. Each of Daniel Frederiksen and Paul McKenzie are independent members of the audit committee. All members are considered to be financially literate.

1. A member of the audit committee is independent if the member has no direct or indirect material relationship with Doxa. A material relationship means a relationship which could, in the view of Doxa's board of directors, reasonably interfere with the exercise of a member's independent judgment.
2. A member of the audit committee is considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by Doxa.

Relevant Education and Experience

The education and experience of each member of the Audit Committee relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

1. an understanding of the accounting principles used by Doxa to prepare its financial statements;
2. the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
3. experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by Doxa's financial statements, or experience actively supervising one or more persons engaged in such activities; and
4. an understanding of internal controls and procedures for financial reporting, are as follows:

Mark Bronson – Mr. Bronson started in public accounting with Arthur Andersen, and spent five of his sixteen years as an audit partner in the Dallas/Fort Worth area. He obtained his Bachelors Degree in Economics from the University of Nebraska in 1970, an MBA from Michigan State University in 1971 and is a licensed CPA.

Paul McKenzie – Mr. McKenzie has over 20 years' experience working in the Canadian equities markets. He has experience acquiring, selling, financing and developing international mineral and energy projects in North America, South America and Asia. Mr. McKenzie also previously worked as a licensed equity trader at Brink Hudson Lefever in Vancouver, British Columbia.

Daniel Frederiksen -- Mr. Frederiksen holds a Bachelor of Business Administration from Simon Fraser University and is a Chartered Accountant with the ICABC, a Certified Public Accountant through the University of Illinois and a Chartered Financial Analyst with CFAI. Mr. Frederiksen has served as a director, audit committee member or senior officer, including acting as Chief Financial Officer, for numerous reporting issuers and in those capacities has been responsible for the preparation of management's discussion and analysis and financial statements.

Audit Committee Oversight

Since the commencement of Doxa's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

Reliance on Certain Exemptions

Since the commencement of Doxa's most recently completed financial year, Doxa has not relied on the exemption in section 2.4 (De Minimis Non-audit Services) of NI 52-110 (which exempts all non-audit services provided by Doxa's auditor from the requirement to be preapproved by the Audit Committee if such services are less than 5% of the auditor's annual fees charged to Doxa, are not recognized as non-audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year's audit) or an exemption from NI 52-110, in whole or in part, granted by a securities regulator under Part 8 (Exemptions) of NI 52-110.

Pre-approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees (By Category)

The audit committee has reviewed the nature and amount of the services provided by Smythe LLP, Chartered Accountants, to the Company to ensure auditor independence. Fees incurred with Smythe Ratcliffe for audit services in the last two fiscal years are outlined below:

Nature of Services	Fees Paid to Auditor in Year Ended December 31, 2018	Fees Paid to Auditor in Year Ended December 31, 2019
Audit Fees ⁽¹⁾	\$27,000	\$27,000
Audit Related Fees ⁽²⁾	Nil	Nil
Tax Fees ⁽³⁾	\$3,000	\$3,329.40
All other Fees ⁽⁴⁾	Nil	
Total	\$30,000	\$30,329.40

Notes:

- (1) "**Audit Fees**" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "**Audit-Related Fees**" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "**Tax Fees**" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

- (4) "All Other Fees" includes all other non-audit services".

Reliance on Exemptions in NI 52-110 regarding Audit Committee Composition and Reporting Obligations

Since Doxa is a venture issuer, it relies on the exemption contained in section 6.1 of NI 52-110 from the requirements of Part 3 Composition of the Audit Committee (as described in 'Composition of the Audit Committee' above) and Part 5 Reporting Obligations of NI 52-110 (which requires certain prescribed disclosure about the Audit Committee in this Circular).

Corporate Governance

General

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Doxa Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of Doxa. National Policy 58-201 Corporate Governance Guidelines establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices. The Board is committed to sound corporate governance practices, which are both in the interest of its Shareholders and contribute to effective and efficient decision making.

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices*, Doxa is required to disclose its corporate governance practices, as summarized below. The Board will continue to monitor such practices on an ongoing basis and, when necessary, implement such additional practices as it deems appropriate.

Board of Directors

The Board has responsibility for the stewardship of Doxa including responsibility for strategic planning, identification of the principal risks of Doxa's business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of Doxa's internal control and management information systems.

The Board sets long term goals and objectives for Doxa and formulates the plans and strategies necessary to achieve those objectives and to supervise senior management in their implementation. The Board delegates the responsibility for managing the day-to-day affairs of Doxa to senior management but retains a supervisory role in respect of, and ultimate responsibility for, all matters relating to Doxa and its business. The Board is responsible for protecting Shareholders interests and ensuring that the incentives of the Shareholders and of management are aligned.

As part of its ongoing review of business operations, the Board reviews, as frequently as required, the principal risks inherent in Doxa's business including financial risks, through periodic reports from management of such risks, and assesses the systems established to manage those risks. Directly and through the Audit Committee, the Board also assesses the integrity of internal control over financial reporting and management information systems.

In addition to those matters that must, by law, be approved by the Board, the Board is required to approve any material dispositions, acquisitions and investments outside the ordinary course of business,

long-term strategy, and organizational development plans. Management of Doxa is authorized to act without board approval, on all ordinary course matters relating to Doxa's business.

The Board also monitors Doxa's compliance with timely disclosure obligations and reviews material disclosure documents prior to distribution.

The Board is responsible for selecting the President and appointing senior management and for monitoring their performance.

The Board considers that the following directors are "independent" in that they are free from any interest and any business or other relationship which could or could reasonably be perceived to, materially interfere with the director's ability to act with the best interests of Doxa, other than interests and relationships arising from shareholding: Paul McKenzie, Daniel Frederiksen, Gerald Graham and Jonathon Weiss. The Board considers that John D. Harvison, the President and Chief Executive Officer and Mark Bronson, the Chief Financial Officer, are not independent because they are members of management.

Directorships

The following table sets forth the directors of Doxa who currently hold directorships in other reporting issuers:

Name of Director	Other Issuer
Paul McKenzie	Deep Markit Corp. Nexoptic Technology Corp.
Jonathon Weiss	Petro-Victory Energy Corp.

Orientation and Continuing Education

When new directors are appointed, they receive orientation, commensurate with their previous experience, on Doxa's business and industry and on the responsibilities of directors. Board meeting may also include presentations by the Doxa's management and employees to give the directors additional insight into Doxa's business.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by Doxa's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors' participation in decisions of the board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of Doxa. Further, Doxa's auditor has full and unrestricted access to the audit committee at all times to discuss the audit of Doxa's financial statements and any related findings as to the integrity of the financial reporting process.

Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the Shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by Doxa, this policy will be reviewed.

Compensation

The directors decide as a Board the compensation for Doxa's officers, based on industry standards and Doxa's financial situation.

Other Board Committees

The Board has no committees other than the Audit Committee as described under the heading "*Audit Committee*".

Assessments

The Board regularly assesses its own effectiveness and the effectiveness and contribution of each Board committee member and director.

Securities Authorized for Issuance under Equity Compensation Plans

The only equity compensation plan which the Company has in place is the Doxa Stock Option Plan which was last approved by the Shareholders on December 12, 2018. The Doxa Stock Option Plan has been established to attract and retain employees, consultants, officers or directors to the Company and to motivate them to advance the interests of the Company by affording them with the opportunity to acquire an equity interest in the Company. The Doxa Stock Option Plan is administered by the Board of the Company. The Doxa Stock Option Plan provides that the number of Doxa Shares issuable thereunder, together with all of the Company's other previously established or proposed share compensation arrangements may not exceed 10% of the total number of issued and outstanding shares.

Equity Compensation Plan Information as at December 31, 2019

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by securityholders	Nil	-	3,398,014
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	Nil	-	3,398,014

Indebtedness of Directors, Executive Officers and Senior Officers

No person who is or at any time during the most recently completed financial year was a director, executive officer or senior officer of the Company, no proposed nominee for election as a director of the Company, and no associate of any of the foregoing persons has been indebted to the Company at any time since the commencement of the Company's last completed financial year. No guarantee, support agreement, letter of credit or other similar arrangement or understanding has been provided by the Company at any time since the beginning of the most recently completed financial year with respect to any indebtedness of any such person.

Management Contracts

There are no management functions of the Company, which are to any substantial degree performed by a person or company other than the directors or senior officers of the Company.

Additional Information

The audited financial statements of the Company for the years ended December 31, 2019 and 2018 and the report of the auditor thereon will be placed before the Meeting. The consolidated audited financial statements, report of the auditor and management's discussion and analysis have been mailed to those shareholders who have indicated to the Company that they wish to receive same pursuant to the 2018 Request for Financial Statements.

Additional information relating to the Company is on SEDAR at www.sedar.com. Shareholders may contact the Company at its registered offices at Suite 2080-777 Hornby Street, Vancouver, British Columbia, V6Z 1S4 to request copies of the Company's financial statements and MD&A. Financial information is provided in the Company's comparative financial statements and MD&A for its most recently completed financial year which are filed on SEDAR.

RISK FACTORS

The Resulting Issuer's securities should be considered highly speculative due to the nature of the Resulting Issuer's business. An investor should consider carefully the risk factors set out below. In addition, investors should carefully review and consider all other information contained in this Circular (including all Schedules hereto) before making an investment decision. An investment in securities of the Resulting Issuer should only be made by persons who can afford a significant or total loss of their investment.

An investment in the Resulting Issuer Shares should be considered highly speculative, not only due to the nature of ProStar's existing and proposed business and operations, but also because of the uncertainty related to completion of the Transaction and the business of the Resulting Issuer if the Transaction is completed. In addition to the other information in this Circular (including all Schedules hereto), an investor should carefully consider each of, and the cumulative effect of, the following factors, which assume the completion of the Transaction.

Completion of the Transaction

There are risks associated with the Transaction including (i) market reaction to the Transaction and the future trading price of the shares of the Resulting Issuer cannot be predicted; (ii) uncertainty as to whether the Transaction will have a positive impact on the entities involved therein; and (iii) there is no assurance that required approvals will be received.

The completion of the Transaction is subject to several conditions under the Merger Agreement. See "*The Merger – The Merger Agreement – Conditions to the Merger*". In the event that any of those conditions are not satisfied or waived, the Transaction may not be completed.

Market for Securities and Volatility of Share Price

There can be no assurance that an active trading market in the Resulting Issuer's securities will be established or sustained. The market price for the Resulting Issuer's securities could be subject to wide fluctuations. Factors such as government regulation, interest rates, share price movements of peer companies and competitors, announcements of quarterly variations in operating results, revenues and costs, and sentiments toward stocks as well as overall market movements, may have a significant adverse impact on the market price of the securities of the Resulting Issuer. The stock market has from time to time experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance of a particular company.

Speculative Nature of Investment Risk

An investment in the securities of the Resulting Issuer carries a high degree of risk and should be considered as a speculative investment. Each of the Company and the Resulting Issuer has no history of earnings, limited cash reserves, a limited operating history, has not paid dividends, and is unlikely to pay dividends in the immediate or near future.

Liquidity and Future Financing Risk

The Resulting Issuer will likely operate at a loss until its business becomes established and it may require additional financing in order to fund future operations and expansion plans. The Resulting Issuer's ability to secure any required financing to sustain operations and expansion plans will depend in part upon

prevailing capital market conditions and business success. There can be no assurance that the Resulting Issuer will be successful in its efforts to secure any additional financing or additional financing on terms satisfactory to management. Moreover, future activities may require the Resulting Issuer to alter its capitalization significantly and, if additional financing is raised by issuance of additional shares of the Resulting Issuer from treasury, control may change and shareholders may suffer dilution. The inability of the Resulting Issuer to access sufficient capital for its operations could have a material adverse effect on the Resulting Issuer's financial condition and results of operations.

Risks Related to the Resulting Issuer's Business

Competing Technologies

With respect to ProStar's software applications, several direct and indirect competitors are currently in the market with product offerings that could be considered at least partially competitive to ProStar's products. These potential competitors vary in size and could have greater technical and/or financial resources than the Company, to develop and market their products. The financial performance of ProStar may be adversely affected by such competition. Additionally, no assurances can be given that additional direct competitors to ProStar may not be formed or that ProStar may not lose some or all of its contracts with existing or future customers, thereby decreasing its ability to compete. Also, existing and future customers may have, or may develop, in-house solutions that could take the place of ProStar's software applications. Any adverse change in the business relationships with the ProStar's customers or partners could have a material adverse impact on the ProStar's software applications business and its future prospects.

Loss of Proprietary Information

ProStar currently holds patents on the technology used in its operations and products and it also relies heavily on trade secrets, know-how, expertise, experience, and the marketing ability of its personnel to remain competitive. Although ProStar requires all employees, consultants, and third parties to agree to keep its proprietary information confidential, no assurance can be given that the steps taken by ProStar will be effective in deterring misappropriation of its technologies. Additionally, no assurance can be given that employees or consultants will not challenge the legitimacy or scope of their confidentiality obligations, or that third parties, in time, could not independently develop and deploy equivalent or superior technologies.

Software Functionality

Defects in ProStar's software applications, delays in delivery, and failures or mistakes in the ProStar's software code could materially harm ProStar's business, including customer relationships and operating results.

Internet and System Infrastructure Functionality

The end customers of ProStar's software applications depend on internet service providers, Cloud service providers and ProStar's infrastructure for access to the software applications ProStar provides to its customers. These services are subject to service outages and delays due to system failures, stability or interruption. As a result, ProStar may not be able to meet a satisfactory level of service as agreed to with its customers, which could have a material adverse effect on ProStar's business, revenues, operating results and financial condition.

Information Technology Security

ProStar's software applications are dependent on its ability to protect its computer equipment and the information stored in its data centers against damage that may be caused by fire, power loss, telecommunication failures, unauthorized intrusion, computer viruses, disabling devices and other similar events. A failure in the ProStar's production systems or a disaster or other event affecting production systems or business operations, both internally and externally, could result in a disruption to ProStar's software services. Such a disruption could also impact ProStar's reputation and cause it to lose customers, revenue, face litigation, or necessitate customer service/repair work that would involve substantial costs and could ultimately have a material impact on ProStar.

ProStar's geospatial database has become a valuable asset to ProStar. While ProStar has invested in database management, information technology security, firewalls, offsite duplicate storage and periodic audits, there is a risk of a loss of data through unauthorized access or a customer violating the terms of ProStar's end user licensing agreements and distributing unauthorized copies of its data. ProStar has, and will continue to invest, in both legal resources to strengthen its licensing agreements with its customers and in overall information technology protection.

Global Positioning System Failure

ProStar's software relies on GPS technology for location data. GPS satellites have been available to the commercial market for many years. The continued unrestricted access to the signals produced by these GPS satellites are helpful in the collection of ProStar's IFSAR data. A loss of GPS would have such a global impact that it is believed that controlling authorities would almost certainly make another system available to GPS receivers in relatively short order.

If the market for analytics products and services fails to grow as expected, or if businesses fail to adopt ProStar's platform, the Resulting Issuer's business, operating results, and financial condition could be adversely affected.

Since 2016, nearly all of ProStar's revenue has come from sales of the company's subscription-based software platform. ProStar expects these sales to account for a large portion of ProStar's revenue for the foreseeable future. Although demand for GIS mapping products and services has grown in recent years, the market for GIS mapping products and services continues to evolve and the secular shift towards self-service GIS mapping may not be as significant as ProStar expects. ProStar cannot be sure that this market will continue to grow or, even if it does grow, that businesses will adopt the company's platform. The Resulting Issuer's future success will depend in large part on the Resulting Issuer's ability to further penetrate the existing market for GIS mapping software, as well as the continued growth and expansion of what ProStar believes to be an emerging market for GIS mapping software and services that are faster, easier to adopt, easier to use, and more focused on self-service capabilities. The Resulting Issuer's ability to further penetrate the business analytics market depends on a number of factors, including the cost, performance, and perceived value associated with ProStar's platform, as well as customers' willingness to adopt a different approach to GIS mapping and underground asset locating. ProStar has spent, and the Resulting Issuer intends to keep spending, considerable resources to educate potential customers about GIS mapping software and services in general and the company's platform in particular. However, ProStar cannot be sure that these expenditures will help ProStar's or the Resulting Issuer's, as applicable, platform achieve any additional market acceptance. Furthermore, potential customers may have made significant investments in legacy GIS mapping software systems and may be unwilling to invest in new products and services. In addition, slower adoption of GIS data collection in the government, department of transportations and construction companies may impact the growth. If

the market fails to grow or grows slower than ProStar currently expects or businesses fail to adopt ProStar's platform, the Resulting Issuer's business, operating results, and financial condition could be adversely affected.

ProStar derives substantially all of its revenue from its software platform, and the Resulting Issuer's future growth is dependent on its success.

Since 2016, nearly all ProStar's revenue has come from sales of ProStar's subscription-based software platform. ProStar expects these sales to account for a large portion of ProStar's revenue for the foreseeable future. As such, the continued growth in market demand for our platform is critical to the Resulting Issuer's continued success. In 2019, ProStar began the development of a new product for ProStar's software platform, called PointMan Pro. However, the company cannot be certain that PointMan Pro will generate significant revenue. The new product is scheduled for commercial release in December 2020 and is currently being sold to a few trusted testers who will help to test and evaluate the new product in return for influencing product enhancements. It is anticipated, that in 2021, ProStar will have 3 products and they all fall under the brand name of PointMan and they include PointMan Plus, PointMan Pro and PointMan Enterprise, which will replace Transparent Earth.

If the Resulting Issuer's is unable to attract new customers and expand sales to existing customers, both domestically and internationally, the Resulting Issuer's revenue growth could be slower than expected and its business may be harmed.

The Resulting Issuer's future revenue growth depends in part upon increasing ProStar's customer base. ProStar's ability to achieve significant growth in revenue in the future will depend, in large part, upon the effectiveness of ProStar's marketing efforts, both domestically and internationally, and ProStar's ability to attract new customers. This may be particularly challenging where an organization has already invested substantial personnel and financial resources to integrate traditional GIS mapping software into its business, as such organization may be reluctant or unwilling to invest in new products and services. If the Resulting Issuer fails to attract new customers and maintain and expand those customer relationships, the Resulting Issuer revenue will grow slower than expected and the Resulting Issuer's business will be harmed.

The Resulting Issuer's future revenue growth also depends upon expanding sales and renewals of subscriptions to ProStar's platform with existing customers. If ProStar's customers do not purchase additional licenses or capabilities, the Resulting Issuer's revenue may grow slower than expected, may not grow at all or may decline. Additionally, increasing incremental sales to ProStar's current customer base requires increasingly sophisticated and costly sales efforts that target senior management. The Resulting Issuer plans to continue expanding ProStar's sales efforts, both domestically and internationally, but may be unable to hire qualified sales personnel, may be unable to successfully train those sales personnel, and such sales personnel may not become fully productive on the timelines that the Resulting Issuer has projected or at all. Additionally, although ProStar dedicates significant resources to sales and marketing programs, including internet and other online advertising, these sales and marketing programs may not have the desired effect and may not expand sales. ProStar and the Resulting Issuer cannot assure that the Resulting Issuer's efforts would result in increased sales to existing customers, and additional revenue. If the ProStar and the Resulting Issuer's efforts to upsell to its customers are not successful, the Resulting Issuer's business and operating results would be adversely affected.

ProStar's customers generally enter into license agreements with one to two-year subscription terms and have obligation or contractual right to renew their subscriptions after the expiration of their initial

subscription period. Moreover, customers that do renew their subscriptions may renew for lower subscription amounts or for shorter subscription periods. Customer renewal rates may decline or fluctuate as a result of a number of factors, including the breadth of early deployment, reductions in customers' spending levels, the company's pricing or pricing structure, the pricing or capabilities of products or services offered by competitors, customers satisfaction or dissatisfaction with ProStar's platform, or the effects of economic conditions. If ProStar's customers do not renew their agreements, or renew on terms less favorable to the Resulting Issuer, then the Resulting Issuer's revenue may decline.

If the Resulting Issuer is unable to develop and release product and service enhancements and new products and services to respond to rapid technological change in a timely and cost-effective manner, the Resulting Issuer's business, operating results, and financial condition could be adversely affected.

The market for ProStar's platform is characterized by rapid technological change, frequent new product and service introductions and enhancements, changing customer demands, and evolving industry standards. The introduction of products and services embodying new technologies can quickly make existing products and services obsolete and unmarketable. GIS mapping software and services are inherently complex, and it can take a long time and require significant research and development expenditures to develop and test new or enhanced products and services. The success of any enhancements or improvements to ProStar's platform or any new products and services depends on several factors, including timely completion, competitive pricing, adequate quality testing, integration with existing technologies and ProStar's platform, and overall market acceptance. ProStar and the Resulting Issuer cannot be sure that it will succeed in developing, marketing, and delivering on a timely and cost-effective basis enhancements or improvements to ProStar's platform or any new products and services that respond to technological change or new customer requirements, nor can ProStar or the Resulting Issuer be sure that any enhancements or improvements to ProStar's platform or any new products and services will achieve market acceptance. Any new products that the company develops may not be introduced in a timely or cost-effective manner, may contain errors or defects, or may not achieve the broad market acceptance necessary to generate sufficient revenue.

Moreover, even if the Resulting Issuer introduces new products and services, the company may experience a decline in revenue of ProStar's existing products and services that is not offset by revenue from the new products or services. For example, customers may delay making purchases of new products and services to permit them to make a more thorough evaluation of these products and services or until industry and marketplace reviews become widely available. Some customers may hesitate migrating to a new product or service due to concerns regarding the complexity of migration and product or service infancy issues on performance. In addition, the company may lose existing customers who choose a competitor's products and services rather than migrate to the Resulting Issuer's new products and services. This could result in a temporary or permanent revenue shortfall and adversely affect its business.

Further, the emergence of new industry standards related to GIS mapping software and services may adversely affect the demand for ProStar's platform. This could happen if new internet standards and technologies or new standards in the field of operating system support emerged that were incompatible with customer deployments of ProStar's platform. For example, if the Resulting Issuer is unable to adapt the Resulting Issuer's platform on a timely basis to new database standards, the ability of ProStar's platform to access customer databases and to analyze data within such databases could be impaired. In addition, because ProStar's platform is cloud-based, it needs to continually enhance and improve its platform to keep pace with changes in Internet-related hardware, software, communications, and database technologies and standards. Any failure of ProStar's platform to operate effectively with future

infrastructure platforms and technologies could reduce the demand for the platform. If the Resulting Issuer is unable to respond to these changes in a timely and cost-effective manner, ProStar's platform may become less marketable, less competitive, or obsolete, and its operating results may be adversely affected.

Moreover, software-as-a-service, or SaaS, business models have become increasingly demanded by customers and adopted by other software providers, including ProStar's competitors. While part of ProStar's platform is cloud-based, ProStar also have a mobile component in the product. This mobile product is distributed by via online stores of Google (Google Play) and Apple (iTunes Store), and requires approval from such stores for distribution. Approval process requirements and timelines vary between Google and Apple. A delay in the approval process, new requirements for approval and availability of store in a given country may adversely affect the adoption and revenue.

The competitive position of ProStar's software platform depends in part on its ability to operate with third-party products and services, and if the Resulting Issuer is not successful in maintaining and expanding the compatibility of ProStar's platform with such third-party products and services, other Resulting Issuer's business, financial position, and operating results could be adversely impacted.

The competitive position of ProStar's software platform depends in part on its ability to operate with products and services of third parties, software services and infrastructure. As such, ProStar or the Resulting Issuer, as applicable, must continuously modify and enhance its platform to adapt to changes in hardware, software, networking, browser, and database technologies. In the future, one or more technology companies may choose not to support the operation of their hardware, software, or infrastructure, or ProStar's platform may not support the capabilities needed to operate with such hardware, software, or infrastructure. In addition, to the extent that a third party were to develop software or services that compete with the Resulting Issuer, that provider may choose not to support ProStar's platform. The Resulting Issuer intends to facilitate the compatibility of its software platform with various third-party hardware, software, and infrastructure by maintaining and expanding its business and technical relationships. If the Resulting Issuer is not successful in achieving this goal, its business, financial condition, and operating results could be adversely impacted.

The Resulting Issuer's revenue growth and ability to achieve and sustain profitability depends on being able to expand its direct sales force and increase the productivity of its sales force successfully.

To date, most of the ProStar's revenue has been attributable to the efforts of ProStar's direct sales force in the United States. In order to increase revenue and achieve and sustain profitability, the Resulting Issuer must increase the size of its direct sales force, both in the United States and internationally, to generate additional revenue from new and existing customers. The Resulting Issuer intends to substantially further increase the number of direct sales professionals. In addition, the Resulting Issuer also intends to work via channel partners such as GIS equipment manufacturers.

ProStar believes that there is significant competition for sales personnel with the skills and technical knowledge that ProStar and the Resulting Issuer require. The Resulting Issuer's ability to achieve significant revenue growth will depend, in large part, on the Resulting Issuer's success in recruiting, training, and retaining sufficient numbers of direct sales personnel to support its growth. New hires require significant training and typically take six months or more to achieve full productivity. ProStar's recent hires and planned hires may not become productive as quickly as we expect and if ProStar's new sales employees do not become fully productive on the timelines that ProStar has projected or at all, the Resulting Issuer's revenue will not increase at anticipated levels and its ability to achieve long term projections may be negatively impacted. The Resulting Issuer may also be unable to hire or retain

sufficient numbers of qualified individuals in the markets where it does business or plans to do business. Furthermore, hiring sales personnel in new countries requires additional set up and upfront costs that the Resulting Issuer may not recover if the sales personnel fail to achieve full productivity. In addition, as the Resulting Issuer continues to grow rapidly, a large percentage of its sales force will be new to the company and its platform, which may adversely affect the Resulting Issuer's sales if existing staff cannot train the Resulting Issuer's sales force quickly or effectively. Attrition rates may increase, and the Resulting Issuer may face integration challenges as the Resulting Issuer continues to seek to aggressively expand its sales force. If the Resulting Issuer is unable to hire and train sufficient numbers of effective sales personnel, or the sales personnel are not successful in obtaining new customers or increasing sales to ProStar's existing customer base, the Resulting Issuer's business will be adversely affected.

ProStar periodically changes and makes adjustments to its sales organization in response to market opportunities, competitive threats, management changes, product introductions or enhancements, acquisitions, sales performance, increases in sales headcount, cost levels and other internal and external considerations. Any future sales organization changes with the Resulting Issuer may result in a temporary reduction of productivity, which could negatively affect its rate of growth. In addition, any significant change to the way the Resulting Issuer structures the compensation of its sales organization may be disruptive and may affect revenue growth.

Management Experience and Dependence on Key Personnel

The Resulting Issuer's success is largely dependent on the performance of the proposed directors and officers. Certain members of the Resulting Issuer's management team have experience in the in the underground utility & energy industries, technology and software development industry, while others have experience in areas including financial management, corporate finance and sales and marketing. The experience of these individuals is a factor which will contribute to the Resulting Issuer's continued success and growth. The Resulting Issuer will initially be relying on its board members, as well as independent consultants and advisory board, for certain aspects of the Resulting Issuer's business. The amount of time and expertise expended on the Resulting Issuer's affairs by each of its management team, consultants, advisory board members and directors will vary according to the Resulting Issuer's needs. The Resulting Issuer does not intend to acquire any key man insurance policies and there is, therefore, a risk that the death or departure of any member of management, the Resulting Issuer's board, or any key employee or consultant, could have a material adverse effect on the Resulting Issuer's future. Investors who are not prepared to rely on the Resulting Issuer's management team should not invest in the Resulting Issuer's securities. See also "*Information Concerning the Resulting Issuer – Directors, Officers and Promoters*".

Limited Operating History

As a result of ProStar's limited operating history, its ability to forecast its future results of operations and plan for and model future growth is limited and subject to a number of uncertainties. ProStar has encountered and will continue to encounter risks and uncertainties frequently experienced by growing companies in rapidly changing industries, such as the risks and uncertainties described herein. ProStar may be unable to prepare accurate internal financial forecasts or replace anticipated revenue that it does not receive as a result of delays arising from these factors, and its results of operations in future reporting periods may be below the expectations of investors. If ProStar does not address these risks successfully, its results of operations could differ materially from its estimates and forecasts or the expectations of investors, causing its business to suffer and its stock price to decline.

Uncertainty of Additional Funding

Further development of ProStar applications will require additional capital and the Resulting Issuer will require funds to operate as a public company. There is no assurance that the Resulting Issuer will be successful in obtaining any required financing or that such financing will be available on terms acceptable to the Resulting Issuer's management. Any future financing may also be dilutive to the current shareholders of ProStar and the Company.

Negative Cash Flow

ProStar has a limited history of operations, and no history of earnings, cash flow or profitability. ProStar has had negative operating cash flow since its inception, and it will continue to have negative operating cash flow for the foreseeable future. No assurance can be given that the Resulting Issuer will ever attain positive cash flow or profitability or that additional funding will be available for operations.

Uninsured or Uninsurable Risks

The Resulting Issuer intends to insure its operations in accordance with technology industry practice. However, the Resulting Issuer may become subject to liability for hazards against which the Resulting Issuer cannot insure or against which the Resulting Issuer may elect not to insure because of high premium costs or for other reasons. The payment of any such liabilities would reduce or eliminate the funds available for operations. Payments of liabilities for which the Resulting Issuer does not carry insurance may have a material adverse effect on the Resulting Issuer's financial position.

Contractual Risk

The Company and ProStar are parties to various contracts and it is always possible that contracts to which they are parties will not be fully performed by other contracting parties.

Unforeseen Expenses

While the Resulting Issuer is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Resulting Issuer may be adversely affected.

Loss of Foreign Private Issuer Status

The Resulting Issuer may lose its foreign private issuer status in the future, which could result in significant additional costs and expenses. As a foreign private issuer, as defined in Rule 3b-4 under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), the Company is currently exempt from certain of the provisions of the U.S. federal securities laws.

For example, an issuer with total assets in excess of US\$10 million and whose outstanding equity securities are held by 2,000 or more persons, or 500 or more persons who are not "accredited investors", must register such securities as a class under the Exchange Act. However, as a foreign private issuer subject to Canadian continuous disclosure requirements, the Company may claim the exemption from registration under the Exchange Act provided by Rule 12g3-2(b) thereunder, even if these thresholds are exceeded. To be considered a foreign private issuer, the Resulting Issuer must satisfy a United States shareholder test (not more than 50% of the voting securities of a company must be held by residents of the United States) if any of the following disqualifying conditions apply: (i) the majority of

the Resulting Issuer executive officers or directors are United States citizens or residents; (ii) more than 50 percent of the Resulting Issuer's assets are located in the United States; or (iii) the Resulting Issuer's business is administered principally in the United States. A substantial number of ProStar' outstanding voting securities are directly or indirectly held of record by residents of the United States. If the Resulting Issuer loses its status as a foreign private issuer, these regulations could apply and it could also be required to commence reporting on forms required of U.S. domestic companies, such as Forms 10-K, 10-Q and 8-K. It could also become subject to U.S. proxy rules, and certain holders of its equity securities could become subject to the insider reporting and "short swing" profit rules under Section 16 of the Exchange Act. In addition, any securities issued by the Resulting Issuer if it loses foreign private issuer status would become subject to certain rules and restrictions under the Securities Act of 1933, as amended, even if they are issued or resold outside the United States. Compliance with the additional disclosure, compliance and timing requirements under these securities laws would likely result in increased expenses and would require the Resulting Issuer's management to devote substantial time and resources to comply with new regulatory requirements.

Dividends

Neither the Company nor ProStar has paid any dividends on its outstanding shares, nor is there any intention of paying dividends in the foreseeable future. Any decision to pay dividends on the shares of the Resulting Issuer will be made by its board of directors on the basis of the Resulting Issuer's earnings, financial requirements and other conditions.

General Business Risks

Conflicts of Interest

Certain of the directors and officers of the Resulting Issuer will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such directors and officers of the Resulting Issuer may become subject to conflicts of interest. The BCBCA provides that in the event that a director or senior officer has a material interest in a contract or proposed contract or agreement that is material to the Issuer, the director or senior officer must disclose his interest in such contract or agreement and a director must refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA. To the proposed management of the Resulting Issuer's knowledge, as at the date hereof there are no existing or potential material conflicts of interest between the Resulting Issuer and a proposed director or officer of the Resulting Issuer except as otherwise disclosed in this Circular.

Tax Risk

The Resulting Issuer is subject to various taxes including, but not limited to the following: income tax; goods and services tax; sales tax; land transfer tax; and payroll tax. The Resulting Issuer's tax filings will be subject to audit by various taxation authorities. While the Resulting Issuer intends to base its tax filings and compliance on the advice of its tax advisors, there can be no assurance that its tax filing positions will never be challenged by a relevant taxation authority resulting in a greater than anticipated tax liability.

COVID-19 Outbreak

In December 2019, COVID-19 emerged and spread around the world causing significant business and social disruption. On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 a global pandemic. In response to the outbreak, governmental authorities in Canada, the United States and internationally have introduced various recommendations and measures to try to limit the pandemic, including travel restrictions, border closures, nonessential business closures, quarantines, self-isolations, shelters-in-place and social distancing. The COVID-19 outbreak and the response of governmental authorities to try to limit it are having a significant impact on the private sector and individuals, including unprecedented business, employment and economic disruptions. The continued spread of COVID-19 nationally and globally could have an adverse impact on the business, financial condition, results of operations and cash flows.

The outbreak of COVID-19 may cause disruptions to the Resulting Issuer's business and operational plans. These disruptions may include disruptions resulting from (i) shortages of skilled workers, (ii) unavailability of contractors and subcontractors, (iii) interruption of supplies from third parties upon which the Resulting Issuer relies, (iv) restrictions that governments impose to address the COVID-19 pandemic, and (v) restrictions that the Resulting Issuer and its contractors and subcontractors impose to ensure the safety of employees and others. Further, it is presently not possible to predict the extent or durations of these disruptions. These disruptions may have a material adverse effect on the Resulting Issuer's business, financial condition and results of operations. Such adverse effect could be rapid and unexpected. These disruptions may severely impact the Resulting Issuer's ability to carry out its business plans for 2020 in accordance with the "*Information Concerning the Resulting Issuer – Available Funds and Principle Purposes*" section.

THE TRANSACTION

Overview

Pursuant to the Merger Agreement, the Company will acquire all of the shares of ProStar. The Company has completed the Concurrent Financing and prior to the completion of the Transaction, the Company will complete the Consolidation. Concurrently with the completion of the Transaction, the Company will change its name to "ProStar Holdings Inc.".

Doxa Debt Settlement

The parties agreed that prior to or concurrently with the closing of the Transaction, the Company will settle \$2,200,000 in debt (representing the principal amount of the Doxa Related Party Debt owed collectively to Armada Investments Ltd. (a company owned and controlled by the estate of the former Chairman and director of Doxa, G. Arnold Armstrong) and Harvco LLC (a company owned and controlled by President and CEO of Doxa, John Harvison) through the issuance of 188,013,211 pre-Consolidation Doxa Shares at a price of \$0.011701305 per pre-Consolidation Doxa Share. 150,613,200 pre-Consolidation Doxa Shares will be assigned to certain individuals through share purchase agreements, dated May 22, 2019, as amended, made among Armada Investments Ltd. and Harvco LLC. and such individuals. At Closing, Armada Investments Ltd. will hold 1,700,000 post-Consolidation Doxa Shares and Harvco LLC. will hold 500,001 post-Consolidation Doxa Shares pursuant to the Doxa Debt Settlement.

The share transfers under the share purchase agreements will only be completed if the Transaction is completed. The particulars of the transfers to be completed (on a post-Consolidation basis) are as set forth in the following table:

Transferor	Transferee	Number of Post-Consolidation Doxa Shares
Harvco	Page Tucker	2,013,545
Armada	Page Tucker	2,486,455
Armada	Paul McKenzie	1,000,000
Armada	Jonathan Richards	700,000
Armada	Vasanthan Sivagnanadasan	650,000
Armada	Herb McKim	900,000
Armada	Ranjeet Sundher	350,000
Armada	Samantha Shorter	309,600
Armada	Edward Evans	350,000
Armada	Carl Lashua	100,000
Total		8,859,600

Doxa Shares assigned to Principals of ProStar pursuant to the Doxa Debt Settlement, being Page Tucker, Paul McKenzie, Jonathan Richards, Herb McKim and Vasanthan Sivagnanadasan will be subject to escrow restrictions pursuant to the terms of the Value Escrow Agreement. Doxa Shares issued to Armada Investments Ltd. and Harvco LLC., as well as those Doxa Shares assigned to parties other than the Principals of ProStar, being Edward Evans, Ranjeet Sundher, Samantha Shorter and Carl Lashua, will be subject to the Doxa Pooling Agreement.

For additional information concerning the Doxa Debt Settlement, please also see "*Matters to be Acted Upon at the Meeting – Doxa Debt Settlement*" above.

The Consolidation

It is a condition to the completion of the Transaction that the Company completes the Consolidation. While the Company's articles permit the Company to complete a share consolidation without the approval of the Company's shareholders, the policies of the TSXV require that any consolidation exceeding a ratio of 10 for 1 must be approved by the Doxa Shareholders. Doxa originally obtained shareholder approval for the Consolidation in connection with the Transaction at its annual and special meeting held December 12, 2018, provided that the consolidation was completed before the Company's next annual general meeting. As a result the Consolidation is being put to Doxa Shareholders at the Meeting. Please also see "*Matters to be Acted Upon at the Meeting – Consolidation*" above.

Doxa Disposition

It is a further condition to the completion of the Transaction that the Company completes the Doxa Disposition. Prior to the closing of the Transaction that the Company will seek to dispose of its existing oil and gas interests and related equipment and assets through the sale of Doxa Energy US, Inc., provided that such sale includes a release of the Doxa Debt Facility, at fair market value. The Doxa Shareholders previously approved the terms of the Doxa Disposition, conditional upon the completion of the Transaction at the shareholder meeting held on December 12, 2018. The Company now wishes to complete the Doxa Disposition, regardless of whether the Transaction completes.

On September 12, 2012, the Doxa Subsidiary entered into the Doxa Debt Facility. The initial borrowing capacity under the Doxa Debt Facility was US\$5,000,000, which has now been adjusted to US\$175,000 with the maturity date of the facility being extended until June 12, 2021. The Doxa Debt Facility bears interest at a rate equal to prime plus 1% with an interest rate floor of 6%. Interest accrued is payable monthly. The Doxa Debt Facility is personally guaranteed by John D. Harvison and is secured by the Doxa Subsidiary's oil and gas interests. As at June 30, 2020, the amount outstanding under the Doxa Debt Facility was US\$148,100.

In addition to the Doxa Debt Facility, the Doxa Subsidiary is indebted to Dynamic Production, Inc. ("**Dynamic**"), a company owned and controlled by John D. Harvison, for lease operating expenses relating to the Doxa Subsidiary's oil and gas interests in the amount of US\$1,485,477 as at June 30, 2020.

On September 2, 2019, the Company, Dynamic and Doxa Subsidiary entered into a share purchase agreement, as amended August 17, 2020 (the "**Share Purchase Agreement**") pursuant to which the Company agreed to sell to Dynamic all of the issued and outstanding shares of Doxa Subsidiary for US\$1.00 having regard for the value of the assets of Doxa Subsidiary, as set forth in a report of Cawley, Gillespie and Associates Inc. dated as at December 31, 2019 as against the value of the Dynamic Debt and Doxa Debt Facility owed by Doxa Subsidiary, which report attributed a before tax net present value

of US\$1,374,700 to the proved developed producing and non-producing reserves held by Doxa Subsidiary reflecting a 10% discount.

The Disposition will be subject to the approval of the TSXV and is intended to be completed regardless of whether the Transaction is completed.

As Dynamic is a company owned and controlled by John D. Harvison, who is the President and a director of the Company, the completion of the Doxa Disposition with Dynamic constitutes a 'related party transaction' as defined in MI 61-101.

Pursuant to MI 61-101, if a transaction is a 'related party transaction', a formal valuation and Minority Approval, may be required.

Where an issuer is listed or quoted on the TSX Venture Exchange and no other stock exchange outside of Canada and the United States, MI 61-101 provides an exemption to the general requirement to obtain a valuation for a transaction that is a related party transaction. No formal valuations of the Company, Doxa Subsidiary or its assets have been made in the last 24 months, to the knowledge of Company, the Board or its management. The Company, in determining the purchase price for the Doxa Disposition has relied upon the evaluation summary of oil and gas interests held by Doxa Subsidiary as prepared by Cawley, Gillespie and Associates, Inc., a reserves evaluator, for the purposes of Doxa's disclosure requirements pursuant to NI 51-101.

MI 61-101 requires that the Company obtain Minority Approval for the Doxa Disposition. As a result, at the Meeting, the Company will request the Minority Approval for the Disposition Resolution.

Please also see "*Matters to be Acted Upon at the Meeting – Doxa Disposition*" above.

ProStar Debt Settlement

It is a condition to the completion of the Transaction that ProStar completes the ProStar Debt Settlement. ProStar will settle a portion of ProStar's outstanding debt owing to certain parties in the amount of US\$1,693,918, through the issuance of one ProStar Series B Preferred Share for every US\$1.00 owing, such settlement amount subject to change but not to exceed \$2,100,000.

Herb McKim, a director of ProStar and a proposed director of the Resulting Issuer, is one of the creditors settling debt pursuant to the ProStar Debt Settlement. Pursuant to a note exchange agreement dated February 19, 2019, Herb McKim will exchange promissory notes with the aggregate principal amount of USD\$87,285 for 87,285 ProStar Series B Preferred Shares.

Subject to the adjustment of the settlement amount, ProStar will issue 1,693,918 ProStar Series B Preferred Shares pursuant to the ProStar Debt Settlement.

ProStar Shareholder Approval

It is a condition to the completion of the Transaction that ProStar obtain shareholder approval of the Transaction.

The Concurrent Financing

It is a condition to completion of the Transaction that the Company complete the Concurrent Financing, which consisted of a non-brokered private placement of 14,000,000 Subscription Receipts at a price of \$0.40 per Subscription Receipt raising gross proceeds of \$5,600,000.

The proceeds of the Concurrent Financing (the "**Escrowed Funds**") are held in escrow in a segregated account of the Company, and will only be released to the Company upon the satisfaction or waiver of all conditions precedent to the completion of the Transaction as set forth in the Merger Agreement, except for the release of the Escrowed Funds.

Each Subscription Receipt will be automatically converted, immediately before the completion of the Transaction, into one Doxa Unit, upon satisfaction of certain escrow release conditions. Each Doxa Unit shall consist of one post-Consolidation Doxa Share and one-half of one Doxa Warrant. Each Doxa Warrant shall be exercisable to acquire one Doxa Share for a period of 24 months from closing of the Offering at an exercise price of \$0.60 per Doxa Warrant, subject to adjustment in certain events including the Doxa Acceleration Right. If the escrow release conditions are not met on or before March 23, 2021, all funds will be returned to the subscribers without deduction and the Subscription Receipts will be cancelled.

The Company will pay finder's fees in connection with the Concurrent Financing in the amount of \$351,575 and an aggregate of 878,937 non-transferable Finder's Warrants, with each Finder's Warrant exercisable at a price of \$0.40 per Finder's Warrant for one Doxa Share for a period of 24 months from the date of issuance. All finder's fees will be paid by the Company upon the conversion of the Subscription Receipts into Doxa Units.

The Concurrent Financing has been conditionally approved by the TSXV but remains subject to the final approval of the TSXV.

Resulting Issuer Shares issued in exchange for Subscription Receipts held by investors acquired under the Concurrent Financing are not expected to be subject to a "hold" period of four-months and one day following the Closing. The proceeds of the Concurrent Financing will be used primarily for costs of expanding operations and for general working capital of the Resulting Issuer. Please see "*Information Concerning the Resulting Issuer – Available Funds and Principal Purposes.*"

The Name Change

In connection with the Transaction, the Issuer will change its name to "ProStar Holdings Inc." or such other name as may be acceptable to the Company. Pursuant to the Company's constating documents, the name change will be effected by way of resolutions of the Board.

The Merger

Pursuant to the terms of the Merger Agreement, Doxa intends to acquire, by way of a merger transaction, all of the issued and outstanding securities of ProStar. As an initial step of such merger transaction, Doxa incorporated MergerSub under the laws of the State of Delaware on May 23, 2019 for the purpose of participating in the Merger. MergerSub, a wholly-owned subsidiary of Doxa, does not own any assets and does not carry on any business.

Pursuant to the Merger Agreement:

- (a) ProStar will be merged with and into MergerSub with ProStar surviving as a wholly-owned subsidiary of Doxa;
- (b) each outstanding ProStar Share (other than any Dissenting Share) shall be converted into the right to receive four (4) post-Consolidation Company Shares;
- (c) each outstanding ProStar Warrant shall be converted into the right to receive four (4) post-Consolidation Company Shares;
- (d) at and as of the Effective Time, each share of MergerSub common stock shall be converted into one share of Surviving Corporation common stock; and
- (e) after the Effective Time, no ProStar Shares (other than any Dissenting Share) shall be deemed to be outstanding or to have any rights.

Each outstanding ProStar Warrant shall be converted into a share purchase warrant to acquire, on the same terms and conditions as were applicable to such ProStar Warrant, four (4) Resulting Issuer Shares for each ProStar Series C Preferred Share or ProStar Series D Preferred Share, as applicable, covered by the ProStar Warrant at an exercise price determined in the ProStar Warrant for a period of two years from the Closing Date, subject to the ProStar Acceleration Right.

The number of securities of Doxa to be issued to ProStar Shareholders in connection with the Merger (after giving effect to the Consolidation) consists of 62,618,380 Company Shares. The consideration to be paid to the ProStar Securityholders and in connection with the Merger was determined pursuant to arm's-length negotiations among the management of each of Doxa and ProStar. Following the completion of the Merger, ProStar will be a wholly-owned subsidiary of the Resulting Issuer.

Based on the Company Shares ultimately issuable to ProStar Shareholders under the Transaction being issued at a deemed price of \$0.255 per share, this will represent an aggregate value of approximately \$15,967,687 for the 62,618,380 Resulting Issuer Shares issuable to such holders.

Provided that all conditions precedent to the Merger set forth in the Merger Agreement have been satisfied or waived, including the approval of the Transaction by the ProStar Shareholders, and provided further that the Merger Agreement has not otherwise been terminated, Doxa and ProStar will as soon as reasonably practicable thereafter, file with the Secretary of State of the State of Delaware in accordance with the relevant provisions of the DGCL the Certificate of Merger together with such other documents as may be required pursuant to the DGCL to give effect to the Merger. The Merger will become effective at the Effective Time (or such later time as may be agreed upon in writing by Doxa and ProStar and specified in the Certificate of Merger).

The Merger Agreement

The Merger will be effected in accordance with the Merger Agreement, a copy of which has been filed by the Company on SEDAR at www.sedar.com as a material contract. The Merger Agreement contains certain representations and warranties made by each of ProStar and the Company in respect of the assets, liabilities, capital, financial position and operations of ProStar and the Company, respectively. In addition, each of ProStar and the Company provide covenants which govern the conduct of their operations and affairs prior to the completion of the Transaction. The Merger Agreement contains a

number of conditions precedent to the obligations of the Parties thereunder. Unless all of such conditions are satisfied or waived by the Party or Parties for whose benefit such conditions exist, to the extent they may be capable of waiver, the Merger will not proceed. There is no assurance that the conditions will be satisfied or waived on a timely basis, or at all.

Covenants of ProStar

ProStar has given, in favour of Doxa, usual and customary covenants for an agreement in the nature of the Merger Agreement including, but not limited to, covenants that during the Interim Period, ProStar will: (i) carry on the Business in, and only in, the ordinary and regular course in substantially the same manner and not engage in any business, enterprise or other activities other than the Business; (ii) not issue any securities of the Company; (iii) not reorganize, amalgamate or merge ProStar with any other Person, nor permit ProStar to acquire or agree to acquire by amalgamating, merging or consolidating with, purchasing substantially all of the assets of or otherwise, any business of any corporation, partnership, association or other business organization or division thereof; (iv) not alter or amend its constituting documents as the same exist as at the date of the Merger Agreement, other than as contemplated by the Merger Agreement; (v) not permit ProStar to guarantee the payment of indebtedness by, or any other obligation of, a third party or incur or repay any indebtedness for money borrowed prior to its maturity date or issue or sell any debt Instruments or to mortgage, pledge or hypothecate any of its assets or subject any of its assets to any encumbrances; (vi) except in the ordinary course of business, satisfy or settle any claims or liabilities of ProStar prior to the same being due which are, individually or in the aggregate, material; (vii) other than in the ordinary course of business, not enter into any agreement or arrangement granting any rights to purchase or lease any of its assets or rights or requiring the consent of any Person to the transfer, assignment or lease of any such assets or rights; (viii) comply with the terms of all of the ProStar's material agreements; (ix) not fail to renew, terminate or amend in any material respect any of ProStar's material agreements or waive, release, assign, grant or transfer any material right or claim thereunder; (x) not create or amend any stock option, bonus or other compensation plan, pay any bonuses or make any awards of cash, stock or other, deferred or otherwise, grant any stock options, or defer any compensation to any of its directors or officers; (xi) not make any material change in accounting procedures or practices or enter into any related party transaction; (xii) promptly advise Doxa orally and, if then requested, in writing, with the full particulars of any: (A) event occurring subsequent to the date of the Merger Agreement that would render any representation or warranty of ProStar contained in the Merger Agreement (except any such representation or warranty which speaks as of a date prior to the date of the Merger Agreement), if made on or as of the date of such event or the Closing Date, untrue or inaccurate in any material respect; (B) ProStar Material Adverse Change; and (C) breach by ProStar of any covenant or agreement contained in the Merger Agreement.

ProStar has also provided covenants in favour of Doxa in respect of the Transaction including, but not limited to, covenants to: (i) use reasonable efforts to obtain, on or before the Closing Date, all Regulatory Approvals required by Governmental Entities for the Company; (ii) defend all lawsuits or other legal, regulatory or other proceedings challenging or affecting the Merger Agreement or the consummation of the Transaction; (iii) use reasonable efforts to have lifted or rescinded any injunction or restraining order or other order relating to it which may adversely affect the ability of ProStar to consummate the Transaction; (iv) on or before the Closing Date, effect all necessary registrations, filings, notices and submissions of information required by Governmental Entities from ProStar relating to the Transaction; (v) in connection with the Transaction contemplated hereby, use commercially reasonable efforts to obtain, before the Closing Date, all waivers, consents and approvals required to be obtained

by from other parties pursuant to ProStar's material agreements; and (vi) use reasonable efforts to satisfy all conditions precedent set forth in the Merger Agreement.

Covenants of Doxa

Doxa has given, in favour of ProStar, usual and customary covenants for an agreement in the nature of the Merger Agreement including, but not limited to, covenants that during the Interim Period, Doxa will: (i) complete the Concurrent Financing; (ii) complete the Consolidation; (iii) appoint Herb McKim, Page Tucker, Jonathan Richards, Vasanthan Dasan, and Paul McKenzie as directors of Doxa; (iv) use commercially reasonable efforts to obtain, on or before the Closing Date, the TSXV Approval; (v) use commercially reasonable efforts to obtain, on or before the Closing Date, all Regulatory Approvals, required by Governmental Entities for Doxa; (vi) defend all lawsuits or other legal, regulatory or other proceedings challenging or affecting the Merger Agreement or the consummation of the Transaction; (vii) on or before the Closing Date, effect all necessary registrations, filings and submissions of information required by Governmental Entities from Doxa relating to the Transaction; (viii) have a nil working capital balance on the Closing Date not including all costs relating to the Transaction, which shall be borne by ProStar, in which "working capital" means current assets less current liabilities based on Doxa's balance sheet as of the date of closing prepared in accordance with IFRS; and (ix) use commercially reasonable efforts to satisfy all conditions precedent set forth in the Merger Agreement.

Certain of the aforementioned covenants to be performed by Doxa require TSXV approval prior to completion. The TSXV has conditionally approved the Transaction, including the actions required pursuant to the foregoing Doxa covenants, subject to the Company fulfilling all of the requirements of the TSXV.

Conditions to the Transaction

The respective obligations of the Parties to complete the transactions contemplated by the Merger Agreement are subject to a number of conditions which must be satisfied or waived in order for the Transaction to be completed. There is no assurance that these conditions will be satisfied or waived on a timely basis or at all. The following significant conditions, in addition to other conditions, are contained in the Merger Agreement:

- (a) the Consolidation shall have been completed;
- (b) the Doxa Debt Settlement shall have been completed;
- (c) the Doxa Disposition shall have been completed;
- (d) the Name Change shall have been completed;
- (e) the ProStar Debt Settlement shall have been completed;
- (f) satisfaction of all necessary regulatory requirements, and the receipt of all required consents, approvals, orders, and authorizations, including the approval of the Exchange; and
- (g) there shall not be in force any order or decree restraining or enjoining the consummation of the Transaction and there shall be no proceeding, of a judicial or administrative nature or otherwise, in progress or threatened that relates to or results

from the Transaction that would, if successful, result in an order or ruling that would preclude completion of the Transaction or would otherwise be inconsistent with the regulatory approvals obtained.

The obligation of the Company to complete the transactions contemplated by the Merger Agreement is subject to the fulfillment or waiver of certain additional conditions, as set forth in the Merger Agreement, at or before the Closing Date, including, but not limited to:

- (a) material compliance by ProStar with the terms of the Merger Agreement;
- (b) the representations and warranties of ProStar in the Merger Agreement as adjusted pursuant to the Transaction shall be true and correct in all material respects as of all relevant dates, including the Closing Date; and
- (c) no material adverse change shall have occurred in the share capital, the business, results of operations, assets, liabilities, financial condition or affairs of ProStar, financial or otherwise, between the date of signing the Merger Agreement and the completion of the Transaction.

The obligation of ProStar to complete the transactions contemplated by the Merger Agreement is subject to the fulfillment or waiver of certain additional conditions, as set forth in the Merger Agreement, at or before the Closing Date, including, but not limited to:

- (a) material compliance by Doxa with the terms of the Merger Agreement;
- (b) the representations and warranties of Doxa in the Merger Agreement as adjusted pursuant to the Transaction shall be true and correct in all material respects as of all relevant dates, including the Closing Date; and
- (c) no material adverse change shall have occurred in the share capital, the business, results of operations, assets, liabilities, financial condition or affairs of Doxa, financial or otherwise, between the date of signing the Merger Agreement and the completion of the Transaction.

Representations and Warranties

The Merger Agreement contains representations and warranties made by each of ProStar and the Company. The assertions embodied in those representations and warranties are solely for the purposes of the Merger Agreement. Certain representations and warranties may not be accurate or complete as of any specified date because they are subject to a standard of materiality or are qualified by a reference to the concept of an "adverse event" or "adverse change". Therefore, the representations and warranties in the Merger Agreement should not be relied on as statements of factual information.

The Merger Agreement contains representations and warranties of ProStar and the Company relating to certain matters including, among other things: incorporation; absence of conflict with or violation of constating documents, agreements or applicable laws; authority to execute and deliver the Merger Agreement and perform its obligations under the Merger Agreement; due authorization and enforceability of the Merger Agreement; composition of share capital; options or other rights for the purchase of securities; financial condition, records and accounts; its assets, and conduct of operations;

absence of litigation, judgment or order; employment matters; reporting issuer and listing status; and matters related to the Transaction.

Termination of Merger Agreement

The Merger Agreement may be terminated:

- (a) by mutual agreement of the Parties;
- (b) by any Party if there shall be passed any Law that makes consummation of the Transaction contemplated by the Merger Agreement illegal or otherwise prohibited or if any Governmental Entity shall have issued any injunction, order, decree or ruling enjoining Doxa or ProStar from consummating the Transaction contemplated by the Merger Agreement and such injunction, order, decree or ruling shall become final and non-appealable;
- (c) by either Party, if the other Party is in default of a covenant or obligation under the Merger Agreement such that the conditions precedent to the obligations of the non-defaulting Party, would be incapable of satisfaction, provided that the Party seeking to terminate the Merger Agreement is not then in breach of the Merger Agreement so as to cause any condition in favour of all Parties or in favour of the other Parties not to be satisfied;
- (d) by either Party if any representation or warranty of the other Party under the Merger Agreement is untrue or incorrect and shall have become untrue or incorrect such that the conditions precedent to the obligations of the non-defaulting Party, would be incapable of satisfaction, provided that the Party seeking to terminate the Merger Agreement is not then in breach of the Merger Agreement so as to cause any condition in favour of all Parties or in favour of the other Parties not to be satisfied; and
- (e) by either Party in the event that the Closing Date does not occur on or prior to the Outside Date, provided that a Party may not terminate the Merger Agreement if the failure of the Closing Date to so occur has been a principal cause of, or is a result of, a breach by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants or agreements under the Merger Agreement.

Escrow Restrictions

20,318,306 Resulting Issuer Shares and 100,000 Resulting Issuer warrants held by certain shareholders of the Resulting Issuer (including all Principals of the Resulting Issuer) and issued pursuant to the Merger Agreement and the Doxa Debt Settlement will be subject to escrow restrictions pursuant to the terms of the Value Escrow Agreement, and will be released from escrow based upon the passage of time in accordance with the Escrow Policy, such that 10% of the securities will be released on the date of the Final Exchange Bulletin and the remaining escrowed securities will be released in six tranches, as follows: 15% six months thereafter; 15% twelve months thereafter; 15% eighteen months thereafter; 15% twenty-four months thereafter; 15% thirty months thereafter; and 15% thirty-six months thereafter.

Additionally, 3,309,601 Resulting Issuer Shares held by certain parties who are not Principals of ProStar and issued pursuant to the Doxa Debt Settlement will be subject to the Doxa Pooling Agreement and will

be released from the Doxa Pooling Agreement based upon the passage of time in accordance with the Doxa Pooling Agreement, such that 25% of the securities will be released on the date of the Final Exchange Bulletin and the remaining escrowed securities will be released in three tranches of 25% every six months following the date of the Final Exchange Bulletin.

30,255,368 Resulting Issuer Shares issued to certain ProStar Shareholders pursuant to the Merger Agreement who are not Principals of ProStar will be subject to the ProStar Pooling Agreement and will be released from the ProStar Pooling Agreement based upon the passage of time in accordance with the ProStar Pooling Agreement, such that 20% of the securities will be released on the date of the Final Exchange Bulletin and the remaining securities will be released in four tranches of 20% every six months thereafter.

For additional information concerning the escrow and other resale restrictions applicable to the securities issued to the Principals of ProStar, securities issued pursuant to the Doxa Debt Settlement and securities issued to ProStar Shareholders pursuant to the Merger, please see "*Information Concerning the Resulting Issuer – Escrowed Securities and Securities Subject to Resale Restrictions*".

Directors and Management

Concurrently with the Closing and the completion of the Transaction, all of the current directors of the Company, with the exception of Paul McKenzie, will resign in favour of nominees of ProStar, being Page Tucker, who shall also be appointed CEO, Jonathan Richards who shall also be appointed CFO and Corporate Secretary, Vasanthan Dasan who shall also be appointed COO of the Resulting Issuer, and Herb McKim.

INFORMATION CONCERNING THE COMPANY

The following information reflects the current business, financial and share capital position of the Company. See "Information Concerning the Resulting Issuer" for pro forma business, financial and share capital information following the conclusion of the Transaction.

Corporate Structure

The Company was incorporated under the BCBCA on February 13, 2007. It is a reporting issuer in the Provinces of British Columbia and Alberta, and its common shares are listed for trading on the Exchange. The Company's head and registered and records office is located at 2080-777 Hornby Street, Vancouver, British Columbia.

General Development of the Business

History

The Company was incorporated under the BCBCA on February 13, 2007 as "Doxa Resources Ltd." On January 28, 2009, Doxa changed its name to "Doxa Energy Ltd." Doxa incorporated the Doxa Subsidiary, as a wholly owned subsidiary in Nevada named "Doxa Energy US, Inc.", for the purposes of conducting its activities in the United States. The Company was initially listed on the Exchange as a Capital Pool Company pursuant to Policy 2.4 of the Exchange.

The Company has been largely inactive for the previous three years and is not currently carrying on an active business. The following is a summary of the Company's activities over the previous 2 years.

The Company was listed on the TSX Venture Exchange as a capital pool company in September 2009 and completed its qualifying transaction, becoming an oil and gas issuer in May 2010. Due to declines in the oil and gas industry and financing conditions related thereto, the Company has had limited participation in any new oil and gas projects or wells since 2017. Doxa did participate, (with minimal interests, <5%) in two new wells in 2018, on the Sarco Creek 3D seismic project during 2018, bringing the total number of wells drilled on this project through 2018 to six. The 2 new most recent wells were successfully completed in the primary objective Frio sands and are commercial producers, with the Hiller Unit No. 2 producing 800 MCFD and 5 BOPD, and the Fox No. 2 producing approximately 40 BOPD. As of December 31, 2018, completed wells on the project were producing approximately 190 BOPD and 830 MCFD in total. Doxa owns 5.37% participating interest before payout of the project, along with an additional reversionary interest equal to 1.775% which it will receive upon the occurrence of payout of the project, as these terms are defined in various agreements with third parties.

Except for the Concurrent Financing, Doxa has not conducted a private placement and has not participated in any other substantive transactions since 2010.

Concurrent Financing

On October 23, 2020, the Company completed the Concurrent Financing. Please see "*The Transaction – The Concurrent Financing*" for additional information.

Selected Consolidated Financial Information and MD&A

The following table sets out certain selected consolidated financial information of the Company for the financial years ended December 31, 2019 and 2018, and the six months ended June 30, 2020:

	Year ended December 31, 2019 (audited)	Year ended December 31, 2018 (audited)	Six months ended June 30, 2020 (unaudited)
Total Expenses	US\$121,543	US\$306,638	US\$27,808
Amounts deferred in connection with the Transaction	Nil	Nil	Nil

MD&A

Management's Discussion and Analysis of the Company's financial condition and results of operations are attached hereto as Schedule "B" hereto and available on SEDAR, and should be read in conjunction with the Company's financial statements and notes thereto for the years ended December 31, 2019 and 2018, and for the six months ended June 30, 2020 which are attached hereto as Schedule "A" and are also available on SEDAR at www.sedar.com.

Description of the Securities

The authorized capital of the Company consists of an unlimited number of Company Shares without par value. As at the date of this Circular, there are 33,980,141 Company Shares outstanding. The holders of the Company Shares are entitled to vote at all meetings of shareholders, to receive dividends if, as and when declared by the directors and to participate ratably in any distribution of property or assets upon the liquidation, winding-up or other dissolution of the Company. The Company Shares carry no pre-emptive rights, conversion or exchange rights, redemption, retraction, repurchase, sinking fund or purchase fund provisions. There are no provisions requiring the holder of Company Shares to contribute additional capital and no restrictions on the issuance of additional securities by the Company.

The Company has not declared or paid any dividends on the Company Shares since its incorporation and will not declare or pay any dividends prior to completion of the Transaction. There are no outstanding warrants or options in the capital of the Company.

Stock Option Plan

The Doxa Stock Option Plan allows for the reservation of a maximum of 10% of the issued and outstanding Company Shares at the time of the stock option grant. The Company has no options outstanding under the Doxa Stock Option Plan. The Doxa Stock Option Plan was approved by the Doxa Shareholders at its last annual general meeting held on December 12, 2018.

The purpose of the Doxa Stock Option Plan is to attract and motivate directors, officers and employees of and consultants to the Company and its subsidiaries and thereby advance the Company's interests by affording such persons with an opportunity to acquire an equity interest in the Company through the stock options.

Under the Exchange Policies options granted under such a rolling plan are not required to have a vesting period, although the directors may continue to grant options with vesting periods, as the circumstances require. The Doxa Stock Option Plan authorizes the Company's board of directors to grant stock options to the optionees on the following terms:

- (a) The number of shares subject to each option is determined by the Company's board of directors provided that the Doxa Stock Option Plan, together with all other previously established or proposed share compensation arrangements may not, during any 12-month period, result in:
 - (i) the number of shares reserved for issuance pursuant to stock options granted to any one person exceeding 5% of the issued shares of the Company;
 - (ii) the issuance, within a one-year period, to insiders of the Company of a number of shares exceeding 10%, or to one insider of a number exceeding 5%, or to a consultant of a number exceeding 2%; or to all employees (as defined by the Exchange) who provide Investor Relations services of a number exceeding 2% of the issued shares of the Company.

The aggregate number of shares which may be issued pursuant to options granted under the Doxa Stock Option Plan, may not exceed 10% of the issued and outstanding shares of the Company as at the date of the grant.

- (b) The exercise price of an option may not be set at less than the closing market price during the trading day immediately preceding the date of grant of the option less a maximum discount of 25% if the Company is listed on Tier 2, TSX Venture Exchange or without any allowable discount if the Company is listed on Tier 1, TSX Venture Exchange or on the TSX.
- (c) The options may be exercisable for a period of up to 10 years.
- (d) The options are non-assignable, except in certain circumstances. The options can only be exercised by the optionee as long as the optionee remains an eligible optionee pursuant to the Doxa Stock Option Plan or within a period of not more than 90 days (30 days for providers of investor relations services) after ceasing to be an eligible optionee or, if the optionee dies, within one year from the date of the optionee's death.
- (e) On the occurrence of a takeover bid, issuer bid or going private transaction, the Company's board of directors will have the right to accelerate the date on which any option becomes exercisable.

It is expected that upon completion of the Transaction, incentive stock options will be granted under the Doxa Stock Option Plan to eligible optionees as may be determined by the incoming board of directors of the Resulting Issuer.

Prior Sales

During the 12 month period preceding the date of this Circular, the following securities of the Company have been issued:

Designation of Security	Securities Sold	Price Per Security	Date of Sale
Subscription Receipts	14,000,000	\$0.40	October 23, 2020

Notes:

- (1) See "*The Transaction – The Concurrent Financing*".

Stock Exchange Price

The Company Shares are listed on the Exchange with the trading symbol "DXA". The following table sets out trading information for the Company Shares for the periods indicated as reported by the Exchange (all on a pre-Consolidation basis).

Period ⁽¹⁾	High	Low	Close	Volume
November 1-15, 2020			Halted	
October 2020			Halted	
September 2020			Halted	
August 2020			Halted	
July 2020			Halted	
Quarter ended June 2020			Halted	
Quarter ended March 31, 2020			Halted	
Quarter ended December 31, 2019			Halted	
Quarter ended September 30, 2019			Halted	
Quarter ended June 30, 2019			Halted	
Quarter ended March 31, 2019			Halted	
Quarter ended December 31, 2018	0.02	0.01	0.015	202,000

Notes:

- (1) The trading of Doxa Shares was halted on October 29, 2018 in anticipation of the announcement of the Transaction. Trading in the Doxa Shares remains halted pending completion of the Transaction. The final closing price on October 26, 2018, the day on which Doxa Shares traded prior to the halt in trading, was \$0.015 per Doxa Share.

Executive Compensation

Compensation Discussion and Analysis

Unless otherwise noted the following information is for the Company's last completed financial year which ended December 31, 2019. The compensation policies during such financial year continued to apply in the most recently completed financial quarter.

In this section of the Circular, a Named Executive Officer of the Company means each of the following individuals: (a) the Chief Executive Officer ("CEO") of the Company; and (b) the Chief Financial Officer ("CFO") of the Company; (collectively the "Named Executive Officers" or "NEOs"). The following three

individuals have been determined to be the Named Executive Officers or NEOs: John D. Harvison – President and CEO; G. Arnold Armstrong – Chairman; and Mark Bronson – CFO. No other individuals are considered Named Executive Officers as such term is defined in Form 51-102F6 – Statement of Executive Compensation.

Executive compensation is based upon the need to provide a compensation package that will allow the Company to attract and retain qualified and experienced executives, balanced with a pay-for performance philosophy. Compensation for the 2019 fiscal year and prior fiscal years have historically been based upon a negotiated salary, with stock options and bonuses potentially being issued and paid as an incentive for performance.

Compensation Governance

The Company's board of directors decide the compensation for the Company's officers, based on industry standards and the Company's financial situation.

Summary Compensation Table

The following table sets forth a summary of all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company to each Named Executive Officer and Director of the Company, for services provided and for services to be provided, directly or indirectly in any capacity, to the Company by such persons, for the most recently completed financial year, excluding compensation securities:

NEO Name and Principal Position	Year	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$) ⁽³⁾	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans			
John D. Harvison <i>President, CEO and Director</i>	2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Mark Bronson <i>CFO and Director</i>	2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
G. Arnold Armstrong ⁽¹⁾ <i>Chairman and Director</i>	2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) Mr. Armstrong passed away on February 19, 2019.

No compensation has been paid by the Company to any Named Executive Officer or Director of the Company for the period ended as of the date of the most recent financial statements of the Company included in this Circular.

Incentive Plan Awards

The Doxa Stock Option Plan has been established to attract and retain employees, consultants, officers or directors to the Company and to motivate them to advance the interests of the Company by affording them with the opportunity to acquire an equity interest in the Company. The Doxa Stock Option Plan is administered by the directors and Compensation Committee of the Company. The Doxa Stock Option Plan provides that the number of Company Shares issuable under the Doxa Stock Option Plan, together with all of the Company's other previously established or proposed share compensation arrangements may not exceed 10% of the total number of issued and outstanding shares of the Company. All options expire on a date not later than five years after the date of grant of such option. Please see "*Information Concerning the Company – Stock Option Plan*" for additional information.

As at December 31, 2019, there was nil of all awards outstanding, including awards granted prior to the most recently completed financial year to NEOs.

Incentive Plan Awards: Value Vested or Earned During the Year

No awards were outstanding under share-based or option-based incentive plans of the Company at the end of the most recently completed financial year to each of the Named Executive Officers.

Pension Plans

The Company does not have a pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement. The Company has no defined benefit or actuarial plans.

Termination and Change of Control Benefits

The Company does not have an employment contract with any of its Named Executive Officers. Each Named Executive Officer devotes a portion of his or her time to the Company and a portion of his or her time to other companies where he or she is a director and/or officer. Accordingly, the Named Executive Officers invoice the Company based on the percentage of time devoted to the Company.

Neither the Company nor any of its subsidiaries have any plan or arrangement with respect to compensation to its executive officers which would result from the resignation, retirement or any other termination of the executive officers' employment with the Company and its subsidiaries or from a change of control of the Company or any subsidiary of the Company or a change in the executive officers' responsibilities following a change in control.

Compensation of Directors

The following table sets forth all amounts of compensation provided to directors who were not Named Executive Officers of the Company during the Company's most recently completed financial year end.

Director Name ⁽¹⁾	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards (\$) ⁽²⁾	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Paul McKenzie	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Daniel Frederiksen	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Gerald Graham	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Jonathon Weiss	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Incentive Plan Awards: Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information concerning all awards outstanding under share-based or option-based incentive plans of the Company as at December 31, 2019, including awards granted prior to the most recently completed financial year to each of the Directors of the Company who were not Named Executive Officers.

Director Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options (\$)	Number of Shares Or Units Of Shares That Have Not Vested (#)	Market or Payout Value Of Share-Based Awards That Have Not Vested (\$)	Market or Payout Value of Share-Based Awards That Have Not Vested (\$)
Paul McKenzie	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Daniel Frederiksen	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Gerald Graham	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Jonathon Weiss	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Incentive Plan Awards: Value Vested or Earned During the Year

The following table sets forth information concerning all awards outstanding under share-based or option-based incentive plans of the Company at the end of the most recently completed financial year to each of the non-executive directors. The options granted to directors of the Company do not have a vesting period.

Director Name	Option-Based Awards - Value Vested During The Year (\$)	Share-Based Awards Value Vested During The Year (\$)	Non-Equity Incentive Plan Compensation - Value Earned During The Year (\$)
Paul McKenzie	Nil	Nil	Nil
Daniel Frederiksen	Nil	Nil	Nil
Gerald Graham	Nil	Nil	Nil
Jonathon Weiss	Nil	Nil	Nil

Non-Arm's Length Transaction

The proposed Transaction is not a Non-Arm's Length Transaction, within the meaning of Exchange Policies.

Legal Proceedings

The Company is not a party to any legal proceedings currently material to it, and no such proceedings are known by the Company to be contemplated.

Principal Shareholders

To the knowledge of the directors and executive officers of the Company, there are no shareholders who own, directly or indirectly, or exercise control or direction over shares carrying more than 10% of the voting rights attached to all outstanding Company Shares, as of the date hereof, other than the following:

Name	Number of Doxa Shares	Percentage of Doxa Shares Owned
G. Arnold Armstrong (estate)	8,413,071 ⁽¹⁾	24.44%

Notes:

- (1) Of which 3,148,214 Doxa Shares are held directly and the remaining 5,264,857 Doxa Shares are held indirectly through Armada Investments Ltd., a private company which is owned and controlled by Mr. Armstrong's estate and immediate family.

Auditor, Transfer Agent and Registrar

The auditors of the Company are Smythe Ratcliffe LLP. The transfer agent and registrar of the Company is Computershare Investor Services Inc., 510 Burrard Street, Vancouver, British Columbia, V6C 3B9.

Material Contracts

Except for contracts entered into in the ordinary course of business, the only contracts entered into by the Company in the two years immediately prior to the date hereof that can reasonably be regarded as presently material to the Company are as follows:

- (a) the Merger Agreement;
- (b) the loan agreements and debt settlement agreements in connection with the Doxa Debt Settlement; and
- (c) the share purchase agreement dated September 2, 2019, amended August 17, 2020 entered into between the Company and Dynamic.

See "*The Merger*" for particulars regarding these contracts.

All of the above agreements may be inspected at the offices of the Company at its registered offices at Suite 2080-777 Hornby Street, Vancouver, British Columbia, V6Z 1S4 during normal business hours up to the Closing Date and for a period of 30 days thereafter.

Additional Information

Additional information relating to the Company may be obtained by accessing the SEDAR website at www.sedar.com under the profile of the Company.

INFORMATION CONCERNING PROSTAR

The following information reflects the current business, financial and share capital position of ProStar. See "*Information Concerning the Resulting Issuer*" for pro forma business, financial and share capital information following the conclusion of the Transaction.

Corporate Structure of ProStar

ProStar is a private Delaware company whose principal business is providing geospatial intelligence software as a service to the pipeline and utility industry. ProStar was incorporated under the DGCL on January 14, 2014. ProStar's head office is located at 760 Horizon Drive, Suite 200, Grand Junction, CO 81506, USA and its registered and records office is located at 1209 Orange Street, Wilmington, DE 19801, County of New Castle. ProStar is not a reporting issuer in any jurisdiction in Canada.

Following completion of the Transaction, the Resulting Issuer will hold 100% of the issued and outstanding ordinary shares of ProStar. ProStar has no subsidiaries.

General Development of ProStar

Upon incorporation, ProStar acquired all of the assets and assumed the liabilities of Global Precision Solutions, LLP ("**Global**") pursuant to a reorganization of Global, and commenced the development of its geospatial intelligence software shortly thereafter. In December 2015, Global completed its reorganization, pursuant to which each partner in Global contributed their partnership units in Global to ProStar in exchange for their pro-rata share of ProStar Series A Preferred Shares. Global then became a wholly owned subsidiary of ProStar and ProStar assumed all of its assets and liabilities. Global dissolved shortly after the reorganization.

In 2016, ProStar entered into its first commercial SaaS engagement with Rose Rock Midstream Crude, L.P., an American oil & gas company.

During 2016, ProStar also achieved a number of milestones, including the following:

- ProStar was awarded a USD\$250,000 grant from the Colorado Office of Economic Development and International Trade;
- ProStar, with its head office located in Grand Junction, Colorado, became the first company in Colorado to join the Rural Jump-Start Program. This program, initiated by the Colorado Office of Economic Development and International Trade, provides a tax relief to early stage companies outside main economic areas of Colorado; and
- Page Tucker, CEO of ProStar, was named 'Entrepreneur of the Year' by Colorado Technology Association.

Three Year History of ProStar

Year ended December 31, 2017

In 2017, ProStar continued its growth in the oil and gas industry. ProStar entered into SaaS engagements with two additional oil and gas companies, being Northstar Midstream and Evolution Midstream.

During 2017, ProStar was named a winner of the 'Top 50 Companies to Watch' list in Colorado, and began the development of its native standalone mobile application PointMan®.

Year ended December 31, 2018

In 2018, ProStar continued its customer growth and successfully executed additional commercial agreements, as described below.

During this period, ProStar began to expand into other market verticals, by providing its services to engineering & surveying businesses, the Colorado Department of Transportation, construction companies and Colorado 811, a non-profit, non-governmental organization that provides a communication link between excavators and underground facility owners before any excavation begins.

In 2018, ProStar also released for commercial sale its standalone mobile software application PointMan® and published it on Google Play.

Microsoft published a case study on ProStar in 2018 naming ProStar as part of its digital transformation.

ProStar was granted a key Canadian patent in 2018, which covers a computer-implemented method for calculating tolerance zones for utility assets. This method allows the user to receive data about an area related to a location of a utility asset within a region. The patented method helps to prevent damages to utilities and the environment during construction, maintenance and groundbreaking activities as well as severe conditions including weather, fires, and earthquakes.

On October 26, 2018, ProStar entered into a binding letter agreement with Doxa in connection with the Transaction.

Year ended December 31, 2019

In February 2019, AI Global named ProStar as the Global Leader in Geospatial Software Development for 2019. The award spotlights ProStar's flagship geospatial solution, Transparent Earth®.

On May 22, 2019, ProStar entered into the Merger Agreement with Doxa and the MergerSub.

ProStar also hired Mr. Vasanthan Dasan as COO in 2019. Mr. Dasan was the former chief technology officer of Sun Micro Systems for 15 years and head of its cloud division.

On June 3, 2019, ProStar completed the ProStar Series C Financing for aggregate gross proceeds of US\$3,500,000 through the issuance of 3,500,000 ProStar Series C Units at a price of US\$1.00 per ProStar Series C Unit. Each ProStar Series C Unit comprising one (1) ProStar Series C Preferred Share and one-half of one transferrable ProStar Series C Warrant. On and after the Closing Date, each outstanding ProStar Series C Warrant shall be converted into a warrant to acquire, on the same terms and conditions applicable to such ProStar Series C Warrant, four (4) Resulting Issuer Shares at an exercise price of \$0.56 per Resulting Issuer Share.

On June 14, 2019, ProStar was granted an additional Canadian patent for a system and method of collecting and updating geographical data. This patent includes the process for capturing and collecting location data of buried utilities and pipelines using data collection devices and GPS. In general terms, the granted patent covers the use of collecting location data of underground utilities on mobile smart phones and tablets with maps and GPS receivers.

ProStar also completed development its mobile software application PointMan® for use on iOS platforms which was made available on the Apple Store in July 2019.

Recent Developments

Currently, ProStar has several high profile clients that include the Colorado Department of Transportation, Utah Department of Transportation, Gibson Energy and Kiewit Corporation, a Fortune 500 contractor based in Omaha, Nebraska and one of the largest construction and engineering organizations in North America.

Over the previous three years, ProStar expanded from eight employees to over twenty and in March 2020, the company opened a research and development office in Boulder, Colorado.

On July 8, 2020, Trimble announced a business partnership with ProStar to integrate the PointMan mobile app with the Trimble series of GPS/GNSS receivers.

On August 18, 2020, ProStar completed the ProStar Series D Financing for aggregate gross proceeds of US\$1,500,000 through the issuance of 1,500,000 ProStar Series D Units at a price of US\$1.00 per ProStar Series D Unit. Each ProStar Series D Unit comprises one (1) ProStar Series D Preferred Share and one-half of one transferrable ProStar Series D Warrant. On and after the Closing Date, each outstanding ProStar Series D Warrant shall be converted into a warrant to acquire, on the same terms and conditions applicable to such ProStar Series D Warrant, four (4) Resulting Shares at an exercise price of \$0.56 per Resulting Issuer Share.

Significant Acquisitions and Dispositions

ProStar has not completed any significant acquisitions or dispositions for which financial statements would be required under National Instrument 41-101 – *General Prospectus Requirements* or if this Circular was a prospectus of ProStar.

Narrative Description of the Business and Operations

ProStar specializes in the development of precision mapping solutions and software designed to precisely capture, record, and provide visualization of utility and pipelines that are placed below the Earth's surface. ProStar's precision mapping solutions provide geospatial intelligence, location precision, and transparency. ProStar's cloud and mobile solutions are Transparent Earth and its native mobile application PointMan® both of which are deployed as SaaS.

Transparent Earth is designed to improve the construction, maintenance and repair of underground infrastructure and to better protect the worker, the public and the environment. This unique and patented system integrates open standards, advances in GPS technology, cloud computing and mobile technology to provide a real time view of location data with precision. The result is that all phases of the asset management lifecycle from initial planning & engineering, through to the construction and maintenance are enhanced. This conflated geospatial data view provides field workers with the information that they need during construction and maintenance activities, to avoid damage to assets as well as personal injury and pollution.

Details regarding the pipeline and utility industry and precision mapping technologies are provided below.

The Opportunity and the Market

North America is laced with a network of tens of millions of miles of buried infrastructure that are in danger of being damaged every time a ground-breaking activity occurs. Every year in the US alone, over 30 million excavations are performed¹. On average, there is a subsurface utility damage event² every sixty seconds of every single workday. When these events occur, lights go out, traffic is disrupted, pollution is released into the atmosphere, hundreds of millions of dollars of repairs are required and unfortunately, in some cases, lives are lost and people are injured.

The problem is that many of the underground corridors that hold the buried infrastructure are overcrowded. With more and more demands on the infrastructure to support an ever-growing population these underground corridors are becoming increasingly congested. Combine aging utilities, lack of accurate location data, fragmented processes, and increasing demands to expand the congested corridors in which they lie and you have a potential disaster on your hands every time any form of maintenance, repair or construction is performed. A vast amount of this infrastructure is over 50 years old, much is aging beyond repair and some are just abandoned. At the heart of the issue, is the fact that in many cases, the exact locations of below ground infrastructure is not known with any real certainty. If the location information was recorded – the information is usually in a GIS designed for storing, analysing and reporting location data. GIS usage has been constrained to a select group of users by factors that include excessive cost, user complexity and lack of accessibility. The technology itself has also been prohibitive in providing location intelligence into enterprise business applications due to the existing client-server GIS systems offered by the major GIS solution providers. Recent catastrophic incidents affecting workers, the public and the environment confirm the need to use a more modern geospatial solution to improve current damage prevention and asset management practices.

ProStar has identified a demand for a precision mapping solution that provides benefits to the utility and pipeline sectors as well as the associated verticals. In order to successfully address the anticipated and growing demand, a model that addresses the current issues of the traditional systems including that of cost, complexity and accessibility is needed. The answers lay within the SaaS model and leveraging cloud and mobile technologies. As with online retail and banking, it is only natural that these same technologies be adopted as the dominant delivery methods for a precision mapping solution. The demand for open cloud and mobile computing is the factor that has created an opportunity for ProStar and its natively cloud and mobile precision mapping solution offered as a SaaS. By using ProStar's precision mapping solutions, government agencies and private businesses will be able to improve the efficiency of their organizations without the financial and technical burdens of creating and maintaining internal systems. This has potential to reduce the damage caused to the infrastructure, the environment and to the public during construction projects.

ProStar's Solution

ProStar designed and developed an open geospatial solution to address these issues and reduce the risk of damage to buried assets due to the lack of timely and precise information being available during maintenance and construction activities. Using unique and patented processes, ProStar's solution provides a unique view of subsurface infrastructure relative to the user's location resulting in real-time

¹ Underground Focus Magazine, Volume 26, Issue 1 April, 2012.

² An event is defined by the CGA DIRT User's Guide as "the occurrence of downtime, damages, and near misses." DIRT provides industry stakeholders a means to anonymously report data into a comprehensive database for analysis of the factors that contribute to the events.

situational awareness and to a precision. ProStar's solution leverages open data standards combined with cloud and mobile technologies, to deliver critical information into the hands of project personnel where and when it is most needed. When relevant geospatial information is delivered to the field in a timely manner, the risk of damage to buried assets often caused by construction and maintenance activities is reduced.

The use of ProStar's solution reduces the risks associated with damage currently plaguing the utility and pipeline industries and streamlines business processes throughout the enterprise and asset lifecycle. ProStar offers cost savings, improves worker and public safety, and minimizes environmental risk all the while bringing added value, consistency, and time savings to the asset management and damage prevention processes. This challenge is not limited to the US market and in fact, similar concerns relating to the utility and pipeline industries are prevalent across the world.

The real issue facing the industry is directly related to the quality of the data that is being provided and limitations on getting meaningful information into the hands of the field workers in a timely manner. These limitations arise from current GIS and CAD systems, imprecise data collection practices, disparate data standards, fragmented data management processes, and poor data distribution methods, all of which hinder attempts to prevent damage to subsurface utilities during construction activities. When information is made available to field crews it is often in a paper format that is either a representation of the original planning and design drawings, not to a standard scale or format and in some instances are just hand drawn sketches.

The following figure is an example of a section of an actual infrastructure drawing showing the relative location of utilities in the congested area:

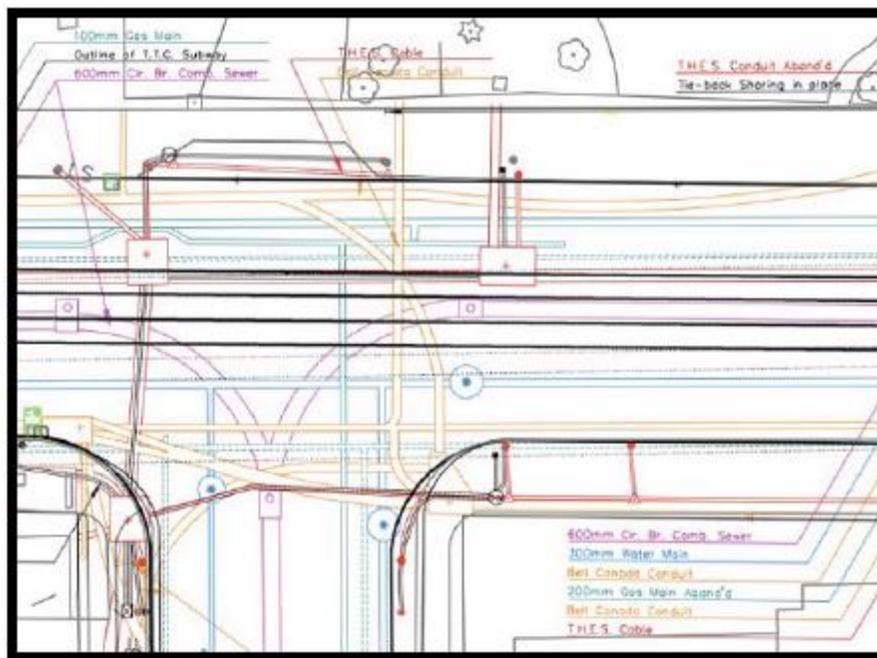


Figure 1 Subsurface assets in a Jarvis Street intersection in Toronto, ON

Another issue with proprietary GIS systems is that they are one size fits all, only meet the needs of a select group of highly trained users and there are issues in making this information readily available to external parties. In addition, most of this data is based on historical records that would not meet

adequate confidence in terms of accuracy, integrity, or completeness. Much of this data exists in different formats due to the inherent nature of 'proprietary' systems. The fact that the data resides in different systems using different formats, different scales, and different degrees of accuracy, means that it cannot be easily shared with the stakeholders where and when it is most needed without major effort, cost and compromise. What is needed is an open solution that integrates with the enterprise processes and provides the desired information in a common format to all users.

To address this need ProStar created Transparent Earth, which is natively cloud based, mobile enabled and combines patented processes with modern open GIS technology. A key component to Transparent Earth is the PointMan mobile application and the ProStar Precision Integration processes that are the patented data alignment formulas that ProStar uses to determine the precise alignment of all relevant location data. These processes are GPS-centric meaning that all the data layers are aligned based on GPS control points. ProStar Precision Integration processes, aggregates and aligns all required data and makes it viewable in both PointMan and Transparent Earth to provide users with a single "conflated" visual of all relevant objects. The data used to provide this visual is provided with the data pedigree that is essential to understand the data's quality. The Transparent Earth is an open GIS provided as a service on a cloud platform through a portal running standard web mapping services including Google Earth and Bing. PointMan is a thin client mobile application that integrates in real time with Transparent Earth. PointMan and Transparent Earth provide contractors, locators and facility owners with the critical location information they need to make informed decisions with confidence both in the office and on the project site.

For both improved asset management and damage prevention, Transparent Earth with PointMan provides functionality for a field worker to visualize all relative data including "as-built" utility line locations supplied from other GIS technology, with absolute location data received from modern GPS enabled locating tools. This visualization offers the ability to visually verify and (if needed) rectify the records and notify stakeholders of the actual asset location.

With PointMan running on any smart phone or mobile device, the field worker can see where he is relative to this critical location data including a line map, dig zone, street address, site boundary, and buried utility lines and where, how and when that information was provided. This means that for the first time, a real-time conflated visualization of the required data sources and GPS integration provides the field worker, locators and facility owners with the critical qualified information they need in the field in order to make critical business decisions with confidence.

Transparent Earth also provides the functionality to verify existing linear asset data. By uploading historical location data records from other sources including other GIS and computer-aided design ("**CAD**") systems, a field worker can now visualize data commonly known as an "as-built" and verify the precise location by cross referencing it with absolute GPS locate data received from modern GPS enabled locating tools running PointMan. This real-time visualization can be used to verify as well as rectify the 'as built' location data with absolute or 'precise' location data. The PointMan functionality enables field workers to create and provide photos, sketches, documents, etc. related to an asset to Transparent Earth in real-time. ProStar's Transparent Earth open GIS and the PointMan mobile app can integrate and forward data to back-end systems including GIS repositories and other 3rd party systems. These shared contributions result in constant updating and improvement to the source information at little to no cost. The more Transparent Earth and PointMan are used to capture, store, qualify and retrieve data, the content continuously improves throughout the data lifecycle.

The use of Transparent Earth and PointMan running on standard mapping products including Google Earth, Bing and Open Street Maps in combination with advances to cloud, mobile and precise GPS

enabled locating technologies, offers significant cost savings and benefits to all stakeholders including pipeline operators, utility owners and the supporting verticals. By offering streamlined processes, data sharing and real time visualization, increased productivity and significant reduction in redundant business practices, costly damages caused by construction and maintenance activities and inefficient data silos that are prevalent in the industry today. The system is open, easy to use and adopt, and requires little change in the client's current business practices.

In the current process and practices, a number of challenges exist. Below is a list of these challenges together with an explanation of how ProStar's solution can address these challenges.

1. Formats, types and drawing scales may be incompatible: The field worker is often provided paper copies of drawings that are used in the field to locate the buried utilities. Often these drawings are of different scales and may vary in quality and accuracy.

ProStar's solution provides functionality to automatically determine which assets are impacted by construction or maintenance activity and render the information consistently in a format that can be viewed on any smart phone, tablet PC or other mobile device in the field.

2. The "as-builts" are often inaccurate: When a new utility installation is performed, the facility is intended to conform to the "issued for construction" drawings. Often subsurface obstacles give rise to deviations from the planned installation. Often these deviations are not recorded while the work is being performed and due to the difficulty of accurately recording this information at the end of the job, frequently these deviations are not accurately depicted or are not recorded at all.

ProStar's solution enables the contractor to complete the work and capture the "as-built" information electronically for submission to the utility owner through the Transparent Earth portal prior to backfilling if possible. In this way, the facility location data capture is "eyes-on" and the accuracy is known to within the subsurface utility engineering requirements.

3. The data is housed in "silos" and not generally available: In many cases, the required data exists, but it does not exist in a system that aggregates, integrates, or communicates the data in a way that makes it available and/or useable to the users that most need it.

ProStar geospatial solution leverages Open Geospatial Consortium's ("**OGC**") open standards including web feature services ("**WFS**") and web mapping services ("**WMS**") so that data can be presented from other data sources including proprietary GIS technologies. By utilizing these systems, there are limited restrictions on how the data is consumed or presented.

4. Inefficiencies in communicating project requirements cause delays: ProStar's solution provides functionality to automate and streamline project communications and schedule requirements, report on progress and work flow management.

5. Data is not shared where it is most needed, in the field: ProStar's solution enables field personnel to view data electronically with PointMan from Transparent Earth for real time display. Any discrepancies between the "as-built" information and the actual 'field truth' data is immediately apparent and is highlighted so that the field worker is aware of the data discrepancy and the need to have it verified and/or rectified. The new information is available to the owner/operator for review, acceptance and consumption into their existing records.

ProStar Mobile, Cloud and Enterprise Solutions

ProStar's Transparent Earth architecture is founded upon the OGC, WFS and WMS. OGC standards are developed in a unique process supported by the OGC's industry, government and academic members to enable geo-processing technologies to interoperate - also known as "plug and play". By combining the OGC standards with open markup languages, ProStar provides a model that can be consumed by other GIS, CAD and mapping applications to provide scalable, powerful and secure platforms for building and publishing maps and other geospatial information. The result is that mobile workers can access these maps and related location information in real-time and collaborate with colleagues from anywhere by simply using a laptop through a browser or mobile device with or without an Internet connection.

Transparent Earth®

Transparent Earth provides the visualization function which allows all stakeholders to know precisely where they are relative to assets they otherwise cannot see. This visualization vastly improves their productivity and reduces the risk of striking these buried utilities. Transparent Earth's patented processes leverage advances in modern technology that integrate existing hardware devices and software applications to deliver a solution that is easy for clients to adopt and requires little to no change in current systems or major disruption to the existing business.

Transparent Earth is SaaS offered on the cloud to improve the management and the protection of utility infrastructure that is buried below the Earth's surface. Transparent Earth's patented processes are designed to improve all phases of utility construction projects by providing users the ability to access, view and share subsurface utility information in real-time. By providing precision information on buried infrastructure both when and how it is needed, Transparent Earth provides situational awareness to project personnel, which improves their ability to make informed decisions. Transparent Earth improves the practice of damage prevention and asset management to and makes it accessible, effective and affordable.

Transparent Earth provides the visual tools needed to permit authorized users to visualize this data in a single view on desktops and mobile devices running any standard mapping interface, including Google Earth and Bing. For example, historical records called 'as-built' drawings are often referenced to topographical features that existed at the time of utility installation. These files and the topographical features can change significantly during the lifetime of the utility, making many of the data's location references obsolete. Transparent Earth provides the client the ability to view and to match both newly acquired topographical features against legacy topographical features and also newly acquired data on utility locations to legacy locations. The improved location information from the newly acquired sources provides all the GPS information, including position dilution of precision, and equipment to determine the data precision including, who, what, where and when, and other associated meta data required to determine the data's pedigree so that the client can then decide whether or not to accept these files and replace the existing data in their internal GIS and CAD systems.

All ProStar data is readily available to be exported to any compatible desktop or mobile device. The improved data points, and their shapes and features, serve as the basis for improving all aspects of utility asset management processes and damage prevention operations.

ProStar Precision Integration®

ProStar Precision Integration provides the tools and services to integrate ProStar's geospatial solution with client enterprise business processes. ProStar Precision Integration is designed to provide

preconfigured content to support integration and dashboard function with departmental concerns including pipeline integrity management, damage prevention, asset management, project management and land services. ProStar Precision Integration also supports streaming and conflating source data from CAD, GIS & Web Mapping Services.

ProStar Precision Integration enables information integration, process integration and user role based security which, when coupled with the Transparent Earth, combine to create a complete and a comprehensive geospatial solution. ProStar Precision Integration™ empowers customers to adapt, simplify and integrate business processes, as well as introduce flexible business rules to drive low cost of ownership and operational agility. ProStar Precision Integration avoids the requirement for expensive customization and drives value by reducing implementation time and resources. ProStar Precision Integration helps the entire enterprise to quickly adapt, simplify, accelerate and transform their business processes while reducing cost and increasing operational flexibility.

PointMan®

PointMan is Transparent Earth's native mobile application designed for capturing, storing and forwarding the precise locations of subsurface linear assets and associated attribute data to Transparent Earth. All PointMan data is based on a precision point associated to a point, line or polygon. The precision point and associated attribute data provides the control required to ensure that the location and integrity of the data is maintained throughout the asset lifecycle.

A precision point provides the necessary information for GPS location coordinates to be graded as either Map Grade (accurate to sub-meter quality levels) or survey quality level points (accurate to centimetre quality levels). Using GPS centric data represents a major improvement in productivity and data accuracy. Any meta-data added thereafter including any, utility maps, topographic data, and aerial imagery is also registered against these control points. With this GPS centric technique, distortions, scale differences, coordinate system differences, etc. are addressed. Thus, the data going into the geospatial database meets desired precision level requirements specific to client needs. In order to achieve the desired precision levels, capturing from the onset, both the data's 'precision point' as well as the data's 'pedigreed attributes' is necessary and it must be retained throughout the entire data lifecycle. In order to support effective linear asset management and damage prevention practices, the following questions must be answered in regard to the precision point and pedigree attributes:

- "Where are you, (the field worker)?" This question can be answered by obtaining the precise location on the earth's surface of the operator in precise GPS terms;
- "Where are they, (the buried infrastructure)?" This question can be answered by obtaining the precise GPS locations of the infrastructure that is buried beneath the earth's surface in precise terms and providing an aggregated view of their locations; and
- "What are they, (the type of infrastructure)?" This question can be answered by obtaining the data pedigree which includes the how, why, what and when and is required to determine the data quality and subsequent confidence in relying on the data for making critical decisions.

This 'precision and pedigree' determines the level of confidence in the data when critical business decisions are required. Capturing the precision and pedigree and provide data integrity and confidence, requires a data collection solution that captures, stores and manages how the location information was acquired including the field operator's position and the precise GPS locations of the linear assets. The precision point and associated pedigreed attribute data are the cornerstone of ProStar's IP and precision mapping solution.

Sales and Marketing

ProStar has established and invested in key strategic alliances to understand the market and the requirements. In preparing to a go-to-market and deployment phase, ProStar aligned and partnered with industry leaders that would benefit from ProStar's solutions, including GPS providers, mobile device manufactures, locate tool manufactures and cloud computing experts to assist in development, promotion and product deployment. These industry alliances strengthen ProStar's market positioning, brand awareness, and provide established distribution channels.

There are multiple beneficiaries of ProStar's solution. The primary beneficiaries are the parties involved in the construction and maintenance life cycle, including the contractors and the owners of the infrastructure. Secondary beneficiaries include the public and regulatory agencies. The foremost beneficiaries of ProStar's solution are the owners of buried infrastructure. The market is divided into the following three primary segments. They are:

- (a) Pipeline operators and utility owners;
- (b) Engineering, construction, and data collection companies; and
- (c) Governmental Agencies and Municipalities.

Although ProStar's Solution addresses the concerns of many markets, ProStar will focus its initial marketing efforts on oil & gas, utility, engineering & surveying, construction, locate and 811 verticals.

ProStar's management has been working with a number of select verticals within the US market. ProStar's solution is based on a SaaS model with no seat license fees under which subscribers will pay a fixed annual license fee based on the type of customer, services provided and expected number of users. Once a customer is live, this fee represents an indefinite annuity income stream. ProStar now offers a stand-alone version of its PointMan mobile application for contract locate firms, engineering companies, and municipalities. The usage for locating include facility locates and leak surveys. Usages for engineering include job layout and estimating, locating for subsurface utility engineering, as-building and job documentation.

ProStar began its full life cycle sales process in 2016 with initial directed efforts to target prospective clients in the US through its internal sales force. The anticipated sales cycle is expected to be six to twelve months depending on client category. The initial sales focus of the ProStar sales team will be leveraging its sales pipeline including a number of US pipeline operators, surveying and engineering and construction firms as well as associated verticals that include 811 and contract locating firms.

ProStar's management anticipates recognizing future revenue from the licensing of key components of the ProStar IP portfolio.

ProStar has recently hired a VP of Marketing and VP of Sales to expand both marketing and sales initiatives.

Operating Plan

ProStar has transitioned from a start-up and research & development company into a viable operating entity offering commercial off the shelf software products and services. To date, ProStar's focus has been the design, development and testing of its products as well as expanding its intellectual property

and creating strategic business partnerships. ProStar's research and development phase culminated in the completion of the Enbridge Pipeline Canada strategic development project in 2018. ProStar's successful proof of concept with Enbridge provided both the ultimate viability and value of ProStar's products and technology. The proof of concept, high level of interest in the market, combined with a recent convergence in technology, regulation, has provided ProStar with the economic drivers to fully engage in a go-to-market phase of its business life cycle.

The immediate goal for ProStar is to obtain its pipeline of potential customers that have been identified as prime candidates. These initial client acquisitions in several verticals have proven the viability of ProStar's solution. As ProStar prepares its go-to-market strategy, the implementation projects at hand will enable ProStar to refine methodologies and develop best practices for additional product delivery and services. This will support an aggressive sales strategy.

ProStar has already begun developing business processes, securing additional talent, and implementing support systems. These processes and resources include:

- Sales and Marketing: Mathew Breman, VP Director of Marketing was recently hired to oversee all aspects of marketing including increasing brand awareness through various media outlets and online platforms, developing pricing strategies working with our product and sales teams and coordinating specific initiatives including website design, product webinars, sales channel partner relationships and client communications.
- Over the course of the year, the sales group will likely hire additional resources including a VP of Sales focused on developing specific strategies to achieve the companies PointMan Pro sales targets. This position complements the existing VP of Enterprise Sales who has developed sales with large clients including Oil & Gas, DOT's, and large Construction and Engineering firms;
- Product Development and Professional Services: Vasanthan Dasan and the operations team will develop and deploy ProStar's implementation methodology and revenue model for ProStar implementations. The professional services group will need to expand rapidly through staffing and partnership agreements;
- Integration and Complementary Technology: Working in conjunction with professional services, Vasanthan Dasan will lead the design and development of technologies to integrate ProStar's products into customers' existing technology environments;
- Customer Support: During the initial few implementations, the professional services group will depend on the Development group in Colorado for technical product support. Follow the first go-live, Peter Forster will manage the deployment of a separate customer support organization, distinct from research and development;
- Research and Development: Under the leadership of Vasanthan Dasan, this group will continue to develop and enhance ProStar's core mobile and cloud technologies; and
- Administrative Support Services: Led by Carl Lashua, this group will provide the operations, human resource and finance support services for the growing company.

The primary focus of the team will remain:

- The development and enhancement of ProStar's core technology;
- Sales and marketing to the US market;
- Development and deployment of professional services to support ProStar implementations; and

- Continued development and assertion of the ProStar's IP.

Other Operational Considerations:

- ProStar produces its software inhouse and is not reliant on third parties or subcontractors for software development or support.
- The expected duration of the ProStar intangible properties including its patent portfolio and trademarks provide a sufficient period of time to fully commercialize and monetize the product portfolio.
- The market segments which ProStar is currently being targeted are not considered cyclical or seasonal. However, to mitigate this potential issue, ProStar is considering an option for clients to choose on demand subscription and pricing.

Potential Competition

ProStar has reviewed the competitive landscape and there are several firms that provide similar geospatial context. Given the enormity of this market, combined with the inherent nature of evolving technologies and pressure from the public and the regulators, management expects this landscape to become far more competitive. However, many of ProStar's potential competitors are heavily entrenched in proprietary technologies and it would be difficult and require significant investment to migrate their clients from their legacy systems to more modern business practices. In addition, ProStar has developed an extensive IP portfolio and will assert its patents when necessary.

The following table identifies examples of ProStar's possible competitors:

Competitor	Website	Location
ESRI	http://www.esri.com/	Redlands, California, United States
GE Smallworld	http://www.gedigitalenergy.com/GIS.htm	United States
Bentley Systems	http://www.bentley.com/	Exton, Pennsylvania, United States
Geospatial Corporation (OTCMKTS: GSPH)	www.geospatialcorporation.com	Sarver, Pennsylvania, United States
Willbros	http://www.willbros.com/	Houston, Texas, United States
Trimble (NASDAQ: TRMB)	http://www.trimble.com/	Sunnyvale, California, United States
IBM (NYSE: IBM)	http://www.ibm.com/	Armonk, New York, United States
SAP (XETRA: SAP) (NYSE: SAP)	http://www.sap.com/	Walldorf, Baden-Württemberg, Germany
Microsoft (NASDAQ: MSFT)	http://www.microsoft.com/	Redmond, Washington, United States
Google Inc. (NASDAQ: GOOGL)	http://www.google.com/	Mountain View, California, United States
Irth Solutions	http://www.irthsolutions.com/	Columbus, Ohio, United States
GeoAMPS	http://www.geoamps.com/	Powell, Ohio, United States

Potential new competitors include mobile software companies whose products perform data collection functions that support legacy geospatial databases for example ESRI. Given the scope of our Patent portfolio, ProStar considers these to be ProStar IP license opportunities.

Facilities

The Company currently leases its head office in Grand Junction, Colorado, United States, on a month to month basis. The Company also leases an office in Boulder, Colorado, United States, for part of its development team and management anticipates opening a modest office in Vancouver, British Columbia, Canada following the completion of the Transaction.

Specialized Skills and Knowledge

All aspects of ProStar's business requires specialized skills and knowledge. Skills and knowledge in the areas of, software development, pipeline and utility industry, finance and accounting are currently key to ProStar. ProStar has retained qualified employees and consultants, including advisory board members, to conduct business equal to, or exceeding, industry standards.

Employees

As at the date hereof, ProStar has an aggregate of 19 full time employees and an aggregate of 2 independent contractors or other non-employees who supply their services under personal services contracts (whether written or oral).

ProStar's Competitive Strengths

ProStar has secured trademark protection for its brand names and has developed a comprehensive patent portfolio of its key software products, strengthening its technological advantage. See "*Proprietary Information*". The inventions included in these patents incorporate a broad range of technological knowledge, providing greater protection against competitors copying ProStar's software design and architecture, which creates a significant technological barrier to entry and is especially valuable due to the respective size and resources of ProStar's competitors.

Under the leadership of Page Tucker, ProStar has been able to attract a strong management team with industry experience and an exemplary track record, that provide ProStar with a significant competitive advantage in software development and in capturing market share.

In 2019, Mr. Vasanthan Dasan was hired as COO of ProStar. Mr. Dasan is a respected and renowned technology veteran known for driving technical strategy, innovation and execution in cloud computing. Mr. Dasan spent more than 15 years of his career at Sun Microsystems where he served as chief technologist for Sun's Cloud Computing Practice and a decade as Distinguished Engineer and CTO for Sun's \$5.1 billion SunService division.

Mr. Carl Lashua serves as VP Admin Services for ProStar. Mr. Lashua is a proven senior executive with extensive international experience building operations and program management teams. Prior to joining ProStar Mr. Lashua spent 35 years with HSBC, one of the world's leading global financial services companies. Mr. Lashua held various executive level positions in both North America and Europe including Program Director Global Change Delivery, Head of Software Delivery Europe, CIO France and CIO Canada. He has extensive experience providing business consulting, software engineering, enterprise technology deployment, change management and support services.

Mr. Matthew Breman serves as VP of Marketing. Mr. Breman is a seasoned marketing professional having held positions at both MTV/Nickelodeon and Walt Disney World Resort as well as having produced award-winning marketing as a CEO. He is a forward-thinking leader who is experienced in establishing, managing, and maintaining both message and brand. As CEO, Matthew led Cranium 360 to be recognized by Colorado Business Magazine as one of Colorado's top marketing agencies.

Future Developments

ProStar's SaaS platform, which consists of its flagship solutions Transparent Earth® and PointMan®, is commercially available and has commenced generating revenue. Further development and improvements are planned, which include the development and launch of its new application in the 4th quarter of 2020, PointMan® PRO®, which will work globally and will operate on Android, and iOS platforms.

Proprietary Information

ProStar's business relies on the value of its intellectual property, including its proprietary software and its brand. Therefore, it is important that ProStar take appropriate steps to ensure its protection, including steps to protect its software and processes from being copied by competitors and steps to reduce the risk of certain patent infringement claims by others. Currently, ProStar's patent portfolio consists of the following:

Issued U.S. Patents

US Patent 9,619,573: System and Method for Calculating Tolerance Zones for Utility Assets

Method for calculating tolerance zones for utility assets includes: receiving data about a point, a line, or an area related to a location of an utility asset in a region; receiving information about said utility asset in the region from one or more databases, wherein the received information includes two or more of a type of the utility asset, a location of the utility asset, an accuracy of the location of the utility asset, accuracy requirements for the utility asset, accuracy requirements for the region, and a map tile accuracy; calculating a tolerance zone for said utility asset in the region based on the accuracy requirements for the utility asset and one or more of said accuracy of the location of the utility asset, accuracy requirements for the region, and the map tile accuracy; and transmitting the tolerance zone to a remote device.

US Patent 9,292,813: System and Method for Collecting and Organizing Information Related to Utility Assets

A method and system for collecting information related to utility assets include determining a position of an underground utility asset by a location determining device; integrating location data from a Global positioning system (GPS) receiver with the determined position of the underground utility asset to provide information about coordinates of the position of the underground utility asset; adding characteristics of the underground utility asset including a size of the underground utility asset, to the integrated data to generate one or more data records including the information about coordinates of the position of the underground utility asset; integrating land base data with the data records for the underground utility asset; and displaying a scrolling map including the data records and a portion of the land base data.

US Patent 8,144,058: System and Method for Collecting and Updating Geographical Data

A system and method for generating a geographical data transaction including information about a topography of a region and utilities within the region. The method and system include providing information about the topography of the region; receiving information from a user collecting data related to one or more utilities in the region; receiving information about time and date of the collected data; receiving information about each of the utilities; and receiving information about location of each of the utilities. The system and method further include receiving information about revisions made to the information about the map; and integrating the received information with the information about the topography of the region into a geographical data transaction.

US Patent 8,081,112: System and Method for Collecting Information Related to Utility Assets

A method and apparatus, including software, for the development and operational use of precise utility location and utility asset management information. Field-usable data sets may be produced that meet standards of accuracy and usability that are sufficient for use by field operations personnel participating in damage prevention activities associated with ground penetrating projects (e.g., excavating, trenching, boring, driving, and tunneling) or other asset applications. Some embodiments relate to integrating utility asset data including coordinate location, and geographical information data using a consistently available and accurate coordinates reference for collecting the data and for aligning the geographical information data. Some embodiments relate to managing projects with equipment that provides real time images and the updating of the data as required with this desired accuracy.

US Patent 7,978,129: System and Method for Collecting and Updating Geographical Data

A system and method for generating a GIS data transaction including information about the topography of a region and utilities within the region. The method and system include providing information about the topography of the region; receiving information about a user collecting data related to one or more utilities in the region; receiving information about time and date of the collected data; receiving information about each of the utilities; receiving information about location of each of the utilities; receiving information about the manner of collecting data; receiving information about revisions made to the information about the map; and integrating the received information with the information about the topography of the region into a GIS data transaction.

The GIS data transaction may be used to generate a precision integrated grid and the precision integrated grid may be used to identify and locate a utility in the region. The GIS data transaction may then be displayed with reference to imagery of the area in real time.

US Patent 7,920,068: Distance Correction for Damage Prevention System

A system and method for determining a distance of a utility asset from moving equipment. The invention determines a first current location of the equipment; accesses stored coordinates for a plurality of utility assets; selects an area of interest including a portion of the plurality of utility assets; identifies local utility assets in the selected area; determines a utility asset nearest to the first current position of the equipment, from the local utility assets; determines velocity and direction of the moving equipment; and determines the distance from the nearest utility asset to the second current location of the equipment responsive to the determined velocity and direction of the equipment. The invention may then generate a warning indication responsive to the determined distance.

US Patent 7,834,806: Systems and Method for Utility Asset Data Collection and Management

A system and method for collecting utility location information: The system and method includes identifying a current location; identifying an utility asset and a location of the identified utility asset in a predetermined project area including the current location; associating the current location with the identified utility asset; in real time, integrating an imagery of the project area with the current location and the location of the identified utility asset to generate an image representation of the project area; in real time, displaying the representation of the project area comprising the current location, a representation of the utility asset and the location of the identified utility asset; integrating the obtained location with the GIS land base template including the map imagery and the infrastructure to create a precision grid including the location of the utility asset the map imagery and the infrastructure; storing the verified location of the identified utility asset and data about the type and material of the identified utility asset in a first database; and managing usage and distribution of the stored precision grid utilizing the defined project criteria, rules applied to the project and data accessibility rights.

US Patent 7,482,973 B2: Precision GPS Driven Utility Asset Management and Utility Damage Prevention System and Method

A method and apparatus, including software, for the development and operational use of precise utility location and utility asset management information. Field-useable data sets may be produced that meet standards of accuracy and usability that are sufficient for use by field operations personnel participating in damage prevention activities associated with ground penetrating projects (e.g., excavating, trenching, boring, driving, and tunneling) or other asset applications. Some embodiments relate to integrating utility asset data including coordinate location, and geographical information data using a consistently available and accurate coordinates reference for collecting the data and for aligning the geographical information data. Some embodiments relate to managing projects with equipment that provides real time images and the updating of the data as required with this desired accuracy.

US Patent 6,956,524: Method of Dynamically Tracking a Location of One or More Selected Utilities (Modification of 6,798,379)

A method of dynamically tracking a location of one or more selected utilities: A first step involves providing a portable controller having a memory. A global positioning system (GPS) co-ordinate device and a display are coupled to the controller. A second step involves storing in the memory of the controller a series of GPS co-ordinates for the one or more selected utilities within an assigned service area of a municipality. A third step involves using the GPS co-ordinate device to dynamically provide GPS co-ordinates to the controller as positioning of the GPS co-ordinate device changes. A fourth step involves using the display to display the GPS co-ordinates of the GPS co-ordinate device on a scrolling display of GPS co-ordinates, together with the series of GPS co-ordinates for the one or more selected utilities, such that the relative position of the GPS co-ordinate device to the one or more selected utilities is always known.

US Patent 6,798,379: Method of Dynamically Tracking a Location of One or More Selected Utilities

A method of dynamically tracking a location of one or more selected utilities. A first step involves providing a portable controller having a memory. A global positioning system (GPS) co-ordinate device and a display are coupled to the controller. A second step involves storing in the memory of the controller a series of GPS co-ordinates for the one or more selected utilities within an assigned service area of a municipality. A third step involves using the GPS co-ordinate device to dynamically provide GPS co-ordinates to the controller as positioning of the GPS co-ordinate device changes. A fourth step

involves using the display to display the GPS co-ordinates of the GPS co-ordinate device on a scrolling display of GPS co-ordinates, together with the series of GPS co-ordinates for the one or more selected utilities, such that the relative position of the GPS co-ordinate device to the one or more selected utilities is always known.

US Patent 6,710,741: Method and Apparatus for Determining Positioning Relative to Utility Lines

A method for determining positioning relative to utility lines. A first step involves providing a global positioning apparatus. A second step involves providing a processing unit with a display. The processing unit has stored in memory at least one geographical map depicting positioning of at least one utility line. A third step involves transferring data received from the global positioning apparatus to the processing unit and displaying on the display the positioning of the mobile machine relative to the at least one utility line on the at least one geographical map.

Issued Canadian Patents:

CA 2846173: System and method for integration and correlation of GIS data

A computer implemented method for calculating tolerance zones for utility assets. The method includes: receiving data about a point, a line, or an area related to a location of an utility asset in a region; receiving information about said utility asset in the region from one or more databases, wherein the received information includes two or more of a type of the utility asset, a location of the utility asset, an accuracy of the location of the utility asset, accuracy requirements for the utility asset, accuracy requirements for the region, and a map tile accuracy; calculating a tolerance zone for said utility asset in the region based on the accuracy requirements for the utility asset and one or more of said accuracy of the location of the utility asset, accuracy requirements for the region, and the map tile accuracy; and transmitting the tolerance zone to a remote device.

CA 2643844: System and Method for Collecting and Updating Geographical Data

A system and method for generating a GIS data transaction including information about a topography of a region and utilities within the region. The method and system include providing information about the topography of the region; receiving information about a user collecting data related to one or more utilities in the region; receiving information about time and date of the collected data; receiving information about each of the utilities; receiving information about location of each of the utilities; receiving information about the manner of collecting data; receiving information about revisions made to the information about the map; and integrating the received information with the information about the topography of the region into a GIS data transaction. The GIS data transaction may be used to generate a precision integrated grid and the precision integrated grid may be used to identify and locate a utility in the region. The GIS data transaction may then be displayed with reference to imagery of the area in real time.

CA 2574595: Precision GPS-driven Utility Asset Management and Utility Damage Prevention System and Method

A method and apparatus, including software, for the development and operational use of precise utility location and utility asset management information. Field-usable data sets may be produced to meet standards of accuracy and usability that are sufficient for use by field operations personnel participating in damage prevention activities associated with ground penetrating projects (e.g., excavating, trenching, boring, driving, and tunneling) or other asset applications. Some embodiments relate to integrating

utility asset data including coordinate location, and geographical information data using a consistently available and accurate coordinates reference for collecting the data and for aligning the geographical information data. Some embodiments relate to managing projects with equipment that provides real time images and the updating of the data as required with this desired accuracy.

CA 2632267: Distance Correction for Damage Prevention System

A system and method for determining a distance of a utility asset from moving equipment. The invention determines a first current location of the equipment; accesses stored coordinates for a plurality of utility assets; selects an area of interest including a portion of the plurality of utility assets; identifies local utility assets in the selected area; determines a utility asset nearest to the first current position of the equipment, from the local utility assets; determines velocity and direction of the moving equipment; and determines the distance from the nearest utility asset to the second current location of the equipment responsive to the determined velocity and direction of the equipment. The invention may then generate a warning indication responsive to the determined distance.

CA 2418157: Method of Dynamically Tracking a Location of One or More Selected Utilities

A method of dynamically tracking a location of one or more selected utilities. A first step involves providing a portable controller having a memory. A global positioning system (GPS) coordinate device and a display are coupled to the controller. A second step involves storing in the memory of the controller a series of GPS coordinates for the one or more selected utilities within an assigned service area of a municipality. A third step involves using the GPS coordinate device to dynamically provide GPS coordinates to the controller as positioning of the GPS coordinate device changes. A fourth step involves using the display to display the GPS coordinates of the GPS coordinate device on a scrolling display of GPS coordinates, together with the series of GPS coordinates for the one or more selected utilities, such that the relative position of the GPS coordinate device to the one or more selected utilities is always known.

CA 2423148: Apparatus for Recording Global Positioning System Co-ordinates of Components of a Utility

An apparatus for recording global positioning system co-ordinates of components of a utility includes a portable controller having a memory and a global positioning system (GPS) co-ordinate device coupled to the controller. The GPS co-ordinate device dynamically provides GPS co-ordinates to the controller as positioning of the GPS co-ordinate device changes location. A display is associated with the controller. The display displays the GPS co-ordinates of the GPS co-ordinate device on a scrolling grid of global positioning system co-ordinates. A utility identifier database is housed in the memory of the controller. The utility identifier database contains numerous symbols. Each symbol represents a particular component of a utility. An input device is coupled to the controller for selecting the symbol from the utility identifier database, which identifies the component of the utility. The controller places the selected symbol on the scrolling grid of the GPS co-ordinates and stores the symbol with GPS co-ordinates in memory for subsequent recall.

CA 2875184: System and Method for Collecting and Updating Geographical Data

A portable device for utility data collection and data management comprising: a data collection unit receiving data about an installed utility asset; a location determining unit for providing location data of the installed utility asset; a processor coupled to the data collection unit and the location determining unit for creating a data record for the installed utility asset, the data record including information about the type and location of the installed utility asset, and information about time and date of the collected

data; a transmitter for transmitting said data record to a database; a receiver for receiving a grid map based on said data record; and a display screen for displaying the location data of the installed utility asset on said grid map.

ProStar has also secured trademark protection for its brand names, which include the following:

- BLUESTAR GPS
- CLICKBEFOREYOU DIG
- EARTHWORM;
- GaaS;
- GUARDIAN PROSTAR;
- POINTMAN;
- PowerGI;
- PROSTAR GEOCORP;
- PROSTAR PRECISION INTEGRATION; and
- TRANSPARENT EARTH

Lending

ProStar has not granted any loans.

Bankruptcy and Similar Procedures

There are no bankruptcies, receivership or similar proceedings against ProStar, nor is ProStar aware of any such pending or threatened proceedings. There has not been any voluntary bankruptcy, receivership or similar proceedings by ProStar since its incorporation.

Reorganization or Restructuring

ProStar has not completed any reorganizations or restructuring transactions since its incorporation.

Significant Acquisitions and Dispositions

ProStar has not completed any significant acquisitions or dispositions in the last three financial years.

Selected Consolidated Financial Information

The following table sets out certain selected consolidated financial information of ProStar for the period indicated.

	Year Ended December 31, 2018 US\$	Year Ended December 31, 2019 US\$	Six Months Ended June 30, 2020 US\$
Total Revenues	1,400,851	1,487,828	619,669
Net income (loss), in total	(972,567)	(2,344,289)	(898,569)
Current assets	274,142	159,429	213,506
Current liabilities	501,140	2,760,793	2,811,726
Total assets	337,992	231,858	353,926
Total liabilities	13,101,208	15,147,798	16,168,435
Total Shareholder equity (Deficiency)	(12,763,216)	(14,915,940)	(15,814,509)

MD&A

The MD&A of ProStar for the six month period from December 31, 2019 to June 30, 2020 and the years ended December 31, 2019 and 2018 are attached hereto as Schedule "D", and should be read in conjunction with the ProStar financial statements and notes thereto for the corresponding periods and financial years, which are attached hereto as Schedule "C".

Description of the Securities

The authorized capital of ProStar consists of (i) 19,000,000 ProStar Common Shares of which 1,665,339 ProStar Common Shares are issued and outstanding, (ii) 6,500,000 ProStar Series A Preferred Shares of which 6,166,666 ProStar Series A Preferred Shares are issued and outstanding, (iii) 3,500,000 ProStar Series B Preferred Shares of which 1,128,672 ProStar Series B Preferred Shares are issued and outstanding, and of which approximately 2,822,590 will be issued and outstanding after the ProStar Debt Settlement (subject to change of the settlement amount of the ProStar Debt Settlement) (iv) 3,500,000 ProStar Series C Preferred Shares, all of which are issued and outstanding, and (v) 1,500,000 ProStar Series D Preferred Shares, all of which are issued and outstanding.

On June 3, 2019 ProStar issued 1,750,000 ProStar Series C Warrants in connection with the ProStar Series C Financing, exercisable into four (4) Resulting Issuer Shares at a price of \$0.56 per Resulting Issuer Share for two years from the Closing Date. On August 18, 2020, ProStar also issued 750,000 ProStar Series D Warrants in connection with the ProStar Series D Financing, which are also exercisable into four (4) Resulting Issuer Shares at a price of \$0.56 per Resulting Issuer Share for two years from the Closing Date.

Holders of ProStar Shares are entitled to vote at all meetings of shareholders, to receive dividends if, as and when declared by the directors and to participate rateably in any distribution of property or assets upon the liquidation, winding-up or other dissolution of the company. The ProStar Shares carry no pre-emptive rights, redemption, retraction, repurchase, sinking fund or purchase fund provisions. There are

no provisions requiring the holder of ProStar Shares to contribute additional capital and no restrictions on the issuance of additional securities by ProStar.

Holders of ProStar Preferred Shares must be paid dividends first, or concurrently with the payment of dividends to holders of ProStar Common Shares. In the event of liquidation or dissolution or winding up of ProStar, the assets of ProStar shall be paid out to the ProStar Shareholders in the following order:

1. holders of ProStar Series D Preferred Shares;
2. holders of ProStar Series C Preferred Shares;
3. holders of ProStar Series B Preferred Shares;
4. holders of ProStar Series A Preferred Shares;
5. holders of ProStar Common Shares.

Dividends

ProStar has not declared or paid any dividends since incorporation. The payment of dividends on the ProStar Shares in the future will depend on the earnings and financial conditions of ProStar and such other factors as its board of directors may consider appropriate

Consolidated Capitalization

The following table sets forth the consolidated capitalization of ProStar as at June 30, 2020 and as at the date of this Circular:

Designation of Security	Authorized	Outstanding as at June 30, 2020	Outstanding as at the date of this Circular
ProStar Common Shares	19,000,000	1,665,339	1,665,339
ProStar Series A Preferred Shares	6,500,000	6,166,666	6,166,666
ProStar Series B Preferred Shares	3,500,000	1,128,672	1,128,672
ProStar Series C Preferred Shares ⁽¹⁾	3,500,000	3,500,000	3,500,000
ProStar Series D Preferred Shares ⁽²⁾	1,500,000	0	1,500,000
ProStar Series C Warrants ⁽¹⁾⁽³⁾	1,750,000	1,750,000	1,750,000
ProStar Series D Warrants ⁽²⁾⁽⁴⁾	750,000	0	750,000

Notes:

- (1) Issued pursuant to the ProStar Series C Financing.
- (2) Issued pursuant to the ProStar Series D Financing.
- (3) Represents 1,750,000 ProStar Series C Warrants exercisable at a price of \$0.56 per Resulting Issuer Share for two years from the Closing Date, subject to the ProStar Acceleration Right. On the Closing Date, each

outstanding ProStar Series C Warrant shall be converted into a warrant to acquire, on the same terms and conditions as were applicable to such ProStar Series C Warrant, four (4) Resulting Issuer Shares at an exercise price of \$0.56 per Resulting Issuer Share.

- (4) Represents 750,000 ProStar Series D Warrants exercisable at a price of \$0.56 per Resulting Issuer Share for two years from the Closing Date, subject to the ProStar Acceleration Right. On the Closing Date, each outstanding ProStar Series D Warrant shall be converted into a warrant to acquire, on the same terms and conditions as were applicable to such ProStar Series D Warrant, four (4) Resulting Issuer Shares at an exercise price of \$0.56 per Resulting Issuer Share.

Prior Sales

The table below sets forth the details of the price at which securities have been issued or are to be issued by ProStar, the number of securities issued at that price and the date on which the securities were issued for the 12-month period before the date of this Circular.

Date of Issuance	Number and Type of Securities	Price per Common Share/Exercise Price per Security	Reason for Issuance
August 18, 2020	1,500,000 ProStar Series D Preferred Shares	USD\$1.00	Issued pursuant to ProStar Series D Financing
August 18, 2020	750,000 ProStar Series D Warrants	\$0.56 ⁽¹⁾	Issued pursuant to the ProStar Series D Financing

Notes

- (1) Exercisable at a price of \$0.56 per Resulting Issuer Share for two years from the Closing Date, subject to the ProStar Acceleration Right. On the Closing Date, each outstanding ProStar Series D Warrant shall be converted into a warrant to acquire, on the same terms and conditions as were applicable to such ProStar Series D Warrant, four (4) Resulting Issuer Shares for each ProStar Series D Preferred at an exercise price of \$0.56 per Resulting Issuer Share.

Stock Exchange Price

The ProStar Shares are not listed or quoted on any stock exchange.

Principal Shareholders

To the knowledge of the directors and executive officers of ProStar, there are no persons who beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of the ProStar Shares on a non-diluted basis as of the date of this Circular.

Executive Compensation

ProStar was not a reporting issuer at any time during the most recently completed financial period and does not have in place any formal compensation policies. ProStar relies solely on its board of directors to determine the executive compensation that is to be paid to NEOs and directors without any formal objectives, criteria, or analysis.

ProStar has not granted any security-based awards, does not have any pensions plans, and does not have any contracts with directors or officers that includes compensation in the event of resignation, retirement or other termination.

Director and NEO compensation, excluding compensation securities

For the purposes hereof, a NEO of ProStar means each of the following individuals:

- (a) the CEO of ProStar;
- (b) the CFO of ProStar;
- (c) each of the three most highly compensated Executive Officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000. "Executive Officer" means the chairman, and any vice-chairman, president, secretary or any vice-president and any officer of ProStar or a subsidiary who performs a policymaking function in respect of ProStar; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of ProStar, nor acting in a similar capacity, at the end of that financial year.

As of the date hereof, the following individuals are NEOs of ProStar:

- (a) Page Tucker, President and CEO;
- (b) Vasanthan Dasan, Chief Operating Officer; and
- (c) Jonathan Richards, Treasurer.

The following table sets forth, for the financial years ended December 31, 2019, 2018 and 2017, all compensation (other than stock options and other compensation securities) paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company, or a subsidiary of the Company, to each NEO and director, in any capacity.

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES							
Name and Principal Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$) ⁽¹⁾⁽²⁾	Value of All Other Compensation (\$)	Total Compensation (\$)
Page Tucker ⁽³⁾ President, CEO and Director	2019	USD \$150,000	USD \$50,000	Nil	Nil	Nil	USD \$200,000
	2018	USD \$150,000	USD \$50,000	Nil	Nil	Nil	USD \$200,000
	2017	USD \$150,000	USD \$50,000	Nil	Nil	Nil	USD \$200,000
Vasanthan Dasan ⁽⁴⁾ COO	2019	USD \$189,041	Nil	Nil	Nil	Nil	USD \$189,041

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES							
Name and Principal Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$) ⁽¹⁾⁽²⁾	Value of All Other Compensation (\$)	Total Compensation (\$)
Jonathan Richards ⁽⁵⁾ Treasurer	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes

- (1) Includes perquisites provided to an NEO or director that are not generally available to all employees. An item is generally a perquisite if it is not integrally and directly related to the performance of the director's or NEO's duties. If something is necessary for a person to do his or her job, it is integrally and directly related to the job and is not a perquisite, even if it also provides some amount of personal benefit. For the purposes of the table, perquisites are valued on the basis of the aggregate incremental cost to the Company and its subsidiaries.
- (2) NEOs and directors whose total salary for the applicable financial year was \$150,000 or less did not receive perquisites that, in aggregate, were greater than \$15,000. NEOs and directors whose total salary for the applicable financial year was greater than \$150,000 but less than \$500,000 did not receive perquisites that, in aggregate, were greater than 10% of the NEO's or director's salary for the applicable financial year.
- (3) Mr. Tucker is a director of ProStar, but does not receive any compensation in such capacity.
- (4) Mr. Dasan was appointed COO on January 21, 2019 and receives an annual salary of USD\$200,000.
- (5) Jonathan Richards controls Red Fern Consulting Ltd., a private company which provides accounting and consulting services to public companies. Red Fern Consulting Ltd. currently has an informal arrangement with ProStar whereby it is reimbursed for bookkeeping, accounting and CFO activities based on the hours required to perform the necessary services. It is estimated that Red Fern will charge an average of US\$7,500 per month.

External Management Companies

None of the NEOs or directors of ProStar have been retained or employed by an external management company, which has entered into an understanding, arrangement or agreement with the Company to provide executive management services to the Company, director or indirectly, other than those set out below under "*Employment Contracts, Termination Benefits and Change of Control Benefits*".

Employment Contracts, Termination Benefits and Change of Control Benefits

Other than as disclosed below, ProStar does not have any compensation agreements or arrangements that ProStar has entered into with respect to services provided by a NEO, a director or any other party in the event such services provided are typically provided by a director or NEO.

Jonathan Richards controls Red Fern Consulting Ltd. ("**Red Fern**"), a private company which provides accounting and consulting services to public companies. Red Fern currently has an informal arrangement with ProStar whereby Red Fern is reimbursed for bookkeeping, accounting and CFO activities based on the hours required to perform the necessary services. It is estimated that Red Fern will charge an average of US\$7,500 per month.

Director Compensation

To date, ProStar has not paid any cash compensation to its independent directors.

Management Contracts

Management functions of ProStar are not performed to any substantial degree by persons other than the directors and senior officers of ProStar.

Non-Arm's Length Party Transaction

Since incorporation, ProStar has not completed any mergers of assets or services or provisions of assets or services from (i) any director or officer of the company, (ii) an Insider of the company, either before or after giving effect to the Transaction; or (iii) an Associate or Affiliate of any Person described in (i) or (ii).

Legal Proceedings

ProStar is not a party to any legal proceedings currently material to it or of which any of its property is the subject matter, and no such proceedings are known by ProStar to be contemplated.

Auditor, Transfer Agent and Registrar

The independent auditor of ProStar is Davidson and Company LLP. ProStar does not have a registrar or transfer agent.

Material Contracts

Except for contracts entered into in the ordinary course of business, the only contracts entered into by ProStar in the two years immediately prior to the date hereof that can reasonably be regarded as presently material to ProStar are as follows:

- (a) the Merger Agreement.

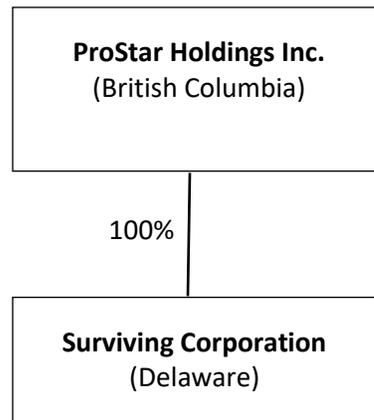
All of the contracts specified above may be inspected at the head office of ProStar at 760 Horizon Dr Suite 200, Grand Junction, CO 81506, USA during normal business hours up to the Closing Date and for a period of 30 days thereafter.

INFORMATION CONCERNING THE RESULTING ISSUER

The following information is presented on a post-Transaction basis and is reflective of the business, financial and share capital position of the Company, as the Resulting Issuer, after giving effect to the Transaction. This section only includes information respecting the Resulting Issuer after the Transaction that is materially different from information provided earlier in this Circular under "*Information Concerning the Company*" and "*Information Concerning ProStar*".

Corporate Structure

The following chart illustrates the anticipated organizational structure of the Resulting Issuer after giving effect to the Transaction:



The Resulting Issuer's head office will remain located at 760 Horizon Drive, Suite 200, Grand Junction, CO 81506, USA. The Resulting Issuer's registered and records office will be 10th Floor, 595 Howe Street, Vancouver, BC V6C 2T5.

Narrative Description of the Business of the Resulting Issuer

Stated Business Objectives

The Resulting Issuer's principal business will be to provide geospatial intelligence software as a service to the pipeline and utility industry and it will continue to pursue the business plans as described in "*Information Concerning ProStar – General Development of the Business*" above.

Milestones

To accomplish the foregoing business objectives, the Resulting Issuer will target the following milestones, which are to be satisfied through a combination of the net proceeds available from the Concurrent Financing and cash generated from the ongoing operations of the Resulting Issuer:

- (a) The Resulting Issuer intends to finalize the development of its new Pointman Pro Solution by Q4 of 2020, with an expected launch date in Q1 of 2021. ProStar estimates the costs associated with the foregoing to be approximately \$100,000.

- (b) The Resulting Issuer intends to sustain and continue expanding its patent portfolio on an ongoing basis. ProStar estimates the costs associated with the foregoing to be approximately \$100,000 per annum.
- (c) The Resulting Issuer intends to formalize a strategic partnership with a European partner to launch its new Pointman Pro Solution by Q4 of 2021. ProStar estimates the costs associated with the foregoing to be approximately \$250,000.
- (d) The Resulting Issuer intends to formalize a strategic partnership with an Asia Pacific partner to launch its new Pointman Pro Solution by Q1 of 2022. ProStar estimates the costs associated with the foregoing to be approximately \$250,000.

The above milestones may change at any time depending on market conditions and are subject to various risks associated with closing, including the satisfaction of standard conditions for transactions of this nature and the entering into of definitive agreements, as applicable, on terms acceptable to the Resulting Issuer, as well as financing risks. There is no certainty that potential transactions will be completed on the terms anticipated or at all. See "*Risk Factors*".

Description of the Securities

Upon the Closing of the Transaction, the authorized share structure of the Resulting Issuer will be the same as the authorized share structure of the Company. See "*Information Concerning the Company – Description of Securities*".

Pro Forma Consolidated Capitalization

The following table sets forth the capitalization of the Resulting Issuer after giving effect to the Transaction based on the pro forma financial statements of the Resulting Issuer attached as Schedule "E" hereto:

Designation of Security	Amount Authorized	Amount Outstanding After Giving Effect to the Transactions
Common Shares	Unlimited	89,676,813
Options	10% of Common Shares	7,000,000 ⁽¹⁾
Warrants	Unlimited	17,878,937 ⁽²⁾⁽³⁾⁽⁴⁾

Notes

- (1) The Company intends to grant 7,000,000 stock options to directors, officers and employees of the Company. The options will vest over a period of two years, be exercisable at a price of CDN\$0.40, and have a term of 5 years.
- (2) 10,000,000 warrants, pursuant to the conversion of the ProStar Warrants in connection to the Merger, each exercisable into one Resulting Issuer Share at an exercise price of \$0.56 per Resulting Issuer Share for a period of 24 months following the Closing Date.
- (3) 7,000,000 warrants, each exercisable into one Resulting Issuer Share at an exercise price of \$0.60 per Resulting Issuer Share for a period of 24 months following the Concurrent Financing. Assumes that no Doxa Warrants issued pursuant to the Concurrent Financing are issued prior to the Closing Date.

- (4) 878,937 non-transferable finder's warrants, each exercisable into Resulting Issuer Share at an exercise price of \$0.40 per Resulting Issuer Share for a period of 24 months following the Closing Date.

Fully diluted Share Capital

The following table states the anticipated fully diluted share capital of the Resulting Issuer after giving effect to the Transaction and the conversion of the Subscription Receipts issued pursuant to the Concurrent Financing into Doxa Units:

Description of Security	Number of Securities	% of Total
Doxa Shares issued and outstanding post-Doxa Debt Settlement and Consolidation	13,058,433	11.40%
Company Shares to be issued to ProStar Shareholders pursuant to the Merger	62,618,380	54.66%
Resulting Issuer Shares reserved for issuance on exercise of ProStar Series C Warrants and the ProStar Series D Warrants	10,000,000	8.73%
Doxa Shares to be issued pursuant to the Concurrent Financing	14,000,000	12.22%
Resulting Issuer Shares reserved for issuance on exercise of Doxa Warrants issued pursuant to the Concurrent Financing	7,000,000	6.11%
Resulting Issuer Shares reserved for issuance on exercise of Doxa Warrants issued as finder's warrants pursuant to the Concurrent Financing	878,937	0.77%
Resulting Issuer Shares reserved for issuance on exercise of stock options intended to be granted on completion of the transaction	7,000,000	6.11%
Total	114,555,750	100%

Available Funds and Principal Purposes

Available Funds

As of the most recent month end prior to the date of this Circular, the Company has working capital deficit of approximately \$1,000 and ProStar had working capital of approximately \$327,000. The Company raised net proceeds of \$5,173,425 (\$5,600,000 less finders' commissions of \$351,575 and estimated costs of \$75,000) in the Concurrent Financing and have the following available funds once final Exchange acceptance has been obtained for the Transaction.

Upon Closing of the Transaction, the Resulting Issuer will have approximately \$5,499,000 of estimated funds available, comprised of:

approximate working capital deficit of the Company as at the most recent month end prior to the date of this Circular	(\$1,000)
approximate working capital of ProStar as at the most recent month end prior to the date of this Circular	\$327,000
approximate net proceeds of the Concurrent Financing (\$5,600,000 less finders' commission of \$351,575 and estimated costs of \$75,000)	\$5,173,000
TOTAL:	\$5,499,000

Principal Purpose of Funds

The Resulting Issuer will spend the funds available to it upon Closing to further the Resulting Issuer's stated business objectives. There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary in order for the Resulting Issuer to achieve its stated business objectives.

The Resulting Issuer, in order to complete a successful program, may require additional capital which may come from a combination of existing cash flow, potential cash flow, equity financing and/or debt financing or through new joint ventures. There is no assurance that additional capital will be available to the Resulting Issuer to complete a successful program or that the terms of such capital will be favourable. Failure to obtain additional capital could result in the delay or indefinite postponement of such program. See "*Risk Factors*".

The following table sets out the principal purposes, using approximate amounts, for which the Resulting Issuer currently intends to use the total available funds in the amount of \$5,938,425 after giving effect to Transaction.

Item	Budgeted Expenditures
Estimated costs of Doxa to complete the Transaction	\$85,000
Estimated Costs of the Company and ProStar to complete the Transaction	\$200,000
Payment of outstanding ProStar debt assumed by the Resulting Issuer	\$875,000
(Gross margin)	(\$1,454,000)
Sales and Marketing	\$950,000
Research and Development	\$1,368,000
Salaries and Consulting Fees	\$750,000
Patent and License Fees	\$443,000
General and administrative expenses for the next 12 months	\$1,400,000
Unallocated working capital	\$882,000
Total	\$5,499,000

Dividends

The proposed management and directors of the Resulting Issuer do not anticipate declaring any dividends payable on the Resulting Issuer Shares. The Resulting Issuer will have no restrictions on paying dividends, but if the Resulting Issuer generates earnings in the foreseeable future, it expects that they will be retained to finance growth. The directors of the Resulting Issuer will determine if and when dividends should be declared and paid in the future based upon the Resulting Issuer's financial position at the relevant time. All Resulting Issuer Shares will be entitled to an equal share in any dividends declared and paid.

Principal Securityholders

To the knowledge of the directors and senior officers of the Company and ProStar, upon completion of the Transaction, Page Tucker is anticipated to be the only person who will beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of the voting securities (being Resulting Issuer Shares) of the Resulting Issuer. Page Tucker will hold 10,173,472 Resulting Issuer Shares representing approximately 11.34% of the Resulting Issuer's shares upon completion of the Transaction. Resulting Issuer Shares held by Mr. Tucker will be subject to escrow restrictions pursuant to the Value Escrow Agreement.

Directors, Officers and Promoters

Herb McKim, Page Tucker, Jonathan Richards, Vasanthan Dasan and Paul McKenzie will be appointed as directors of the Resulting Issuer. Page Tucker will also be appointed the CEO of the Resulting Issuer, Jonathan Richards will be appointed the CFO and Corporate Secretary and Vasanthan Dasan will be appointed the COO.

The term of office of each of the present directors expires at the Company's next annual general meeting. Each director elected or appointed will hold office until the next annual general meeting of the Resulting Issuer or until his or her successor is elected or appointed, unless his or her office is earlier vacated in accordance with the Articles of the Resulting Issuer or with the provisions of the BCBCA.

The following table sets out the names of the proposed directors and officers of the Resulting Issuer, the municipality in which each is ordinarily resident, all offices of the Resulting Issuer proposed to be held by each of them, their principal occupations during the past five years and the expected number of Resulting Issuer Shares beneficially owned by each, directly or indirectly, or over which control or direction is exercised, following completion of the Transaction.

Name, Municipality of Residence, Proposed Offices	Principal Occupation During Last Five Years	Prior Position with the Company or ProStar and Term of Such Position	Number of Resulting Issuer Shares upon completion of the Transaction ⁽¹⁾⁽²⁾	Percentage of Class Held or Controlled on completion of the Transaction
Page Tucker Grand Junction, Colorado, USA <i>CEO and Director</i>	Director and CEO of ProStar since incorporation	Director and CEO since incorporation	10,173,472	11.34%
Jonathan Richards Vancouver, British Columbia, Canada <i>CFO, Corporate Secretary and Director</i>	Financial consultant, CFO and Corporate Secretary for private companies and various TSX and TSXV issuers.	Director and Treasurer since March 2020	700,000	0.78%
Vasanthan Dasan Boulder, Colorado, USA <i>COO and Director</i>	Head of software development at Colorado University of Boulder	COO from February, 2019	1,250,000	1.39%
Paul McKenzie Vancouver, British Columbia, Canada <i>Director</i>	CEO and Director of NexOptic Technology Corp Director of DeepMarkit Corp.	Director of Doxa since 2009.	1,005,294	1.12%
Herb McKim Florida, USA <i>Director</i>	President of McKim & Creed, Inc.	Director and Chairman of ProStar since incorporation.	2,852,884	3.18%
Total			15,981,650	17.81%

Notes:

- (1) Includes all post-Consolidation Doxa Shares and all Resulting Issuer Shares to be issued pursuant to the Transaction, including all Resulting Issuer Shares issued in connection with the ProStar Debt Settlement and the Doxa Debt Settlement, as applicable.
- (2) Upon completion of the Transaction, Mr. Vasanthan Dasan will also hold warrants which are exercisable into 100,000 Resulting Issuer Shares.

The Resulting Issuer's audit committee consist of Paul McKenzie, Herb McKim and Vasanthan Dasan. Each of Paul McKenzie and Herb McKim are independent members of the audit committee. All members are considered to be financially literate.

A member of the audit committee is independent if the member has no direct or indirect material relationship with the Resulting Issuer. A material relationship means a relationship which could, in the view of the Resulting Issuer's board of directors, reasonably interfere with the exercise of a member's independent judgment.

A member of the audit committee is considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of

accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Resulting Issuer.

Management and Directors

The following is a brief description of the key management and directors of the Resulting Issuer.

Page Tucker, age 57, CEO and Director

Mr. Tucker has an extensive background in technology start-ups, including development, marketing, recruiting, capital financing and executive management. Mr. Tucker first became known as a technology visionary in the automotive industry for combining data mining and predictive modeling with geographic information systems. Mr. Tucker was the founder of Impact Solutions, Inc., a San Francisco based company he formed to provide state-of-the-art customer acquisition and retention solutions to the automotive industry. Impact Solutions, Inc. successfully implemented its innovative database marketing services to both automotive franchises and manufactures throughout the United States. Mr. Tucker reorganized Impact and formed e-auto business which leveraged Impact products and services and pioneered the development of a web-based customer-relationship management solution that provided services to well over 900 dealerships throughout the United States before being acquired. Mr. Tucker went on to form ProStar and in 2016 the Colorado Technology Association named him Entrepreneur of the Year for his efforts and innovations in developing geospatial intelligence software.

Jonathan Richards, age 40, CFO, Corporate Secretary and Director

Mr. Richards has over a decade of accounting and finance experience. He has accumulated extensive experience with Toronto Stock Exchange and venture-listed companies, as well as numerous private companies all over the world. His professional experience has included officer and director positions on the TSX and TSXV; experience in various debt and equity financings; implementation of ERP systems; managing domestic and international tax planning strategies; and implementation of corporate governance and internal control policies. Mr. Richards holds a bachelor's degree in management studies with first-class honours from the University of Waikato, New Zealand, started his career at KPMG in the audit and assurance division, and is a member of the Chartered Professional Accountants of British Columbia as well as Chartered Accountants of Australia and New Zealand.

Vasanthan Dasan, age 60, COO and Director

Mr. Dasan is responsible for building, managing and leading the product management, software development, development operations, professional services and customer success at ProStar. He will be managing ProStar teams in Grand Junction, Colorado, Raleigh, North Carolina and Vancouver, British Columbia. A veteran of driving technical strategy and execution in cloud computing, Vasanthan (Vasa) joined ProStar from University of Colorado Boulder's Office of Information Technology where he served as head of software development. Prior to that, Mr. Dasan was the VP of Engineering at Symplified, a single sign-on startup acquired by RSA a division of EMC-DELL. Prior to Symplified, Mr. Dasan was the first engineering hire at Wayin, a mobile and web engagement platform founded by Scott McNealy. As CTO, Mr. Dasan built and led the team that developed Wayin's services for iPhone, iPad and Android devices, social media applications including Facebook and Twitter, and Java backend services operating on Amazon Web Services. Mr. Dasan spent more than 15 years of his career at Sun Microsystems. He served a chief technologist for the company's Cloud Computing Practice, and he spent more than a decade as Distinguished Engineer and CTO for Sun's \$5.1 billion SunService division. He joined Sun as a staff engineer for SunSoft and worked on Solaris Operating System. Before Sun, Mr. Dasan held

engineering positions at Intergraph and Hewlett Packard. Mr. Dasan holds a BS. in Engineering Physics, a MA in Mathematics and Statistics and a MS in Computer Science from Bowling Green State University, and did his PhD work in Computer Science at Colorado State University. Mr. Dasan served as adjunct faculty at Computer Science and Engineering Management at University of Colorado at Boulder. Mr. Dasan has several patents and publications to his credit including the highly referenced US patent 5,761,662 on personalization of Web, and the Prentice Hall book, Hands-on Intranet.

Paul McKenzie, age 57, Director

Mr. McKenzie brings 25 years of capital and public market experience to his role as Director. Mr. McKenzie is Co-founder and currently the CEO of NexOptic Technology Corp., a company with partner relationships with NVIDIA, Qualcomm and others. Mr. McKenzie has served as a Co-Founder, CEO, CFO, Director and Officer of various Canadian publicly listed companies. He has been integral in raising an excess of US\$100 million for his associated companies.

Herb McKim, age 67, Director

Mr. McKim co-founded engineering firm McKim Creed in 1978 and has acted in various leadership roles including President and COO until 2009. Under Mr. McKim's leadership McKim Creed grew to employ over 500 people in 22 offices through the USA. Mr. McKim has served on various private and start-up Company Boards. Mr. McKim holds a BS in Civil and Structural Engineering, a MCE in Structural Engineering and an MBA from the University of North Carolina.

Promoter Consideration

The Resulting Issuer does not expect to have any promoters other than its directors and officers, nor has Doxa or ProStar had a promoter other than such persons within the two years immediately preceding the date of this Circular. No one should be considered a promoter outside of Board and Management.

Corporate Cease Trade Orders or Bankruptcies

As at the date of this Circular and within the ten years before the date of this Circular, no director, officer or proposed director or officer, promoter or any shareholder anticipated to hold sufficient securities of the Resulting Issuer to affect materially the control of the Resulting Issuer is or has been a director, officer or promoter of any company (including the Resulting Issuer) that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

To the knowledge of the Resulting Issuer, no current or proposed director, officer, promoter or shareholder holding a sufficient number of securities of ProStar or the Company to affect materially the control of ProStar or the Company has:

- (a) been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would be likely to be considered important to a reasonable security holder making a decision about the Transaction.

Personal Bankruptcies

To the knowledge of the Resulting Issuer, there has been no current or proposed director, officer, promoter, or any shareholder anticipated to hold sufficient securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, or a personal holding company of any such person, that has, within the ten years prior to the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

Conflicts of Interest

Directors and officers of the Resulting Issuer also serve as directors and/or officers of other companies and may be presented from time to time with situations or opportunities which give rise to apparent conflicts of interest which cannot be resolved by arm's length negotiations, but only through exercise by the officers and directors of such judgment as is consistent with their fiduciary duties to the Resulting Issuer which arise under British Columbia corporate law, especially insofar as taking advantage, directly or indirectly, of information or opportunities acquired in their capacities as directors or officers of the Resulting Issuer. All conflicts of interest will be resolved in accordance with the BCBCA. Any transactions with officers and directors will be on terms consistent with industry standards and sound business practice in accordance with the fiduciary duties of those persons to the Resulting Issuer, and, depending upon the magnitude of the transactions and the absence of any disinterested board members, may be submitted to the shareholders for their approval.

For information concerning the director and officer positions held by the proposed directors of the Resulting Issuer, please see "*Other Reporting Issuer Experience*" directly below.

Other Reporting Issuer Experience

The following table sets out the proposed directors, officers and promoters of the Resulting Issuer who are, or have been within the last five years, directors, officers or promoters of other reporting issuers, other than the Company:

Name of Director, Officer or Promoter	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position	Period
Jonathan Richards	Fosterville South Exploration Ltd	TSXV	CFO	Apr 2020 to present
	Turmalina Metals Corp.	TSXV	CFO	Dec 2019 to present
	European Electric Metals Inc.	TSXV	CFO	Dec 2019 to Present
	Meridian Mining Societas Europea	TSXV	CFO	Feb 2014 to Feb 2018 and Jul 2018 to Apr 2020
	Volcanic Gold Mines Inc.	TSXV	CFO	Dec 2010 to Mar 2017
	Inform Resources Corp.	TSXV	CFO	Oct 2011 to Sep 2016
Paul McKenzie	Deep Markit Corp.	TSXV	Director	May 2010 to present
	Nexoptic Technology Corp.	TSXV	CEO	Apr 2019 to present
			President and Chief Business Officer	Aug 2015 to present

Executive Compensation

For the purposes of this section Named Executive Officers ("**NEO**") are the proposed Chief Executive Officer of the Resulting Issuer and each of the three most highly compensated executive officers who are proposed to serve as executive officers of the Resulting Issuer for the 12 month period following the Transaction. Based on the above criteria, the only NEOs for the Resulting Issuer are expected to be Page Tucker (CEO), Jonathan Richards (CFO and Corporate Secretary) and Vasanthan Dasan (COO) for the 12 month period after giving effect to the Transaction.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets forth a summary of all compensation, excluding compensation securities, the Resulting Issuer anticipates it will pay to the executive officers and Directors of the Resulting Issuer in the 12 month periods after giving effect to the Transaction:

Name and Position	Salary, Consulting Fee, Retainer or Commission US(\$)	Bonus US(\$)	Committee or Meeting Fee (\$)	Value of Perquisites (\$)	Value of all Other Compensation (\$)	Total Compensation US(\$)
Page Tucker CEO and Director	150,000	50,000	Nil	Nil	Nil	\$200,000
Jonathan ⁽¹⁾ Richards CFO, Corporate Secretary and Director	90,000	22,500	Nil	Nil	Nil	\$112,500
Vasanthan Dasan COO and Director	200,000	50,000	Nil	Nil	Nil	\$250,000

Notes:

- (1) Jonathan Richards controls Red Fern Consulting Ltd, a private Company which provides accounting and consulting services to public companies. Red Fern currently has an informal arrangement with ProStar whereby Red Fern is reimbursed for bookkeeping, accounting and CFO activities based on the hours required to perform the necessary services. It is estimated that Red Fern will charge an average of US\$7,500 per month.

Stock Options and Other Compensation Securities

The Resulting Issuer intends to grant 7,000,000 stock options to directors, officers and employees of the Company. The options will vest over a period of two years, be exercisable at a price of CDN\$0.40 and have a term of 5 years. The Resulting Issuer has not made any determination regarding the allocation of the stock option grants to directors, officers and employees.

Employment, Consulting and Management Agreements

The Resulting Issuer expects to enter into agreements with Page Tucker, which will provide for a payment equal to one year's salary in connection with termination (other than "for cause") or a change of control of the Company.

Pension Plan Benefits

The Resulting Issuer does not anticipate having a pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement.

Compensation of Directors

The Resulting Issuer is not expected to pay compensation to any of its directors for services as a director.

Indebtedness of Directors and Officers

No director, officer, promoter, or proposed member of management or appointment as a director of the Resulting Issuer, nor any of their Associates or Affiliates, is or has been indebted to the Company or ProStar since the commencement of the Company or ProStar's last completed financial year, nor is any such person expected to be indebted to the Resulting Issuer on the completion of the Transaction.

Investor Relations Arrangements

At this time, the Resulting Issuer does not expect to enter into any written or oral agreement or understanding with any person to provide any promotional or investor relations services for the Resulting Issuer or its securities or to engage in activities for the purpose of stabilizing the market.

Options to Purchase Securities

The Resulting Issuer intends to retain the Company's 10% rolling stock option plan following the Completion Date.

Following the Completion of the Transaction, the Board of the Resulting Issuer is expected to grant 7,000,000 options to the new directors and other eligible persons, at the discretion of the Board and pursuant to the Option Plan and Exchange Policies. The following table sets out information on the expected option grants upon completion of the Transaction to the extent presently known and subject to applicable regulatory approvals.

Holder	Number of Company Shares Issuable if Option is Fully Exercised ⁽¹⁾	Exercise Price	Expiry Date
Officers of the Resulting Issuer ⁽²⁾	3,000,000	\$0.40	5 years from the Closing Date
Non-executive directors of the Resulting Issuer ⁽³⁾	1,350,000	\$0.40	5 years from the Closing Date
Employees of the Resulting Issuer	2,100,000	\$0.40	5 years from the Closing Date
Consultants of the Resulting Issuer	550,000	\$0.40	5 years from the Closing Date
Total:	7,000,000		

Notes:

- (1) The options will vest over a period of two years.
- (2) Comprised of the following three (3) officers: Page Tucker, Jonathan Richards and Vasanthan Dasan.
- (3) Comprised of the following two (2) non-executive directors: Paul McKenzie and Herb McKim.

Escrowed Securities and Securities Subject to Resale Restrictions

The following table lists, to the knowledge of the Company and ProStar as of the date of this Circular, the holders of escrowed securities or securities subject to resale restrictions under the Doxa Pooling Agreement or the ProStar Pooling Agreement, the number of securities held in escrow or subject to resale restrictions, and the percentage of securities held in escrow or subject to resale restrictions by each person who will be a holder of escrowed securities or securities subject to resale restrictions before and after the Transaction.

Name and Municipality of Residence of Security Holder	Before Giving Effect to the Transaction		After Giving Effect to the Transaction	
	Number of Securities Held in Escrow or Subject to Resale Restrictions	% of Class	Number of Resulting Issuer Shares to be held in Escrow or Subject to Resale Restrictions	% of Class
Page Tucker Grand Junction, Colorado, USA	Nil	Nil	10,173,472 ⁽¹⁾	11.34%
Paul McKenzie Vancouver, B.C.	Nil	Nil	1,005,294 ⁽¹⁾	1.12%
Herb McKim Ocala, Florida, USA	Nil	Nil	2,852,884 ⁽¹⁾	3.18%
Jonathan Richards Vancouver, B.C.	Nil	Nil	700,000 ⁽¹⁾	0.78%
Vasanthan Dasan Boulder, Colorado, USA	Nil	Nil	1,250,000 ⁽¹⁾⁽⁵⁾	1.39%
Armada Investments Ltd. Vancouver, B.C.	Nil	Nil	500,001 ⁽²⁾	0.56%
Carl Lashua Grand Junction, Colorado, USA	Nil	Nil	100,000 ⁽¹⁾ 100,000 ⁽²⁾	0.22%
Edward Evans Bangkok, Thailand	Nil	Nil	350,000 ⁽²⁾	0.39%
Harvco LLC Fort Worth, Texas, USA	Nil	Nil	1,700,000 ⁽²⁾	1.90%
Ranjeet Sundher West Vancouver, B.C.	Nil	Nil	350,000 ⁽²⁾	0.39%
Samantha Shorter Vancouver, B.C.	Nil	Nil	309,600 ⁽²⁾	0.35%
Allen Coombs Grand Junction, Colorado, USA	Nil	Nil	206,716 ⁽¹⁾	0.23%

Name and Municipality of Residence of Security Holder	Before Giving Effect to the Transaction		After Giving Effect to the Transaction	
	Number of Securities Held in Escrow or Subject to Resale Restrictions	% of Class	Number of Resulting Issuer Shares to be held in Escrow or Subject to Resale Restrictions	% of Class
ASM Holdings LLC Grand Junction, Colorado, USA	Nil	Nil	604,700 ⁽¹⁾ 595,300 ⁽³⁾	1.34%
Barbara Lee Jackson Chestermere, Alberta	Nil	Nil	720,000 ⁽³⁾	0.8%
Brant Westmark Grand Junction, Colorado, USA	Nil	Nil	33,300 ⁽¹⁾	0.04%
Brian White Boulder, Colorado, USA	Nil	Nil	85,784 ⁽¹⁾	0.10%
BrightMark Technology Holdings, LLC Hamilton, Montana, USA	Nil	Nil	2,500,000 ⁽³⁾	2.79%
Caleb Braden Hall Grand Junction, Colorado, USA	Nil	Nil	520,000 ⁽¹⁾	0.58%
Carey J. Wheeler Grand Junction, Colorado, USA	Nil	Nil	80,000 ⁽³⁾	0.09%
Carl A. Lashua and Eileen A. Blanchard, Joint Tenants Grand Junction, Colorado, USA	Nil	Nil	1,111,112 ⁽³⁾	1.24%
Conquest Developments, LLC Grand Junction, Colorado, USA	Nil	Nil	210,312 ⁽³⁾	0.23%
Cynthia Conkle-Richards Fruita, Colorado, USA	Nil	Nil	683,976 ⁽³⁾	0.76%
Daniel Edward Colby Wake Forest, North Carolina, USA	Nil	Nil	510,044 ⁽¹⁾	0.57%
Darryn Mathee Boulder, Colorado, USA	Nil	Nil	20,000 ⁽¹⁾	0.02%
David Allan Lylick Sturgeon County, Alberta	Nil	Nil	1,200,000 ⁽³⁾	1.34%
David McGee Grand Junction, Colorado, USA	Nil	Nil	21,644 ⁽¹⁾	0.02%

Name and Municipality of Residence of Security Holder	Before Giving Effect to the Transaction		After Giving Effect to the Transaction	
	Number of Securities Held in Escrow or Subject to Resale Restrictions	% of Class	Number of Resulting Issuer Shares to be held in Escrow or Subject to Resale Restrictions	% of Class
Edward Evans Bangkok, Thailand	Nil	Nil	320,000 ⁽¹⁾	0.36%
Eric Easterbrook Palisade, Colorado, USA	Nil	Nil	20,000 ⁽¹⁾	0.02%
Erin Nichole Gray Frisco, Texas, USA	Nil	Nil	100,000 ⁽¹⁾	0.11%
Gerald A. Tucker Irrevocable Education Trust Grand Junction, Colorado, USA	Nil	Nil	448,416 ⁽³⁾	0.50%
Gerald A. Tucker Living Trust Grand Junction, Colorado, USA	Nil	Nil	1,670,692 ⁽³⁾	1.86%
Guardian Angel Protection, Inc. Sturgeon County, Alberta	Nil	Nil	3,256,000 ⁽³⁾	3.63%
Halcyon Strategies, LLC Phoenix, Arizona, USA	Nil	Nil	1,445,564 ⁽³⁾	1.61%
James Anspach Grand Junction, Colorado, USA	Nil	Nil	284,396 ⁽¹⁾	0.32%
Jennifer Curiak Grand Junction, Colorado, USA	Nil	Nil	18,312 ⁽¹⁾	0.02%
Jess Lyman Grand Junction, CO, USA	Nil	Nil	477,912 ⁽³⁾	0.53%
Joe McLean Vancouver, B.C.	Nil	Nil	100,000 ⁽¹⁾	0.11%
John Poulter Toronto, Ontario	Nil	Nil	1,194,440 ⁽³⁾	1.33%
Joseph Dee McLean North Vancouver, B.C.	Nil	Nil	1,009,528 ⁽³⁾	1.13%
Ken Alta Inc. Santa Rose Valley, California, USA	Nil	Nil	111,352 ⁽³⁾	0.12%
Kevin Koch Grand Junction, Colorado, USA	Nil	Nil	284,396 ⁽¹⁾	0.32%

Name and Municipality of Residence of Security Holder	Before Giving Effect to the Transaction		After Giving Effect to the Transaction	
	Number of Securities Held in Escrow or Subject to Resale Restrictions	% of Class	Number of Resulting Issuer Shares to be held in Escrow or Subject to Resale Restrictions	% of Class
Krithika Narasimhan Cary, North Carolina, USA	Nil	Nil	130,976 ⁽¹⁾	0.15%
Margaret James Nanaimo, B.C.	Nil	Nil	55,676 ⁽³⁾	0.06%
Mark Nichols Fruita, Colorado, USA	Nil	Nil	47,992 ⁽³⁾	0.05%
Michael Creed Wilmington, North Carolina, USA	Nil	Nil	516,900 ⁽³⁾	0.58%
Michael Martindale 401k Phoenix, Arizona, USA	Nil	Nil	2,394,456 ⁽³⁾	2.67%
Patricia Gail Tucker Irrevocable Education Trust Grand Junction, Colorado, USA	Nil	Nil	608,784 ⁽³⁾	0.68%
Patty Hughes Victoria, B.C.	Nil	Nil	55,676 ⁽³⁾	0.06%
Peter Lylick and Lillian Lylick, Joint Tenants Sturgeon County, Alberta	Nil	Nil	3,857,200 ⁽³⁾	4.30%
Peter Lylick Sturgeon County, Alberta	Nil	Nil	432,000 ⁽³⁾	0.48%
Peter Oley Delta, B.C.	Nil	Nil	278,380 ⁽³⁾	0.31%
Scott Austin Jones Grand Junction, Colorado, USA	Nil	Nil	284,396 ⁽¹⁾	0.32%
Senthilnathan Kannan Cary, North Carolina, USA	Nil	Nil	130,976 ⁽¹⁾	0.15%
T3&P Group LLC Grand Junction, Colorado, USA	Nil	Nil	100,000 ⁽¹⁾ 2,292,272 ⁽³⁾	2.67%
Texalta Oil & Gas Inc. Delta, B.C.	Nil	Nil	800,000 ⁽³⁾	0.89%

Name and Municipality of Residence of Security Holder	Before Giving Effect to the Transaction		After Giving Effect to the Transaction	
	Number of Securities Held in Escrow or Subject to Resale Restrictions	% of Class	Number of Resulting Issuer Shares to be held in Escrow or Subject to Resale Restrictions	% of Class
Thomas and Jean Paradis Grand Junction, Colorado, USA	Nil	Nil	250,000 ⁽³⁾	0.28%
Titan Land Co. Developments, LLC Grand Junction, Colorado, USA	Nil	Nil	604,788 ⁽³⁾	0.67%
Tracy Tucker Greely, Colorado, USA	Nil	Nil	123,448 ⁽³⁾	0.14%
Victoria Parrot Edmonton, Alberta	Nil	Nil	55,676 ⁽³⁾	0.06%
Westmount Emprise Inc. Surrey, B.C.	Nil	Nil	291,068 ⁽¹⁾ 1,167,516 ⁽³⁾	1.36%
William G. McIntyre Columbus, Ohio, USA	Nil	Nil	49,948 ⁽¹⁾	0.06%
William Stewart Beachley Lafayette, Colorado, USA	Nil	Nil	100,000 ⁽¹⁾	0.11%
Yu-Chih Cho Boulder, Colorado, USA	Nil	Nil	20,000 ⁽¹⁾	0.02%

Notes:

- (1) Resulting Issuer Shares subject to the Value Escrow Agreement.
- (2) Resulting Issuer Shares subject to the Doxa Pooling Agreement.
- (3) Resulting Issuer Shares subject to the ProStar Pooling Agreement.
- (4) Based on a total of 89,676,813 Resulting Issuer Shares issued and outstanding.
- (5) Upon completion of the Transaction, Mr. Vasanthan Dasan will also hold warrants which are exercisable into an additional 100,000 Resulting Issuer Shares, which are subject to the Value Escrow Agreement.

The Escrow Agent is escrow agent for the Value Escrow Agreement.

Value Escrow Agreement Terms

The Value Escrow Agreement to be entered into by Principals of ProStar and shareholders receiving Resulting Issuer Shares subject to the Value Escrow Agreement shall include the following principal terms:

- 10% of the escrowed Resulting Issuer Shares will be released from escrow on the date of the Final Exchange Bulletin;
- The remaining escrowed securities will be released in six tranches of 15% every six months following the date of the Final Exchange Bulletin; and

- While in escrow, none of the escrowed securities can be transferred, either directly or indirectly through a change in control of a holding company, without the consent of the Exchange.

Doxa Pooling Agreement Terms

The Doxa Pooling Agreement to be entered into in connection with Resulting Issuer Shares held by certain parties other than Principals of ProStar and issued pursuant to the Doxa Debt Settlement shall include the following principal terms:

- Each Resulting Issuer Share issued which is subject to the Doxa Pooling Agreement shall bear a legend stating: "Subject to securities legislation, the holder of the securities shall not trade the securities before [the release date]";
- 25% of the escrowed Resulting Issuer Shares will be released from escrow on the date of the Final Exchange Bulletin;
- The remaining escrowed securities will be released in three tranches of 25%, with the initial tranche being released six months following the date of the Final Exchange Bulletin, and the remaining tranches being released every three months thereafter;
- While subject to the Doxa Pooling Agreement, none of the securities can be transferred, either directly or indirectly through a change in control of a holding company, without the consent of the Resulting Issuer; and
- The Resulting Issuer will instruct its transfer agent not to remove a legend applied pursuant to the Doxa Pooling Agreement until the specified date has passed.

Prostar Pooling Agreement Terms

The ProStar Pooling Agreement to be entered into in connection with Resulting Issuer Shares issued to certain shareholders pursuant to the Merger Agreement which are not held by Resulting Issuer Principals shall include the following principal terms:

- Each Resulting Issuer Share issued which is subject to the ProStar Pooling Agreement shall bear a legend stating: "Subject to securities legislation, the holder of the securities shall not trade the securities before [the release date]";
- 20% of the Resulting Issuer Shares subject to the ProStar Pooling Agreement will be released on the date of the Final Exchange Bulletin;
- The remaining Resulting Issuer Shares subject to the ProStar Pooling Agreement will be released in 4 tranches of 20% every six months following the date of the Final Exchange Bulletin; and
- While subject to the ProStar Pooling Agreement, none of the securities can be transferred, either directly or indirectly through a change in control of a holding company, without the consent of the Resulting Issuer; and
- The Resulting Issuer will instruct its transfer agent not to remove a legend applied pursuant to the ProStar Pooling Agreement until the specified date has passed.

Hold Periods

Certain securities of the Resulting Issuer will also be subject to a statutory four month hold period commencing on the Closing Date. These securities include the Doxa Shares issued under the Doxa Debt Settlement.

Auditor, Transfer Agent and Registrar

At the Closing the auditor of the Resulting Issuer will be Davidson & Company LLP. The registrar and transfer agent of the common shares of the Resulting Issuer will continue to be Computershare Investor Services Inc., Suite 300, 510 Burrard Street, Vancouver, BC, V6C 3A8.

GENERAL MATTERS

Sponsorship

Pursuant to the Sponsorship Policy, sponsorship is generally required in conjunction with a Reverse Takeover. The Exchange has provided the Company with a waiver from the requirement to obtain a Sponsor in connection with the transactions contemplated herein.

Experts

The following is a list of persons or companies whose profession or business gives authority to a statement made by a person or company named in this Circular as having prepared or certified a part of that document or report described in the Circular:

- (a) Smythe LLP, auditors of the Company; and
- (b) Davidson & Company LLP, auditors of ProStar.

Smythe LLP, prepared the auditor's report for the audited annual financial statements of the Company for the years ended December 31, 2019 and 2018, which are attached as Schedule "A" hereto. Smythe LLP, has advised the Company that, as of the date of this Circular, it is independent in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

Davidson & Company LLP, prepared the auditor's report for the combined audited financial statements of ProStar for the six month period ended June 30, 2020, and the years ended December 31, 2019 and 2018, which are attached as Schedule "C" hereto. Davidson & Company LLP has advised the Company that it is independent in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

To the knowledge of the Company and ProStar, none of the experts above or their respective Associates or Affiliates, beneficially owns, directly or indirectly, any securities of the Company or ProStar, has received or will receive any direct or indirect interests in the property of the Company or ProStar or is expected to be elected, appointed or employed as a director, officer or employee of the Company or any Associate or Affiliate thereof.

Other Material Facts

To the knowledge of management of the Company and ProStar, there are no other material facts relating to the Company, ProStar, the Resulting Issuer or the Transaction that are not otherwise disclosed in this Circular and are necessary in order for the Circular to contain full, true and plain disclosure of all material facts relating to the Company, ProStar and the Resulting Issuer, assuming completion of the Transaction.

Board Approval

The contents and mailing to Doxa Shareholders of this Circular have been approved by the Board.

No person is authorized to give any information or to make any representations in respect of the matters addressed herein other than those contained in this Circular and, if given or made, such information must not be relied upon as having been authorized.

SCHEDULE "A"

**FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(AUDITED) AND FOR THE SIX MONTHS ENDED JUNE 30, 2020 (UNAUDITED)**

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

DOXA ENERGY LTD.

**Consolidated Financial Statements
December 31, 2019 and 2018
(Expressed in US Dollars, unless otherwise stated)**

<u>Index</u>	<u>Page</u>
Independent Auditors' Report to the Shareholders	1 – 3
Consolidated Financial Statements	
Consolidated Balance Sheets	4
Consolidated Statements of Operations and Comprehensive Loss	5
Consolidated Statements of Cash Flows	6
Consolidated Statements of Changes in Shareholders' Deficiency	7
Notes to Consolidated Financial Statements	8 – 38

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF DOXA ENERGY LTD.

Opinion

We have audited the consolidated financial statements of Doxa Energy Ltd. (the "Company"), which comprise:

- ♦ the consolidated balance sheets as at December 31, 2019 and 2018;
- ♦ the consolidated statements of operations and comprehensive loss for the years then ended;
- ♦ the consolidated statements of changes in shareholders' deficiency for the years then ended;
- ♦ the consolidated statements of cash flows for the years then ended; and
- ♦ the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company has a working capital deficiency of \$2,836,023 and an accumulated deficit of \$12,192,186 as at December 31, 2019. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises of Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditors' report. If, based on the work we have performed, we conclude that there is a material misstatement of this, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ♦ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- ♦ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors' report is Michelle Chi Wai So.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
April 24, 2020

Vancouver
1700 – 475 Howe St
Vancouver, BC V6C 2B3
T: 604 687 1231
F: 604 688 4675

Langley
305 – 9440 202 St
Langley, BC V1M 4A6
T: 604 282 3600
F: 604 357 1376

Nanaimo
201 – 1825 Bowen Rd
Nanaimo, BC V9S 1H1
T: 250 755 2111
F: 250 984 0886

DOXA ENERGY LTD.
Consolidated Balance Sheets
As at December 31
(Expressed in US Dollars)

	2019	2018
Assets		
Current		
Cash	\$ 5,660	\$ 10,061
Accounts receivable (notes 5 and 17)	45,823	184
Assets held for sale (note 2)	2,047,732	2,133,658
Total Assets	\$ 2,099,215	\$ 2,143,903
Liabilities		
Current		
Accounts payable and accrued liabilities (note 15)	\$ 46,811	\$ 11,514
Loans payable (notes 12 and 15)	2,840,695	-
Liabilities held for sale (note 2)	2,047,732	2,133,658
	4,935,238	2,145,172
	-	-
Loans Payable (notes 12 and 15)	-	2,618,460
Total Liabilities	4,935,238	4,763,632
Shareholders' Deficiency		
Share Capital (note 11)	8,695,994	8,695,994
Accumulated Other Comprehensive Income	660,169	794,921
Deficit	(12,192,186)	(12,110,644)
Total Shareholders' Deficiency	(2,836,023)	(2,619,729)
Total Liabilities and Shareholders' Deficiency	\$ 2,099,215	\$ 2,143,903

Approved on behalf of the Board:

"John D. Harvison"
..... Director
John D. Harvison

"Dan J. Frederiksen"
..... Director
Dan J. Frederiksen

See notes to consolidated financial statements.

DOXA ENERGY LTD.
Consolidated Statements of Operations and Comprehensive Loss
Years Ended December 31
(Expressed in US Dollars)

	2019	2018
Expenses		
Interest (notes 12)	\$ 88,750	\$ 251,132
Professional fees (note 15)	16,167	37,955
Filing fees and shareholder services	10,620	10,275
Insurance	5,374	6,563
Advertising and promotion	618	699
Office and communications	14	14
Loss from Continuing Operations	(121,543)	(306,638)
Income from Discontinued Operations (note 2)	40,001	21,720
Net Loss for the Year	(81,542)	(284,918)
Other Comprehensive Gain (Loss)		
Foreign exchange gain (loss) on translating continuing operations	(134,752)	200,080
Other Comprehensive Gain (Loss) on Continuing Operations	\$ (134,752)	\$ 200,080
Total Comprehensive Loss for the Year	\$ (216,294)	\$ (84,838)
Loss per Share, Basic and Diluted - Continuing	\$ 0.00	\$ 0.00
Earnings per Share, Basic and Diluted – Discontinued (note 2)	\$ 0.00	\$ 0.00
Weighted average number of common shares outstanding	33,980,141	33,980,141

See notes to consolidated financial statements.

DOXA ENERGY LTD.
Consolidated Statements of Cash Flows
Years Ended December 31
(Expressed in US Dollars)

	2019	2018
Operating Activities		
Net loss for the year from continuing operations	\$ (121,543)	\$ (306,638)
Item not involving cash		
Accrued interest on long-term debt	88,517	250,740
Changes in non-cash working capital		
Accounts receivable	(45,639)	(85)
Accounts payable and accrued liabilities	35,297	11,514
Operating cash flows used in continuing operations	(43,368)	(44,469)
Operating cash flows provided by discontinued operations	101,141	136,848
Net Cash Provided by Operating Activities	57,773	92,379
Investing Activity		
Net cash used in investing activities from discontinued operations	(17,424)	(86,169)
Cash Used in Investing Activity	(17,424)	(86,169)
Financing Activity		
Net cash used in financing activities from discontinued operations	-	(20,033)
Cash Used in Financing Activity	-	(20,033)
Effect of Change in Foreign Currency	(1,034)	(20,783)
Inflow (Outflow) of Cash	39,315	(34,606)
Cash Included in Assets Held for Sale	(60,101)	(16,385)
Cash in Assets Held for Sale, Beginning of Year	16,385	-
Cash, Beginning of Year	10,061	61,052
Cash, End of Year	\$ 5,660	\$ 10,061

See notes to consolidated financial statements.

DOXA ENERGY LTD.**Consolidated Statements of Changes in Shareholders' Deficiency
(Expressed in US Dollars)**

	Number of Shares	Share Capital	Accumulated Other Comprehensive Income	Deficit	Total Shareholders' Deficiency
Balance, December 31, 2017	33,980,141	\$ 8,695,994	\$ 594,841	\$ (11,825,726)	\$ (2,534,891)
Exchange difference on translating foreign operations	-	-	200,080	-	200,080
Net loss for the year	-	-	-	(284,918)	(284,918)
Balance, December 31, 2018	33,980,141	8,695,994	794,921	(12,110,644)	(2,619,729)
Exchange difference on translating foreign operations	-	-	(134,752)	-	(134,752)
Net loss for the year	-	-	-	(81,542)	(81,542)
Balance, December 31, 2019	33,980,141	\$ 8,695,994	\$ 660,169	\$ (12,192,186)	\$ (2,836,023)

See notes to consolidated financial statements.

DOXA ENERGY LTD.
Notes to Consolidated Financial Statements
Years Ended December 31, 2019 and 2018
(Expressed in US Dollars, unless otherwise stated)

1. NATURE OF OPERATIONS AND GOING CONCERN

Doxa Energy Ltd. (the "Company" or "Doxa") was incorporated under the *Business Corporations Act* (British Columbia) on February 13, 2007. The principal business of the Company is the acquisition, exploration and development of oil and gas properties, primarily in south Texas, USA. During the year ended December 31, 2018, the Company signed a binding letter of intent with Prostar Geocorp. Inc. ("Prostar") to acquire all of the issued and outstanding securities of Prostar. On May 22, 2019, Prostar and Doxa entered into a definitive merger agreement (note 2). The Company maintains its registered and records office at 2080 – 777 Hornby Street, Vancouver, British Columbia, Canada, V6Z 1S4.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Company will be able to continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, these consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

As at December 31, 2019, the Company has a deficit of \$12,192,186 (2018 - \$12,110,644) and working capital deficiency of \$2,836,023 (2018 - \$1,269). The Company's ability to continue as a going concern is dependent upon its ability to secure additional financing on a timely basis, achieve sufficient positive cash flows from operating activities to cover obligations and expenses and complete the Merger Agreement with ProStar (Note 2). Management may actively seek additional financing opportunities through the issuance of equity or debentures as the need for capital arises. These conditions indicate the existence of material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. If the Company is unable to obtain additional financing, management may be required to continue to curtail certain discretionary expenses.

2. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

During the year ended December 31, 2018, the Company signed a binding letter of intent ("LOI") with ProStar Geocorp, Inc. ("ProStar") to acquire all of the issued and outstanding securities of ProStar (the "Transaction"). Prior to the closing of the Transaction, the Company is to dispose of its wholly owned subsidiary Doxa Energy US, Inc. ("Doxa USA").

On May 22, 2019, the Company entered into a definitive merger agreement (the "Merger Agreement") with Prostar. The Transaction, pursuant to the Merger Agreement, will result in a reverse takeover of Doxa by ProStar in accordance with the policies of the TSX Venture Exchange (the "TSXV"). Upon completion of the Transaction, it is anticipated that the combined entity (the "Resulting Issuer") will continue to carry on the business of ProStar and will be listed on the TSXV as a Tier 2 Technology Issuer.

Prior to the closing of the Transaction, the outstanding common shares of Doxa ("Doxa Shares") will be consolidated on the basis of one (1) new Doxa Share for every seventeen (17) existing Doxa Shares (the "Consolidation").

DOXA ENERGY LTD.
Notes to Consolidated Financial Statements
Years Ended December 31, 2019 and 2018
(Expressed in US Dollars, unless otherwise stated)

2. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Continued)

Under the terms of the Merger Agreement, the Transaction will be completed by way of a merger under the laws of Delaware, whereby:

- a) ProStar will be merged with and into Doxa Subco, a subsidiary created for the purposes of completing the Transaction, with ProStar surviving as a wholly-owned subsidiary of Doxa;
- b) each outstanding share of ProStar (the "ProStar Shares") shall be converted into the right to receive four (4) post-Consolidation Doxa Shares;
- c) each common share of Doxa Subco shall be converted into one common share of the Resulting Issuer; and
- d) after the closing of the Transaction, no ProStar Shares shall be deemed to be outstanding or to have any rights. Concurrently with closing of the Transaction, Doxa is expected to change its name to "Prostar Geocorp International Inc." or such other name as the parties may determine, and following completion of the Transaction, it is anticipated that the Resulting Issuer will hold all of ProStar's assets and conduct the business of ProStar.

Upon closing of the Transaction, and prior to Doxa completing its concurrent financing of up to 7,500,000 post-Consolidation Doxa Shares for aggregate gross proceeds of up to \$3,000,000 (the "Doxa Offering"), an aggregate of 69,476,812 common shares of the Resulting Issuer (the "Resulting Issuer Shares") will be issued and outstanding. It is expected that, immediately following completion of the Transaction, and prior to the completion of the Doxa Offering: (i) the current shareholders of Doxa will hold 13,058,432 Resulting Issuer Shares, representing approximately 18.80% of the outstanding Resulting Issuer Shares; and (ii) the current shareholders of ProStar will hold 56,418,380 Resulting Issuer Shares, representing approximately 81.20% of the outstanding Resulting Issuer Shares.

Pursuant to the terms of the Merger Agreement, completion of the Transaction will be subject to a number of conditions, including but not limited to, closing conditions customary to transactions of the nature of the Transaction, including the completion of the Consolidation, the completion of a debt settlement of the Company's related party debt and the sale of the Company's oil and gas interests, approvals of all regulatory bodies having jurisdiction in connection with the Transaction and approval of the TSXV including the satisfaction of its initial listing requirements.

Management determined the operations for Doxa USA meet the definitions of assets held for sale and discontinued operations in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. Consequently, assets and liabilities of Doxa USA were classified as a disposal group. Revenue and expenses relating to the discontinuation of Doxa USA have been classified separately from the Company's continuing operations to net income from discontinued operations as a single line in the consolidated statements of operations and comprehensive loss.

In accordance with IFRS 5, on the reclassification of disposal groups as assets held for sale and discontinued operations, the Company remeasured the net assets of Doxa USA to fair value less costs of disposal. During the year ended December 31, 2019, an impairment expense of \$255,698 (2018 - \$2,275) was recorded against property and equipment and a recovery of \$33,611 (2018 - impairment expense of \$77,206) was recorded against exploration and evaluation assets, which is included in net income from discontinued operations.

DOXA ENERGY LTD.
Notes to Consolidated Financial Statements
Years Ended December 31, 2019 and 2018
(Expressed in US Dollars, unless otherwise stated)

2. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Continued)

As at December 31, 2019 and 2018, assets and liabilities held for sale comprised of the following:

	2019	2018
Assets held for sale		
Cash	\$ 60,101	\$ 16,385
Accounts receivable (note 15)	91,989	40,457
Prepays	14,714	5,664
Exploration and evaluation assets (notes 8 and 13)	1,197,482	1,163,871
Property and equipment (notes 9 and 13)	683,446	907,281
Total assets held for sale	\$ 2,047,732	\$ 2,133,658
Liabilities held for sale		
Accounts payable and accrued liabilities (note 15)	\$ 1,797,842	\$ 1,900,804
Credit facility (note 13)	153,100	153,100
Decommissioning obligation (note 10)	96,790	79,754
Total liabilities held for sale	\$ 2,047,732	\$ 2,133,658

DOXA ENERGY LTD.
Notes to Consolidated Financial Statements
Years Ended December 31, 2019 and 2018
(Expressed in US Dollars, unless otherwise stated)

2. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Continued)

The results of Doxa USA are presented as discontinued operations for the years ended December 31, 2019 and 2018:

	2019	2018
Revenue		
Oil and gas (note 15)	\$ 609,325	\$ 384,665
Direct Operating Expenses		
Severance taxes and transport	104,690	39,009
Lease operating expenses	212,105	216,879
Depletion and depreciation	-	18,150
	316,795	274,038
Operating Income	292,530	110,627
Expenses		
Interest	10,470	8,920
Exploration	2,156	628
Professional fees	14,235	1,908
Office and General	214	-
Filing fees	770	770
Accretion	2,597	(2,800)
	30,442	9,426
	262,088	101,201
Impairment of property and equipment (note 9)	(255,698)	(2,275)
Recovery (Impairment) of exploration and evaluation assets (note 8)	33,611	(77,206)
Income from Discontinued Operations	\$ 40,001	\$ 21,720

DOXA ENERGY LTD.
Notes to Consolidated Financial Statements
Years Ended December 31, 2019 and 2018
(Expressed in US Dollars, unless otherwise stated)

2. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Continued)

Cash flows from discontinued operations are as follows:

	2019	2018
Operating Activities		
Net income for the year	\$ 40,001	\$ 21,720
Items not involving cash		
Depletion and depreciation	-	18,150
Accretion	2,597	(2,800)
Impairment on property and equipment	255,698	2,275
Impairment (recovery) on exploration and evaluation assets	(33,611)	77,206
Changes in non-cash working capital		
Accounts receivable	(51,532)	15,615
Prepaid expenses	(9,050)	(5,664)
Accounts payable	(102,962)	10,346
Cash Provided by Operating Activities	101,141	136,848
Investing Activities		
Expenditures on exploration and evaluation assets	-	(30,575)
Expenditures on property and equipment	(17,424)	(55,594)
Cash Used in Investing Activities	(17,424)	(86,169)
Financing Activity		
Repayment of credit facility	-	(20,033)
Cash Used in Financing Activity	-	(20,033)
Inflow of Cash used in Discontinued Operations	\$ 83,717	\$ 30,646
Supplemental Cash Flow Information		
Interest paid	\$ 10,701	\$ 9,312
Accounts payable and accrued liabilities included in exploration and evaluation assets	\$ 1,729,936	\$ 1,729,936
Accounts payable and accrued liabilities included in property and equipment assets	\$ 65,166	\$ 65,166
Decommissioning liabilities – additions to property and equipment (note 10)	\$ 14,439	\$ (7,274)

DOXA ENERGY LTD.
Notes to Consolidated Financial Statements
Years Ended December 31, 2019 and 2018
(Expressed in US Dollars, unless otherwise stated)

3. BASIS OF PREPARATION

(a) Statement of compliance

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”).

Effective January 1, 2019, the Company adopted IFRS 16 *Leases* (“IFRS 16”). IFRS 16 was adopted retrospectively with no restatement of comparative periods, as permitted by the transition provisions of the standard.

(b) Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments, assets held for sale and liabilities held for sale, which are stated at their fair values. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The accounting policies set out in note 4 have been applied consistently by the Company and its subsidiary to all periods presented, except for the adoption of IFRS 16 (note 4).

(c) Approval of the consolidated financial statements

The consolidated financial statements of Doxa for the year ended December 31, 2019 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on April 24, 2020.

(d) Use of judgments and estimates

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, revenues and expenses. Actual results may differ from these estimates.

Following are the accounting policies subject to such judgments and the key sources of estimation uncertainty that the Company believes could have the most significant impact on the reported results and financial position.

Judgments

Identification of cash-generating units (“CGUs”)

The Company’s assets are aggregated into CGUs for the purpose of calculating impairment. CGUs are based on an assessment of the unit’s ability to generate independent cash inflows. The determination of these CGUs was based on management’s judgment in regard to shared infrastructure, geographical proximity, petroleum type and similar exposure to market risk and materiality.

DOXA ENERGY LTD.
Notes to Consolidated Financial Statements
Years Ended December 31, 2019 and 2018
(Expressed in US Dollars, unless otherwise stated)

3. BASIS OF PREPARATION (Continued)

(d) Use of judgments and estimates (continued)

Classification of exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation assets requires management to make certain judgments as to future events and circumstances and as to whether economic quantities of reserves will be found so as to assess if technical feasibility and commercial viability have been achieved.

Going concern assumption

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

Modification versus extinguishment of financial liability

Judgement is required in applying IFRS 9 *Financial Instruments* determine whether the amended terms of the loan agreements are a substantial modification of an existing financial liability and whether it should be accounted for as an extinguishment of the original financial liability.

Income taxes

Related assets and liabilities are recognized for the estimated tax consequences between amounts included in the consolidated financial statements and their tax base using substantively enacted future income tax rates. Timing of future revenue streams and future capital spending changes can affect the timing of any temporary differences, and accordingly, affect the amount of the deferred tax asset or liability calculated at a point in time. These differences could materially impact earnings.

The determination of the Company and its subsidiary's functional currency

The functional currency of the Company and its subsidiary is the currency of the primary economic environment and the Company reconsiders the functional currency if there is a change in events and conditions which determined the primary economic environment.

Assets held for sale and discontinued operations

Judgment is required in determining whether an asset meets the criteria for classification as "assets held for sale" in the consolidated balance sheets. Criteria considered by management include the existence of and commitment to a plan to dispose of the assets, the expected selling price of the assets, the expected timeframe of the completion of the anticipated sale and the period of time any amounts have been classified within assets held for sale. The Company reviews the criteria for assets held for sale each quarter and reclassifies such assets to or from this financial position category as appropriate. In addition, there is a requirement to periodically evaluate and record assets held for sale at the lower of their carrying value and fair value less costs to sell.

DOXA ENERGY LTD.
Notes to Consolidated Financial Statements
Years Ended December 31, 2019 and 2018
(Expressed in US Dollars, unless otherwise stated)

3. BASIS OF PREPARATION (Continued)

(d) Use of judgments and estimates (continued)

Judgment is applied in determining whether disposal groups represent a component of the entity, the results of which should be recorded as discontinued operations in the consolidated statements of operations and comprehensive loss.

Estimates

Reserves

The estimate of oil and natural gas reserves is integral to the calculation of the amount of depletion charged to the consolidated statements of operations and comprehensive loss and is also a key determinant in assessing whether the carrying value of any of the Company's development and production assets have been impaired. Changes in reported reserves can impact asset carrying values and the decommissioning provision due to changes in expected future cash flows. The Company's reserves are evaluated and reported on by independent reserve engineers at least annually in accordance with Canadian Securities Administrators' National Instrument 51-101 *Standards of Disclosure of Oil and Gas Activities* ("NI 51-101"). Reserve estimation is based on a variety of factors including engineering data, geological and geophysical data, projected future rates of production, commodity pricing and timing of future expenditures, all of which are subject to significant judgment and interpretation.

Recoverability of asset carrying values

At each reporting date, the Company assesses its oil and natural gas properties and exploration and evaluation assets for possible impairment to determine if there is any indication that the carrying amounts of the assets may not be recoverable. An assessment is also made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. Determination as to whether and how much an asset is impaired or no longer impaired, involves management estimates on highly uncertain matters such as future commodity prices, discount rates, production profiles, operating costs, future capital costs and reserves. Changes in circumstances may impact these estimates, which may impact the recoverable amount of assets. Any change in the impairment loss or reversal of impairment loss could have a material financial impact in future periods, but future depletion expense would be impacted as a result.

Depreciation and depletion

Depletion of oil and natural gas properties is provided using the unit-of-production method based on production volumes before royalties in relation to total estimated proved reserves as determined annually by independent engineers and internal reserve evaluations on a quarterly basis. Natural gas reserves and production are converted at the energy equivalent of approximately six thousand cubic feet to one barrel of oil.

Recoverability of accounts receivable

Trade and other receivables are recorded at the estimated recoverable amount, which involves the estimate of uncollectible accounts.

DOXA ENERGY LTD.
Notes to Consolidated Financial Statements
Years Ended December 31, 2019 and 2018
(Expressed in US Dollars, unless otherwise stated)

3. BASIS OF PREPARATION (Continued)

- (d) Use of judgments and estimates (continued)

Estimates (continued)

Decommissioning obligations

Amounts recorded for decommissioning obligations require the use of management's best estimates of future decommissioning expenditures, expected timing of expenditures and future inflation rates. The estimates are based on internal and third-party information and calculations are subject to change over time and may have a material impact on profit or loss or financial position. For more information on the Company's decommissioning obligation see note 10.

Discount rate of loans

The loans payable are initially recognized at fair value, calculated as the net present value of the liability based upon discount rates used by comparable issuers and accounted for at amortized cost using the effective interest rate method.

4. SIGNIFICANT ACCOUNTING POLICIES

- (a) Basis of consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Doxa Energy US, Inc. A subsidiary is an entity in which the Company has control, where control requires exposure or rights to variable returns and the ability to affect those returns through power over the investee. All material intercompany transactions and balances have been eliminated upon consolidation.

- (b) Property and equipment and exploration and evaluation assets

- (i) Pre-exploration expenditures

Expenditures made by the Company before acquiring the legal right to explore in a specific area do not meet the definition of an asset and therefore are expensed by the Company as incurred.

- (ii) Exploration and evaluation expenditures

Costs incurred once the legal right to explore has been acquired are capitalized as exploration and evaluation assets. These costs include, but are not limited to, exploration license expenditures, leasehold property acquisition costs, evaluation costs, including drilling costs directly attributable to an identifiable well and directly attributable general and administrative costs. These costs are accumulated in cost centers by property and are not subject to depletion until technical feasibility and commercial viability has been determined.

DOXA ENERGY LTD.
Notes to Consolidated Financial Statements
Years Ended December 31, 2019 and 2018
(Expressed in US Dollars, unless otherwise stated)

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Property and equipment and exploration and evaluation assets (continued)

(ii) Exploration and evaluation expenditures (continued)

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For purposes of impairment testing, exploration and evaluation assets are grouped together with developing and producing assets and are tested at an aggregated CGU level. The Company evaluates the geography, geology, production profile and infrastructure of its assets in determining its CGUs. Doxa's CGUs are generally composed of significant development areas. The Company reviews the composition of its CGUs at each reporting date to assess whether any changes are required in light of new facts and circumstances.

The assessment of technical feasibility and commercial viability is based upon estimates of the recoverability of capitalized costs by future exploitation or sale and where the activities have reached a stage that permits a reasonable assessment of the existence of proved reserves. This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available.

When technical feasibility and commercial viability of a well is determinable based on management's assessment of current information, the exploration and evaluation assets attributable to that well are first tested for impairment and then reclassified from exploration and evaluation assets to property and equipment.

(iii) Other intangible costs

Costs of data purchased to formulate strategy for license applications, such as seismic data and asset purchases, are accumulated and capitalized as other intangible assets to the extent that they are incurred prior to obtaining related licenses and do not relate to a field with proven reserves attributed.

(iv) Development and production costs

Items of property and equipment, which include oil and natural gas development and production assets, are measured at cost less accumulated depletion and depreciation and accumulated impairment losses. Development and production assets are grouped into CGUs for impairment testing. A CGU's recoverable amount is the higher of its fair value less costs to sell and its value in use. Where the carrying amount of a CGU exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount.

When significant parts of an item of property and equipment, including oil and gas interests, have different useful lives, they are accounted for as separate items (major components).

DOXA ENERGY LTD.
Notes to Consolidated Financial Statements
Years Ended December 31, 2019 and 2018
(Expressed in US Dollars, unless otherwise stated)

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Property and equipment and exploration and evaluation assets (continued)

(iv) Development and production costs (continued)

Gains and losses on disposal of an item of property and equipment, including oil and gas interests, are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized net within the consolidated statements of operations and comprehensive loss.

(v) Subsequent costs

Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of property and equipment are recognized as oil and gas interests only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in profit or loss as incurred. Such capitalized oil and gas interests generally represent costs incurred in developing proved and/or probable reserves and bringing in or enhancing production from such reserves, and are accumulated on a field or geotechnical area basis. The carrying amount of any replaced or sold component is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

(vi) Depletion and depreciation

Depletion of oil and gas interests is provided using the unit-of-production method based on production volumes in relation to total estimated proved reserves as determined annually by independent engineers and determined in accordance with NI 51-101.

Natural gas reserves and production are converted at the energy equivalent of six thousand cubic feet to one barrel of oil. Costs are only depleted once production in a given area begins.

Calculations for depletion and depreciation of processing and other equipment are based on total capitalized costs of proved reserves less the estimated net realizable value of production equipment and facilities after the proved reserves are fully produced.

Proved reserves are estimated by independent reserve engineers and represent the estimated quantities of crude oil, natural gas and natural gas liquids, which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible.

Such reserves may be considered commercially producible if management has the intention of developing and producing them and such intention is based upon:

DOXA ENERGY LTD.
Notes to Consolidated Financial Statements
Years Ended December 31, 2019 and 2018
(Expressed in US Dollars, unless otherwise stated)

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Property and equipment and exploration and evaluation assets (continued)

(vi) Depletion and depreciation (continued)

- A reasonable assessment of the future economics of such production;
- A reasonable expectation that there is a market for all or substantially all the expected oil and natural gas production; and
- Evidence that the necessary production, transmission and transportation facilities are available or can be made available. Reserves may only be considered proved if supported by either actual production or conclusive formation tests.

The area of reservoir considered proved includes:

- (a) that portion delineated by drilling and defined by as-oil and/or oil-water contacts, if any, or both; and
- (b) immediately adjoining portions not yet drilled, but which can be reasonably judged as economically productive on the basis of available geophysical, geological and engineering data. In the absence of information on fluid contacts, the lowest known structural occurrence of oil and natural gas controls the lower proved limit of the reservoir.

Reserves that can be produced economically through application of improved recovery techniques (such as fluid injection) are only included in the proved classification when successful testing by a pilot project, the operation of an installed program in the reservoir or other reasonable evidence (such as experience of the same techniques on similar reservoirs or reservoir simulation studies) provides support for the engineering analysis on which the project or program was based.

Depreciation for other equipment is recognized in profit or loss on a declining-balance basis with the following annual rates:

Office equipment	20%
Computer equipment	45%

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

DOXA ENERGY LTD.
Notes to Consolidated Financial Statements
Years Ended December 31, 2019 and 2018
(Expressed in US Dollars, unless otherwise stated)

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Impairment of non-financial assets

Exploration and evaluation assets are assessed for impairment when they are reclassified to developing and producing assets, as developed oil and natural gas properties, and also if facts and circumstances suggest that the carrying amount exceeds the recoverable amount. The carrying amount of property and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. An impairment test is completed if any such indication exists.

An impairment loss would be recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. A CGU's recoverable amount is the higher of its fair value less costs to sell and its value in use. Impairment losses are recognized in profit or loss.

Fair value less costs to sell is determined to be the amount for which the asset could be sold in an arm's length transaction. Fair value less costs to sell can be determined by using an observable market or by using discounted future net cash flows of proved and probable reserves using forecasted prices and costs. Value in use is determined by estimating the present value of the future net cash flows expected to be derived from the continued use of the asset or CGU.

Exploration and evaluation assets are grouped together with the Company's CGUs when they are assessed for impairment, both at the time of any triggering facts and circumstances as well as upon their eventual reclassification to developing and producing assets (oil and natural gas properties).

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion and depreciation, if no impairment loss had been recognized.

(d) Revenue recognition

Revenue from the sale of oil and natural gas is recognized when performance obligations are satisfied. Performance obligations are satisfied at the point in time when products are delivered based on volumes to customers at contractual delivery points, and prices have been agreed with the purchaser and collectability is reasonably assured. Delivery is generally at the time the oil enters the tanks and when natural gas enters the pipeline. Revenue is measured net of discounts, customs duties and royalties. With respect to the latter, the entity is acting as a collection agent on behalf of others. The costs associated with the deliver are recognized the same year in which the related revenue is earned and recorded.

DOXA ENERGY LTD.
Notes to Consolidated Financial Statements
Years Ended December 31, 2019 and 2018
(Expressed in US Dollars, unless otherwise stated)

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability if the risks have not been incorporated into the estimate of cash flows. The increase in the provision due to the passage of time is recognized within accretion expense.

(i) Decommissioning obligations

The Company's activities give rise to dismantling, decommissioning and site disturbance remediation activities. A provision is made for the estimated cost of site restoration and capitalized in the relevant asset category.

Decommissioning obligations are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. Changes in the present value of the estimated expenditure are reflected as an adjustment to the provision and the relevant asset. The unwinding of the discount on the decommissioning obligation is recognized as accretion expense. Actual costs incurred upon settlement of the decommissioning obligation are charged against the provision to the extent the provision was recognized.

(ii) Environmental liabilities

The Company records liabilities on a discounted basis for environmental remediation efforts that are likely to occur and where the cost can be reasonably estimated. The estimates, including associated legal costs, are based on available information using existing technology and enacted laws and regulations. The estimates are subject to revision in future periods based on actual costs incurred or new circumstances. Any amounts expected to be recovered from other parties, including insurers, are recorded as an asset separate from the associated liability.

(f) Joint interests

A substantial portion of the Company's exploration, development and production activities are conducted jointly with others. These consolidated financial statements reflect only the Company's proportionate interest in such activities.

DOXA ENERGY LTD.
Notes to Consolidated Financial Statements
Years Ended December 31, 2019 and 2018
(Expressed in US Dollars, unless otherwise stated)

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Income taxes

The Company uses the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets also result from unused loss carry-forwards, resource related pools and other deductions. A deferred tax asset for unused tax losses, tax credits and deductible temporary differences is recognized to the extent that it is possible that future taxable profits will be available against which they can be utilized.

Where deferred tax assets are recognized, they are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(h) Share-based payments

The Company has a stock option plan that is described in note 11(c). Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to share-based payments reserve.

Consideration received on the exercise of stock options is recorded as share capital and the related share-based payments reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from share-based payments reserve. For those unexercised options that expire, the recorded value is transferred to deficit.

(i) Currency translation

IFRS requires that the functional currency of each entity in the consolidated group be determined separately in accordance with the indicators specified in IAS 21 *The Effects of Changes in Foreign Exchange Rates* and should be measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Company's functional currency is the Canadian dollar ("CDN"), and the US subsidiary's functional currency is the US dollar ("USD"). The consolidated financial statements are presented in US dollars.

DOXA ENERGY LTD.
Notes to Consolidated Financial Statements
Years Ended December 31, 2019 and 2018
(Expressed in US Dollars, unless otherwise stated)

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Currency translation (continued)

Under IFRS, the results and financial position of all the Company's entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the consolidated balance sheet date;
- revenues and expenses are translated at the average exchange rate for the period (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case revenues and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognized as a separate component of equity (deficiency).

Transactions in currencies other than the entity's functional currency are recorded at the average rates of exchange prevailing at the dates of the transactions. Monetary assets and liabilities are translated using the period-end foreign exchange rate.

Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. All gains and losses on translation of these foreign currency transactions are included in profit or loss.

(j) Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the net income (loss) available to common shareholders by the weighted average number of shares outstanding in the period. For all periods presented, the loss available to common shareholders equals the reported loss. Diluted earnings (loss) per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted earnings (loss) per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

(k) Unit offerings

Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated first to common shares based on the market trading price of the common shares at the time the units are priced, and any excess is allocated to warrants.

DOXA ENERGY LTD.
Notes to Consolidated Financial Statements
Years Ended December 31, 2019 and 2018
(Expressed in US Dollars, unless otherwise stated)

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Financial instruments

Following is the accounting policy for instrument instruments under IFRS 9 *Financial Instruments*:

Financial assets

(i) Recognition and measurement of financial assets

The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument.

(ii) Classification of financial assets

The Company classifies financial assets at initial recognition as financial assets: measured at amortized cost, measured at fair value through other comprehensive income or measured at fair value through profit or loss. The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument.

Financial assets measured at amortized cost

A financial asset that meets both of the following conditions is classified as a financial asset measured at amortized cost.

- The Company's business model for the such financial assets, is to hold the assets in order to collect contractual cash flows.
- The contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary.

DOXA ENERGY LTD.
Notes to Consolidated Financial Statements
Years Ended December 31, 2019 and 2018
(Expressed in US Dollars, unless otherwise stated)

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Financial instruments (continued)

(ii) Classification of financial assets (continued)

Financial assets measured at fair value through other comprehensive income ("FVTOCI")

A financial asset measured at fair value through other comprehensive income is recognized initially at fair value plus transaction cost directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included as "financial asset at fair value through other comprehensive income" in other comprehensive income.

Financial assets measured at fair value through profit or loss ("FVTPL")

A financial asset measured at fair value through profit or loss is recognized initially at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

(iii) Derecognition of financial assets

The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interests in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in the consolidated statement of loss and comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive loss.

Financial liabilities

(i) Recognition and measurement of financial liabilities

The Company recognizes financial liabilities when it becomes a party to the contractual provisions of the instruments.

(ii) Classification of financial liabilities

The Company classifies financial liabilities at initial recognition as financial liabilities: measured at amortized cost or measured at fair value through profit or loss.

DOXA ENERGY LTD.
Notes to Consolidated Financial Statements
Years Ended December 31, 2019 and 2018
(Expressed in US Dollars, unless otherwise stated)

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Financial instruments (continued)

Financial liabilities (continued)

(ii) Classification of financial liabilities (continued)

Financial liabilities measured at amortized cost

A financial liability at amortized cost is initially measured at fair value less transaction cost directly attributable to the issuance of the financial liability. Subsequently, the financial liability is measured at amortized cost based on the effective interest rate method.

Financial liabilities measured at fair value through profit or loss

A financial liability measured at fair value through profit or loss is initially measured at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial liability is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

(iii) Derecognition of financial liabilities

The Company derecognizes a financial liability when the financial liability is discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statement of comprehensive loss.

Financial assets and liabilities are offset and the net amount is presented in the consolidated statement of financial position only when the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Impairment of financial assets

The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or group of financial assets.

DOXA ENERGY LTD.
Notes to Consolidated Financial Statements
Years Ended December 31, 2019 and 2018
(Expressed in US Dollars, unless otherwise stated)

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Inputs for the asset or liability that are not based on observable market data.

(n) New standard adopted

Effective January 1, 2019, the Company adopted IFRS 16, *Leases* (“IFRS 16”), which requires lessees to recognize assets and liabilities for most leases. For lessors, there is little change to the existing accounting in IAS 17, *Leases*. The adoption of IFRS 16 did not have an impact on the Company’s consolidated financial statements as the Company has no long-term leases.

DOXA ENERGY LTD.
Notes to Consolidated Financial Statements
Years Ended December 31, 2019 and 2018
(Expressed in US Dollars, unless otherwise stated)

5. FINANCIAL INSTRUMENTS

The carrying values of cash, accounts receivable, and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments.

The Company's credit facility and loans payable are considered to be Level 2 of the fair value hierarchy.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below.

(a) Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations.

The Company manages credit risk, in respect to cash, by holding its cash at major Canadian and US financial institutions. Concentration of credit risk exists with respect to the Company's cash, as amounts are held with a major Canadian financial institution and a major US financial institution.

The Company is exposed to credit risk with respect to its accounts receivable. To reduce credit risk of trade receivables, the Company regularly reviews the collectability of the trade receivables to ensure there is no indication that these amounts will not be fully recoverable. As at December 31, 2019, allowance for doubtful accounts is \$nil (2018 - \$nil).

The Company's concentration of credit risk and maximum exposure thereto is as follows:

	2019	2018
Cash – Canada	\$ 5,660	\$ 10,061
Cash – USA (note 2)	\$ 60,101	\$ 16,385
Accounts receivable - Canada	\$ 44,556	\$ -
Accounts receivable - USA (note 2)	\$ 91,989	\$ 40,457

All of the accounts receivable were aged less than 60 days as at December 31, 2019 and 2018.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due.

The Company manages its liquidity risk by forecasting cash flow requirements for its planned exploration and corporate activities and anticipated investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

As at December 31, 2019, the Company had a cash balance of \$5,660 (2018 - \$10,061) and accounts receivable of \$45,823 (2018 - \$184) available to settle current liabilities of \$4,935,238 (2018 - \$11,514) in continuing operations.

DOXA ENERGY LTD.
Notes to Consolidated Financial Statements
Years Ended December 31, 2019 and 2018
(Expressed in US Dollars, unless otherwise stated)

5. FINANCIAL INSTRUMENTS (Continued)

(b) Liquidity risk (continued)

As at December 31, 2019, the Company had a cash balance of \$60,101 (2018 - \$16,385) and accounts receivable of \$91,989 (2018 - \$40,457) available in discontinued operations.

The Company's accounts payable and accrued liabilities have contractual maturities of 30 to 90 days. The Company's credit facility matures May 12, 2020 and the loans payable mature July 31, 2023. The Company will be required to raise additional capital in order to fund operations for the next twelve months.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk consists of interest rate risk, foreign currency risk and other price risk. The market risks the Company is exposed to are as follows:

(i) Interest rate risk

Interest rate risk consists of two components:

- (a) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
- (b) To the extent that changes in prevailing market rates differ from the interest rates in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company is exposed to interest rate price risk on its loans payable and credit facility with fixed interest rates, as the prevailing market interest rate may differ from the interest rate of the debt. However, fluctuations in market rates would have to be significant to have a material effect on the Company's operations; therefore, the Company's exposure to interest rate cash flow risk on the debt is minimal.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value of the Company's financial assets and liabilities will fluctuate due to changes in foreign exchange rates.

The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in its functional currency. The Company does not manage currency risk through hedging or other currency management tools.

DOXA ENERGY LTD.
Notes to Consolidated Financial Statements
Years Ended December 31, 2019 and 2018
(Expressed in US Dollars, unless otherwise stated)

5. FINANCIAL INSTRUMENTS (Continued)

- (c) Market risk (continued)
 - (ii) Foreign currency risk (continued)

As at December 31, 2019 and 2018, the Company's net exposure to foreign currency risk on its financial instruments is as follows:

	2019	2018
	US\$	US\$
Cash	5,457	4,666

Based on the above, assuming all other variables remain constant, a 10% (2018 - 10%) weakening or strengthening of the Canadian dollar against the US dollar would result in an increase/decrease of approximately \$546 (2018 - \$467) in other comprehensive gain (loss).

6. CAPITAL MANAGEMENT

The Company considers its capital structure to consist of shareholders' deficiency and debt. The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern. The Company sets the amount of capital in proportion to risk and manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of any underlying assets. The Board of Directors does not establish a quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and development and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire interests in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year ended December 31, 2019. The Company is not subject to externally imposed capital requirements.

DOXA ENERGY LTD.
Notes to Consolidated Financial Statements
Years Ended December 31, 2019 and 2018
(Expressed in US Dollars, unless otherwise stated)

7. PROPERTY AND EQUIPMENT

	Oil and Gas Interests	Processing and Other Equipment	Total
Cost			
Balance at December 31, 2017	\$ 2,880,504	\$ 1,078,887	\$ 3,959,391
Additions	44,124	13,657	57,781
Revaluation of asset retirement obligation	(9,461)	-	(9,461)
Impairment	(2,275)	-	(2,275)
Assets transferred to assets held for sale (note 2)	(2,912,892)	(1,092,544)	(4,005,436)
Balance at December 31, 2018 and 2019	\$ -	\$ -	\$ -
Depletion and Depreciation			
Balance at December 31, 2017	\$ (2,844,701)	\$ (235,304)	\$ (3,080,005)
Depletion and depreciation	(8,030)	(10,120)	(18,150)
Assets transferred to assets held for sale (note 2)	2,852,731	245,424	3,098,155
Balance at December 31, 2018 and 2019	\$ -	\$ -	\$ -

8. EXPLORATION AND EVALUATION ASSETS

Cost	
Balance at December 31, 2017	\$ 1,218,456
Additions	22,621
Impairment	(77,206)
Assets transferred to assets held for sale (note 2)	(1,163,871)
Balance at December 31, 2018 and 2019	\$ -

Exploration and evaluation assets consist of the Company's exploration projects, which are pending the determination of proven or probable reserves. Additions represent the Company's share of costs incurred on exploration and evaluation assets during the year. As at December 31, 2018, an amount \$1,163,871 remains in exploration and evaluation assets in respect of projects. The transfer of the exploration and evaluation assets to assets held for sale are described in note 2.

During the year ended December 31, 2018, the Company the exploration and evaluation assets were classified as assets held for sale (note 2). Management assessed the fair value less cost of disposal ("FVLCD") on its exploration and evaluation assets and determined the carrying amounts were less than their FVLCD. The Company recognized an impairment of \$77,206 during the year ended December 31, 2018 and \$33,611 was reversed during the year ended December 31, 2019. Additionally, \$2,156 (2018 - \$628) was recorded in plug and abandonment costs relating to non-commercially viable properties that have been fully impaired. The FVLCD was determined using a market approach based on the estimated selling price as noted in the Merger Agreement (note 2).

DOXA ENERGY LTD.
Notes to Consolidated Financial Statements
Years Ended December 31, 2019 and 2018
(Expressed in US Dollars, unless otherwise stated)

9. IMPAIRMENT OF PROPERTY AND EQUIPMENT

During the year ended December 31, 2018, the property and equipment were classified as assets held for sale (note 2) which requires the assets to be recorded at the lower of carrying value and FVLCD. Management assessed the FVLCD on its Koehn, Kynette, Mississippian and Sarco Creek CGUs and determined the carrying amounts of the Koehn, Kynette and Mississippian CGUs were greater than their FVLCD. An impairment loss of \$2,275 was recognized during the year ended December 31, 2018 and a further impairment of \$255,698 was recognized during the year ended December 31, 2019.

The recoverable amounts were estimated using FVLCD using an income approach based on a discounted cash flow method and categorized in Level 3 of the fair value hierarchy. Key assumptions in the determination of cash flows from reserves include crude oil and natural gas prices, loss factors and discount rates specific to the underlying composition of assets residing in the CGU. The post-tax discount rate used was 19.5% (2018 – 19.5%).

The following tables show the future commodity price estimates used by the Company's independent reserves evaluator at December 31, 2019 and 2018:

2019:	2020	2021	2022	2023	2024	Thereafter
WTI (US\$/bbl)	59.03	54.38	52.09	51.31	51.44	constant
Henry Hub (US\$/MMbtu)	2.28	2.42	2.42	2.46	2.49	constant
2018:	2019	2020	2021	2022	2023	Thereafter
WTI (US\$/bbl)	47.55	48.86	50.77	51.84	52.48	constant
Henry Hub (US\$/MMbtu)	2.87	2.67	2.60	2.86	2.86	constant

10. DECOMMISSIONING OBLIGATION

The Company's property closure and abandonment provision relates to the restoration and closure of its oil and gas property interests. This decommissioning obligation has been recorded as a liability at fair value, assuming a risk-free discount rate of 1.92% (2018 - 2.69%) and an inflation factor of 2.3% (2018 - 1.5%). The amount of the liability is subject to remeasurement during each reporting period. The obligation will be funded from operating cash flows and cash on hand. The following table summarizes the movements in the decommissioning obligation:

Balance at December 31, 2017	\$	89,828
Change in estimate		(12,333)
Accretion		2,259
Transfer to liabilities held for sale (note 2)		(79,754)
Balance at December 31, 2018 and 2019	\$	-

A change in estimate of the decommissioning obligation during the fiscal year ended December 31, 2019 resulted in an increase of \$14,439 (2018 – a decrease of \$12,333) and \$2,597 (2018 - \$2,259) was recorded as accretion expense.

DOXA ENERGY LTD.
Notes to Consolidated Financial Statements
Years Ended December 31, 2019 and 2018
(Expressed in US Dollars, unless otherwise stated)

11. SHARE CAPITAL

(a) Authorized

The Company has authorized an unlimited number of common shares without par value. All outstanding common shares are fully paid.

(b) Share issuances

There were no share issuances during the years ended December 31, 2019 and 2018

(c) Share purchase options

The Company has a stock option plan (the "Plan") in place that allows for the reservation of common shares issuable under the Plan to a maximum of 10% of the number of issued and outstanding common shares of the Company at any given time. The exercise price of each option is required to be set at the closing price of the Company's common shares on the trading day prior to the date of grant.

At December 31, 2019 and 2018, the Company has no options issued and outstanding.

(d) Warrants

At December 31, 2019 and 2018, the Company has no warrants issued and outstanding.

12. LOANS PAYABLE

On August 10, 2010, the Company entered into loan agreements with each of Armada Investments Ltd. ("Armada"), a company controlled by the former chairman of the Company, and Harvco LLC ("Harvco"), a company controlled by the president and director of the Company, whereby Armada provided a loan of CDN\$1,200,000 and Harvco provided a loan of CDN\$500,000 (the "loans"). The loans were originally due August 15, 2012 and the interest rate on the loan balance is 10% compound per annum.

On July 27, 2011, the Company entered into a second loan agreement with Armada whereby Armada has provided an aggregate loan facility of up to CDN\$500,000 to the Company. The loan was originally due July 27, 2013 and the interest rate on the loan balance is 10% compound per annum.

As at December 31, 2019, the loans were recorded at CDN\$2,851,128 (principal of CDN\$2,760,375 and accrued fiscal 2019 interest of CDN\$90,753) and CDN\$838,567 (principal of CDN\$811,875 and accrued fiscal 2019 interest of CDN\$26,692), respectively (note 15).

As at December 31, 2018, the loans were recorded at CDN\$2,760,375 (principal of CDN\$2,509,432 and accrued fiscal 2018 interest of CDN\$250,943) and CDN\$811,875 (principal of CDN\$738,068 and accrued fiscal 2018 interest of CDN\$73,807), respectively (note 15).

DOXA ENERGY LTD.
Notes to Consolidated Financial Statements
Years Ended December 31, 2019 and 2018
(Expressed in US Dollars, unless otherwise stated)

12. LOANS PAYABLE (Continued)

During the year ended December 31, 2011, the due date of the loans payable was amended to August 15, 2013. On November 28, 2013 and November 19, 2014, the due date was further amended to July 31, 2015 and July 31, 2016, respectively. On February 3, 2017, the due date for all of the loans payable to Armada and Harvco were amended to July 31, 2018. On July 31, 2018 the due date for all of the loans payable to Armada and Harvco were amended to July 31, 2023.

On May 22, 2019, the Company entered into debt settlement agreements with Armada and Harvco to settle the principal amounts of the loans for common shares without par value of the Company. In accordance with the agreement interest on the loans stopped accruing on April 30, 2019. All accrued and unpaid interest on the loans will be forgiven. The settlement of the debts is conditional on the closing of the transaction with Prostar (note 2).

A breakdown of the loans and the debt shares issuable is as follows:

	<u>Amount of Debt</u>	<u>Debt Shares Issuable</u>
Armada Investments Ltd.	CDN\$ 1,700,000	145,282,936
Harvco LLC	CDN\$ 500,000	42,730,275
<hr/>		
Balance, December 31, 2017		\$ 2,588,583
Accrued interest		250,740
Foreign exchange		(220,863)
<hr/>		
Balance, December 31, 2018		2,618,460
Accrued interest		88,517
Foreign exchange		133,718
<hr/>		
Balance, December 31, 2019		\$ 2,840,695

13. CREDIT FACILITY

On September 12, 2012, the Company entered into a revolving credit facility with UMB Financial Corporation ("UMB") (formerly, Meridian Bank Texas, successor by merger). During the year ended December 31, 2014, the borrowing capacity of the loan was adjusted to \$750,000 from \$5,000,000 and the entire amount outstanding under the UMB revolving credit facility was to mature September 12, 2016. During the year ended December 31, 2015, the borrowing capacity of the loan was adjusted from \$750,000 to \$550,000 and the maturity date was extended to September 12, 2017. During the year ended December 31, 2017, the borrowing capacity of the loan was adjusted from \$550,000 to \$175,000 and the maturity date was extended to June 1, 2019. The UMB revolving credit facility bears interest at a rate equal to prime plus 1%, with an interest rate floor of 6%. Interest accrued is payable monthly. The borrowing is guaranteed by one officer and one director of the Company, and is secured by the oil and gas assets of the Company.

During the year ended December 31, 2019, the maturity date was extended to May 12, 2020. All other terms remain the same.

As at December 31, 2019, the Company had drawn upon \$153,100 (2018 - \$153,100) of the credit facility. During the year ended December 31, 2018 the credit facility has been transferred to liability held for sale (note 2).

DOXA ENERGY LTD.
Notes to Consolidated Financial Statements
Years Ended December 31, 2019 and 2018
(Expressed in US Dollars, unless otherwise stated)

14. SEGMENTED INFORMATION

The Company has one operating segment, which is the acquisition and exploration of oil and gas properties. This operating segment was treated as an asset held for sale and discontinued operations as at December 31, 2019.

All of the Company's long-term assets are located in the US. The majority of the Company's operating expenses are incurred in the US, with a smaller portion in Canada. Exploration and development activities are located in the US and oil and gas revenues are generated in the US.

15. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2019, the Company was charged legal fees of CDN\$38,232 (2018 - CDN\$20,885) by S. Paul Simpson Law Corp., a law firm of which an officer of the Company is an employee. As at December 31, 2019, the Company recorded CDN\$50,019 (2018 - CDN\$14,563) in accounts payable owing to S. Paul Simpson Law Corp.

At December 31, 2019, the Company has CDN\$2,760,375 (2018 - CDN\$2,509,432) in loans payable and accrued interest of CDN\$90,753 (2018 - CDN\$250,943) owing to Armada, a company controlled by the former chairman of the Company (note 12).

At December 31, 2019, the Company has CDN\$811,875 (2018 - CDN\$738,068) in loans payable and accrued interest of CDN\$26,692 (2018 - CDN\$73,807) owing to Harvco, a company controlled by the president and director of the Company (note 12).

At December 31, 2019, the Company has \$1,639,860 (2018 - \$1,698,264) in accounts payable owing to Dynamic Production, Inc., a company controlled by the president and director of the Company, for lease operating expenses relating to the Company's developed and producing oil and gas properties.

During the year ended December 31, 2019, the Company recorded \$190,599 (2018 - \$174,716) in oil and gas revenue and incurred \$73,577 (2018 - \$87,844) in direct operating expenses with Dynamic Production, Inc. relating to the Company's developed and producing oil and gas properties. As at December 31, 2019, the Company has \$11,759 (2018 - \$15,109) in accounts receivable from Dynamic Production, Inc.

There was no key management compensation during the years ended December 31, 2019 and 2018.

16. INCOME TAXES

Income tax expense differs from the amount that would be computed by applying the Canadian statutory income tax rate of 27% (2018 - 27%) to income before income taxes. The reasons for the differences are as follows:

DOXA ENERGY LTD.
Notes to Consolidated Financial Statements
Years Ended December 31, 2019 and 2018
(Expressed in US Dollars, unless otherwise stated)

16. INCOME TAXES (Continued)

	2019	2018
Net income (loss)	\$ (81,542)	\$ (284,918)
Statutory income tax rate	27.00%	27.00%
Income tax expense (recovery)	(22,016)	(76,928)
Origination and reversal of temporary differences	(7,797)	(1,366)
Unrecognized tax benefits	29,813	78,294
Total income taxes	\$ -	\$ -

The Company recognizes tax benefits on losses or other deductible amounts generated in countries should the Company have sufficient future taxable income. The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

	2019	2018
Non-capital losses	\$ 8,959,000	\$ 8,849,000
Exploration and evaluation	6,151,000	6,422,000
Property and equipment	179,000	5,000
Asset retirement obligation	122,000	94,000
Unrecognized deductible temporary differences	\$ 15,411,000	\$ 15,370,000

As at December 31, 2019, the Company has US non-capital losses of \$4,868,000 in discontinued operations that may be applied to reduce future US taxable income, expiring as follows:

Available to	Amount (USD)
2030	\$ 2,174,000
2032	1,277,000
2034	247,000
2035	1,091,000
2036	79,000
	\$ 4,868,000

DOXA ENERGY LTD.
Notes to Consolidated Financial Statements
Years Ended December 31, 2019 and 2018
(Expressed in US Dollars, unless otherwise stated)

16. INCOME TAXES (Continued)

As at December 31, 2019, the Company has Canadian non-capital losses of CDN\$5,270,000 that may be applied to reduce future Canadian taxable income purposes, expiring as follows:

Available to	Amount (CDN)
2029	\$ 88,000
2030	509,000
2031	704,000
2032	1,632,000
2033	419,000
2034	372,000
2035	320,000
2036	324,000
2037	347,000
2038	394,000
2039	161,000
	\$ 5,270,000

17. SUBSEQUENT EVENTS

On February 11, 2020, Doxa and Prostar amended the Merger Agreement to extend the date of closing to June 30, 2020. Included in the amendment are the following amended terms:

- a) ProStar will provide payment to Doxa for costs associated with the Transaction of \$57,869 on the following schedule:
 - a. \$30,000 to be paid on or before February 14, 2020 (paid);
 - b. \$27,869 to be paid on or before March 16, 2020 (paid).
- b) ProStar will also provide payment to Doxa for the balance of costs associate with the Transaction up to a maximum of \$70,000 as the costs are incurred.
- c) ProStar will also providing funding in advance for Doxa costs associated with the annual general meeting, reserve reports and audited financial statements which is estimated to be \$50,000, on the following schedule:
 - a. \$30,000 to be paid on or before April 2, 2020 (unpaid);
 - b. Remaining costs as incurred.

The Company and Prostar are currently in discussions regarding the impact of COVID-19 on the amended Merger Agreement.

DOXA ENERGY LTD.
Notes to Consolidated Financial Statements
Years Ended December 31, 2019 and 2018
(Expressed in US Dollars, unless otherwise stated)

17. SUBSEQUENT EVENTS (Continued)

COVID -19

The global impact of COVID-19 as well as recent declines in spot prices for oil and gas have resulted in significant declines in global stock markets and has fostered a great deal of uncertainty as to the health of the global economy over the next 12 to 18 months. As such, companies such as Doxa are subject to liquidity risks in maintaining their revenues and earnings as well as ongoing and future development and operating expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors are likely to have a negative impact on the Company's ability to raise equity and/or obtain loans and other credit facilities in the future or on terms favourable to the Company and its management.

Companies such as Doxa that are involved directly or indirectly in providing goods and services to the oil and gas sector will be affected by the impact of COVID-19 as well as other economic factors impacting the oil and gas sector.

Impairment test for property and equipment, exploration and evaluation assets and assets held for sale and discontinued operations are generally based on a fair value less costs of disposal model. Accordingly, as required by IFRS, management has not reflected these subsequent conditions in the measurement of property and equipment, exploration and evaluation assets and assets held for sale and discontinued operations as at December 31, 2019.

Impairment indicators for property and equipment, exploration and evaluation assets and assets held for sale and discontinued operations could exist at April 24, 2020, if current conditions persist. Management continues to work on revisions to our Company's forecasts and development plans in light of the current conditions and will use these updated assumptions / forecasts in their impairment indicator analysis and for impairment tests, if such tests are required.

DOXA ENERGY LTD.

**Condensed Consolidated Interim Financial Statements
June 30, 2020
(Expressed in US Dollars, unless otherwise stated)
(Unaudited)**

DOXA ENERGY LTD.
Condensed Consolidated Interim Balance Sheets
(Expressed in US Dollars)
(Unaudited)

	June 30, 2020	December 31, 2019
Assets		
Current		
Cash	\$ 2,870	\$ 5,660
Accounts receivable (notes 5)	40,107	45,823
Assets held for sale (note 2)	1,889,108	2,047,732
Total Assets	\$ 1,932,085	\$ 2,099,215
Liabilities		
Current		
Accounts payable and accrued liabilities (note 15)	\$ 3,584	\$ 46,811
Loans payable (notes 12 and 15)	2,707,498	2,840,695
Liabilities held for sale (note 2)	1,889,108	2,047,732
Total Liabilities	4,600,190	4,935,238
Shareholders' Deficiency		
Share Capital (note 11)	8,695,994	8,695,994
Accumulated Other Comprehensive Income	792,325	660,169
Deficit	(12,156,424)	(12,192,186)
Total Shareholders' Deficiency	(2,668,105)	(2,836,023)
Total Liabilities and Shareholders' Deficiency	\$ 1,932,085	\$ 2,099,215

Approved on behalf of the Board:

"John D. Harvison"
..... Director
John D. Harvison

"Dan J. Frederiksen"
..... Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

DOXA ENERGY LTD.**Condensed Consolidated Interim Statements of Comprehensive Income (Loss)****(Expressed in US Dollars)****(Unaudited)**

	Three Months Ended June 30		Six Months Ended June 30	
	2020	2019	2020	2019
Expenses				
Bank charges	\$ 49	\$ 74	\$ 96	\$ 126
Professional fees (note 15)	(22,141)	12,036	(22,141)	12,036
Filing fees and shareholder services	1,239	3,470	5,610	8,494
Insurance	3,553	1,630	5,407	1,630
Advertising and promotion	130	153	264	345
Interest on loan payable	-	21,815	-	88,071
Income (Loss) from Continuing Operations	17,170	(39,178)	10,764	(110,702)
Income from Discontinued Operations (note 2)	-	60,070	24,998	92,695
Net Income (Loss) for the Period	17,170	20,892	35,762	(18,007)
Other Comprehensive Gain (Loss)				
Foreign exchange gain (loss) on translating continuing operations	(106,627)	(58,915)	132,156	(133,874)
Other Comprehensive Gain (Loss) on Continuing Operations	\$ (106,627)	\$ (58,915)	\$ 132,156	\$ (133,874)
Total Comprehensive Income (Loss) for the Period	\$ (89,457)	\$ (38,023)	\$ 167,918	\$ (151,881)
Loss per Share, Basic and Diluted - Continuing	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Earnings per Share, Basic and Diluted - Discontinued (note 2)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Weighted average number of common shares outstanding	33,980,141	33,980,141	33,980,141	33,980,141

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

DOXA ENERGY LTD.
Condensed Consolidated Interim Statements of Cash Flows
(Expressed in US Dollars)
(Unaudited)

	Six Months Ended June 30	
	2020	2019
Operating Activities		
Net income (loss) for the period from continuing operations	\$ 10,764	\$ (110,702)
Item not involving cash		
Accrued interest on long-term debt	-	88,071
Changes in non-cash working capital		
Accounts receivable	5,716	(1,069)
Accounts payable and accrued liabilities	(43,227)	6,025
Operating cash flows used in continuing operations	(26,747)	(17,675)
Operating cash flows provided by discontinued operations	7,180	11,492
Net Cash Used in Operating Activities	(19,567)	(6,183)
Investing Activity		
Net cash used in investing activities from discontinued operations	-	(42,746)
Cash Used in Investing Activity	-	(42,746)
Financing Activity		
Net cash provided by (used in) financing activities from discontinued operations	(5,000)	20,000
Cash Provided by (Used in) Financing Activity	(5,000)	20,000
Effect of Change in Foreign Currency	(1,041)	33,890
Inflow (Outflow) of Cash	(25,608)	4,961
Cash Included in Assets Held for Sale	(37,283)	(5,131)
Cash in Assets Held for Sale, Beginning of Period	60,101	16,385
Cash, Beginning of Period	5,660	10,061
Cash, End of Period	\$ 2,870	\$ 26,276

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

DOXA ENERGY LTD.**Condensed Consolidated Interim Statements of Changes in Shareholders' Deficiency****(Expressed in US Dollars)****(Unaudited)**

	Number of Shares	Share Capital	Accumulated Other Comprehensive Income	Deficit	Total Shareholders' Deficiency
Balance, December 31, 2018	33,980,141	8,695,994	\$794,921	\$(12,110,644)	\$ (2,619,729)
Net loss and comprehensive loss for the six months ended	-	-	(133,874)	(18,007)	(151,881)
Balance, June 30, 2019	33,980,141	8,695,994	661,047	(12,128,651)	(2,771,610)
Balance, December 31, 2019	33,980,141	\$ 8,695,994	\$ 660,169	\$ (12,192,186)	\$ (2,836,023)
Net income and comprehensive income for the six months ended	-	-	132,156	35,762	167,918
Balance, June 30, 2020	33,980,141	\$ 8,695,994	\$ 792,325	\$ (12,156,424)	\$ (2,668,105)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

DOXA ENERGY LTD.

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in US Dollars, unless otherwise stated)

(Unaudited)

For the Six Months Ended June 30, 2020

1. NATURE OF OPERATIONS AND GOING CONCERN

Doxa Energy Ltd. (the "Company" or "Doxa") was incorporated under the *Business Corporations Act* (British Columbia) on February 13, 2007. The principal business of the Company is the acquisition, exploration and development of oil and gas properties, primarily in south Texas, USA. During the year ended December 31, 2018, the Company signed a binding letter of intent with Prostar Geocorp. Inc. ("Prostar") to acquire all of the issued and outstanding securities of Prostar. On May 22, 2019, Prostar and Doxa entered into a definitive merger agreement (note 2). The Company maintains its registered and records office at 2080 – 777 Hornby Street, Vancouver, British Columbia, Canada, V6Z 1S4.

These condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Company will be able to continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, these consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

As at June 30, 2020, the Company has a deficit of \$12,156,424 (December 31, 2019 - \$12,192,186) and working capital deficiency of \$2,668,105 (December 31, 2019 – \$2,836,023). The Company's ability to continue as a going concern is dependent upon its ability to secure additional financing on a timely basis, achieve sufficient positive cash flows from operating activities to cover obligations and expenses and complete the Merger Agreement with ProStar (note 2). Management may actively seek additional financing opportunities through the issuance of equity or debentures as the need for capital arises. These conditions indicate the existence of material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. If the Company is unable to obtain additional financing, management may be required to continue to curtail certain discretionary expenses.

2. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

During the year ended December 31, 2018, the Company signed a binding letter of intent ("LOI") with ProStar Geocorp, Inc. ("ProStar") to acquire all of the issued and outstanding securities of ProStar (the "Transaction"). Prior to the closing of the Transaction, the Company is to dispose of its wholly owned subsidiary Doxa Energy US, Inc. ("Doxa USA").

On May 22, 2019, the Company entered into a definitive merger agreement (the "Merger Agreement") with Prostar. The Transaction, pursuant to the Merger Agreement, will result in a reverse takeover of Doxa by ProStar in accordance with the policies of the TSX Venture Exchange (the "TSXV"). Upon completion of the Transaction, it is anticipated that the combined entity (the "Resulting Issuer") will continue to carry on the business of ProStar and will be listed on the TSXV as a Tier 2 Technology Issuer.

Prior to the closing of the Transaction, the outstanding common shares of Doxa ("Doxa Shares") will be consolidated on the basis of one (1) new Doxa Share for every seventeen (17) existing Doxa Shares (the "Consolidation").

DOXA ENERGY LTD.

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in US Dollars, unless otherwise stated)

(Unaudited)

For the Six Months Ended June 30, 2020

2. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Continued)

Under the terms of the Merger Agreement, the Transaction will be completed by way of a merger under the laws of Delaware, whereby:

- a) ProStar will be merged with and into Doxa Subco, a subsidiary created for the purposes of completing the Transaction, with ProStar surviving as a wholly-owned subsidiary of Doxa;
- b) each outstanding share of ProStar (the "ProStar Shares") shall be converted into the right to receive four (4) post-Consolidation Doxa Shares;
- c) each common share of Doxa Subco shall be converted into one common share of the Resulting Issuer; and
- d) after the closing of the Transaction, no ProStar Shares shall be deemed to be outstanding or to have any rights. Concurrently with closing of the Transaction, Doxa is expected to change its name to "Prostar Geocorp International Inc." or such other name as the parties may determine, and following completion of the Transaction, it is anticipated that the Resulting Issuer will hold all of ProStar's assets and conduct the business of ProStar.

Upon closing of the Transaction, and prior to Doxa completing its concurrent financing of up to 7,500,000 post-Consolidation Doxa Shares for aggregate gross proceeds of up to \$3,000,000 (the "Doxa Offering"), an aggregate of 69,476,812 common shares of the Resulting Issuer (the "Resulting Issuer Shares") will be issued and outstanding. It is expected that, immediately following completion of the Transaction, and prior to the completion of the Doxa Offering: (i) the current shareholders of Doxa will hold 13,058,432 Resulting Issuer Shares, representing approximately 18.80% of the outstanding Resulting Issuer Shares; and (ii) the current shareholders of ProStar will hold 56,418,380 Resulting Issuer Shares, representing approximately 81.20% of the outstanding Resulting Issuer Shares.

Pursuant to the terms of the Merger Agreement, completion of the Transaction will be subject to a number of conditions, including but not limited to, closing conditions customary to transactions of the nature of the Transaction, including the completion of the Consolidation, the completion of a debt settlement of the Company's related party debt and the sale of the Company's oil and gas interests, approvals of all regulatory bodies having jurisdiction in connection with the Transaction and approval of the TSXV including the satisfaction of its initial listing requirements.

Management determined the operations for Doxa USA meet the definitions of assets held for sale and discontinued operations in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. Consequently, assets and liabilities of Doxa USA were classified as a disposal group. Revenue and expenses relating to the discontinuation of Doxa USA have been classified separately from the Company's continuing operations to net income from discontinued operations as a single line in the consolidated statements of operations and comprehensive loss.

DOXA ENERGY LTD.**Notes to Condensed Consolidated Interim Financial Statements****(Expressed in US Dollars, unless otherwise stated)****(Unaudited)****For the Six Months Ended June 30, 2020****2. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Continued)**

In accordance with IFRS 5, on the reclassification of disposal groups as assets held for sale and discontinued operations, the Company remeasured the net assets of Doxa USA to fair value less costs of disposal. During the year ended December 31, 2019, an impairment expense of \$255,698 was recorded against property and equipment and a recovery of \$33,611 was recorded against exploration and evaluation assets, which is included in net income from discontinued operations. During the six months ended June 30, 2020, an impairment of \$110,814 was recorded against property and equipment and exploration and evaluation assets, which is included in net loss from discontinued operations.

As at June 30, 2020 and December 31, 2019, assets and liabilities held for sale comprised of the following:

	June 30, 2020	December 31, 2019
Assets held for sale		
Cash	\$ 37,283	\$ 60,101
Accounts receivable (note 15)	75,747	91,989
Prepays	5,964	14,714
Exploration and evaluation assets (notes 8 and 9)	1,086,668	1,197,482
Property and equipment (notes 7 and 9)	683,446	683,446
Total assets held for sale	\$ 1,889,108	\$ 2,047,732
Liabilities held for sale		
Accounts payable and accrued liabilities (note 15)	\$ 1,644,218	\$ 1,797,842
Credit facility (note 13)	148,100	153,100
Decommissioning obligation (note 10)	96,790	96,790
Total liabilities held for sale	\$ 1,889,108	\$ 2,047,732

DOXA ENERGY LTD.**Notes to Condensed Consolidated Interim Financial Statements****(Expressed in US Dollars, unless otherwise stated)****(Unaudited)****For the Six Months Ended June 30, 2020****2. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Continued)**

The results of Doxa USA are presented as discontinued operations for the period ended June 30, 2020 and 2019:

	June 30, 2020	June 30, 2019
Revenue		
Oil and gas (note 15)	\$ 296,365	\$ 248,960
Direct Operating Expenses		
Severance taxes and transport	63,525	20,516
Lease operating expenses	72,226	113,102
Depletion and depreciation	-	16,065
	135,751	149,683
Operating Income	160,614	99,277
Expenses		
Interest and bank charges	4,146	5,115
Exploration	-	1,276
Professional fees	20,567	-
Office and General	89	71
Filing fees	-	120
	24,802	6,582
	135,812	92,695
Impairment of property and equipment and exploration and evaluation assets (note 9)	(110,814)	-
Income from Discontinued Operations	\$ 24,998	\$ 92,695

DOXA ENERGY LTD.**Notes to Condensed Consolidated Interim Financial Statements****(Expressed in US Dollars, unless otherwise stated)****(Unaudited)****For the Six Months Ended June 30, 2020****2. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Continued)**

Cash flows from discontinued operations are as follows:

	June 30, 2020	June 30, 2019
Operating Activities		
Net income for the period	\$ 24,998	\$ 92,695
Items not involving cash		
Depletion and depreciation	-	16,065
Impairment on property and equipment and exploration and evaluation assets	110,814	-
Changes in non-cash working capital		
Accounts receivable	16,242	(62,534)
Prepaid expenses	8,750	-
Accounts payable	(153,624)	(34,734)
Cash Provided by (Used in) Operating Activities	7,180	11,492
Investing Activity		
Expenditures on property and equipment	-	(42,746)
Cash Used in Investing Activity	-	(42,746)
Financing Activity		
Proceeds (payments) from credit facility	(5,000)	20,000
Cash Provided by (Used in) Financing Activity	(5,000)	20,000
Inflow (Outflow) of Cash Provided by (Used in) Discontinued Operations	\$ 2,180	\$ (11,254)

DOXA ENERGY LTD.

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in US Dollars, unless otherwise stated)

(Unaudited)

For the Six Months Ended June 30, 2020

3. BASIS OF PREPARATION

(a) Basis of presentation

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial instruments, assets held for sale and liabilities held for sale, which are stated at their fair values and have been prepared using the accrual basis of accounting except for cash flow information.

These condensed consolidated interim financial statements were prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting using the accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). They do not include all the information required for full annual financial statements. The condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2019.

The accounting policies set out below have been applied consistently to all periods presented. The accounting policies have been applied consistently by the Company and its subsidiary.

(b) Basis of consolidation

The condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Doxa Energy US, Inc. All material intercompany transactions and balances have been eliminated upon consolidation.

(c) Use of judgments and estimates

The preparation of condensed interim consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the condensed interim consolidated financial statements and the reported amounts of revenues and expenses during the period. Significant estimates and assumptions are used in assessing the asset carrying values and determination of impairment charges of non-current assets, determination of reserves, and valuation of share-based payments. Actual results may differ from those estimates.

DOXA ENERGY LTD.

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in US Dollars, unless otherwise stated)

(Unaudited)

For the Six Months Ended June 30, 2020

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Currency translation

IFRS requires that the functional currency of each entity in the consolidated group be determined separately in accordance with the indicators specified in IAS 21 *The Effects of Changes in Foreign Exchange Rates* and should be measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Company's functional currency is the Canadian dollar ("CDN"), and the US subsidiary's functional currency is the US dollar ("USD"). The consolidated financial statements are presented in US dollars.

Under IFRS, the results and financial position of all the Company's entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the consolidated balance sheet date;
- revenues and expenses are translated at the average exchange rate for the period (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case revenues and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognized as a separate component of equity (deficiency).

Transactions in currencies other than the entity's functional currency are recorded at the average rates of exchange prevailing at the dates of the transactions. Monetary assets and liabilities are translated using the period-end foreign exchange rate.

Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. All gains and losses on translation of these foreign currency transactions are included in profit or loss.

DOXA ENERGY LTD.

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in US Dollars, unless otherwise stated)

(Unaudited)

For the Six Months Ended June 30, 2020

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Financial instruments

Following is the accounting policy for instrument instruments under IFRS 9 *Financial Instruments*:

Financial assets

(i) Recognition and measurement of financial assets

The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument.

(ii) Classification of financial assets

The Company classifies financial assets at initial recognition as financial assets: measured at amortized cost, measured at fair value through other comprehensive income or measured at fair value through profit or loss. The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument.

Financial assets measured at amortized cost

A financial asset that meets both of the following conditions is classified as a financial asset measured at amortized cost.

- The Company's business model for the such financial assets, is to hold the assets in order to collect contractual cash flows.
- The contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary.

DOXA ENERGY LTD.

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in US Dollars, unless otherwise stated)

(Unaudited)

For the Six Months Ended June 30, 2020

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Financial instruments (continued)

(ii) Classification of financial assets (continued)

Financial assets measured at fair value through other comprehensive income ("FVTOCI")

A financial asset measured at fair value through other comprehensive income is recognized initially at fair value plus transaction cost directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included as "financial asset at fair value through other comprehensive income" in other comprehensive income.

Financial assets measured at fair value through profit or loss ("FVTPL")

A financial asset measured at fair value through profit or loss is recognized initially at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

(iii) Derecognition of financial assets

The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interests in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in the consolidated statement of loss and comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive loss.

Financial liabilities

(i) Recognition and measurement of financial liabilities

The Company recognizes financial liabilities when it becomes a party to the contractual provisions of the instruments.

(ii) Classification of financial liabilities

The Company classifies financial liabilities at initial recognition as financial liabilities: measured at amortized cost or measured at fair value through profit or loss.

DOXA ENERGY LTD.

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in US Dollars, unless otherwise stated)

(Unaudited)

For the Six Months Ended June 30, 2020

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Financial instruments (continued)

Financial liabilities (continued)

(ii) Classification of financial liabilities (continued)

Financial liabilities measured at amortized cost

A financial liability at amortized cost is initially measured at fair value less transaction cost directly attributable to the issuance of the financial liability. Subsequently, the financial liability is measured at amortized cost based on the effective interest rate method.

Financial liabilities measured at fair value through profit or loss

A financial liability measured at fair value through profit or loss is initially measured at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial liability is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

(iii) Derecognition of financial liabilities

The Company derecognizes a financial liability when the financial liability is discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statement of comprehensive loss.

Financial assets and liabilities are offset and the net amount is presented in the consolidated statement of financial position only when the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Impairment of financial assets

The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or group of financial assets.

DOXA ENERGY LTD.

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in US Dollars, unless otherwise stated)

(Unaudited)

For the Six Months Ended June 30, 2020

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Inputs for the asset or liability that are not based on observable market data.

DOXA ENERGY LTD.

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in US Dollars, unless otherwise stated)

(Unaudited)

For the Six Months Ended June 30, 2020

5. FINANCIAL INSTRUMENTS

The carrying values of cash, accounts receivable, and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments.

The Company's credit facility and loans payable are considered to be Level 2 of the fair value hierarchy.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below.

(a) Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations.

The Company manages credit risk, in respect to cash, by holding its cash at major Canadian and US financial institutions. Concentration of credit risk exists with respect to the Company's cash, as amounts are held with a major Canadian financial institution and a major US financial institution.

The Company is exposed to credit risk with respect to its accounts receivable. To reduce credit risk of trade receivables, the Company regularly reviews the collectability of the trade receivables to ensure there is no indication that these amounts will not be fully recoverable. As at June 30, 2020, allowance for doubtful accounts is \$nil (December 31, 2019 - \$nil).

The Company's concentration of credit risk and maximum exposure thereto is as follows:

	June 30, 2020	December 31, 2019
Cash – Canada	\$ 2,870	\$ 5,660
Cash – USA (note 2)	\$ 37,283	\$ 60,101
Accounts receivable - Canada	\$ 40,107	\$ 45,823
Accounts receivable - USA (note 2)	\$ 75,747	\$ 91,989

All of the accounts receivable were aged less than 60 days as at June 30, 2020 and December 31, 2019.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due.

The Company manages its liquidity risk by forecasting cash flow requirements for its planned exploration and corporate activities and anticipated investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

DOXA ENERGY LTD.

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in US Dollars, unless otherwise stated)

(Unaudited)

For the Six Months Ended June 30, 2020

5. FINANCIAL INSTRUMENTS (Continued)

(b) Liquidity risk (continued)

As at June 30, 2020, the Company had a cash balance of \$2,870 (December 31, 2019 - \$5,660) and accounts receivable of \$40,107 (December 31, 2019 - \$45,823) available to settle current liabilities of \$4,600,190 (December 31, 2019 - \$4,935,238) in continuing operations.

As at June 30, 2020, the Company had a cash balance of \$37,283 (December 31, 2019 - \$60,101) and accounts receivable of \$75,747 (December 31, 2019 - \$91,989) available in discontinued operations.

The Company's accounts payable and accrued liabilities have contractual maturities of 30 to 90 days. The Company's credit facility matures May 12, 2021 and the loans payable mature July 31, 2023. The Company will be required to raise additional capital in order to fund operations for the next twelve months.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk consists of interest rate risk, foreign currency risk and other price risk. The market risks the Company is exposed to are as follows:

(i) Interest rate risk

Interest rate risk consists of two components:

(a) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

(b) To the extent that changes in prevailing market rates differ from the interest rates in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company is exposed to interest rate price risk on its loans payable and credit facility with fixed interest rates, as the prevailing market interest rate may differ from the interest rate of the debt. However, fluctuations in market rates would have to be significant to have a material effect on the Company's operations; therefore, the Company's exposure to interest rate cash flow risk on the debt is minimal.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value of the Company's financial assets and liabilities will fluctuate due to changes in foreign exchange rates.

DOXA ENERGY LTD.

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in US Dollars, unless otherwise stated)

(Unaudited)

For the Six Months Ended June 30, 2020

5. FINANCIAL INSTRUMENTS (Continued)

(c) Market risk (continued)

(ii) Foreign currency risk (continued)

The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in its functional currency. The Company does not manage currency risk through hedging or other currency management tools.

As at June 30, 2020 and December 31, 2019, the Company's net exposure to foreign currency risk on its financial instruments is as follows:

	June 30, 2020	December 31, 2019
	US\$	US\$
Cash	4,297	5,457

Based on the above, assuming all other variables remain constant, a 10% (2019 - 10%) weakening or strengthening of the Canadian dollar against the US dollar would result in an increase/decrease of approximately \$546 (2019 - \$467) in other comprehensive gain (loss).

6. CAPITAL MANAGEMENT

The Company considers its capital structure to consist of shareholders' deficiency and debt. The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern. The Company sets the amount of capital in proportion to risk and manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of any underlying assets. The Board of Directors does not establish a quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and development and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire interests in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the six-months ended June 30, 2020. The Company is not subject to externally imposed capital requirements.

DOXA ENERGY LTD.

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in US Dollars, unless otherwise stated)

(Unaudited)

For the Six Months Ended June 30, 2020

7. PROPERTY AND EQUIPMENT

As at June 30, 2020 and December 31, 2019, \$nil remains in property and equipment due to the transfer of property and equipment to assets held for sale as described in note 2.

8. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets consist of the Company's exploration projects, which are pending the determination of proven or probable reserves. Additions represent the Company's share of costs incurred on exploration and evaluation assets during the year. As at June 30, 2020 and December 31, 2019, \$nil remains in exploration and evaluation assets due to the transfer of exploration and evaluation assets to assets held for sale as described in note 2.

9. IMPAIRMENT OF PROPERTY AND EQUIPMENT AND EXPLORATION AND EVALUATION ASSETS

During the year ended December 31, 2018, the property and equipment and exploration and evaluation assets were classified as assets held for sale (note 2) which requires the assets to be recorded at the lower of carrying value and FVLCD. Management assessed the fair value less cost of disposal ("FVLCD") on its Koehn, Kynette, Mississippian and Sarco Creek CGUs and the exploration and evaluation assets and determined the carrying amounts were greater than their FVLCD. An impairment loss of \$110,814 (2019 - \$nil) was recognized during the six-months ended June 30, 2020.

The recoverable amounts for the property and equipment were estimated using FVLCD using an income approach based on a discounted cash flow method and categorized in Level 3 of the fair value hierarchy. Key assumptions in the determination of cash flows from reserves include crude oil and natural gas prices, loss factors and discount rates specific to the underlying composition of assets residing in the CGU. The post-tax discount rate used was 19.5% (2019 – 19.5%). The FVLCD for the exploration and evaluation assets was determined using a market approach based on the estimated selling price as noted in the Merger Agreement (note 2).

10. DECOMMISSIONING OBLIGATION

The Company's property closure and abandonment provision relates to the restoration and closure of its oil and gas property interests. This decommissioning obligation has been recorded as a liability at fair value, assuming a risk-free discount rate of 1.92% (2019 – 1.92%) and an inflation factor of 2.3% (2019 - 1.5%). The amount of the liability is subject to remeasurement during each reporting period. The obligation will be funded from operating cash flows and cash on hand. During the year ended December 31, 2018, the decommissioning obligation was transferred to liabilities held for sale (note 2).

For the six months ended June 30, 2020, there was no change in estimate of the decommissioning obligation. For the fiscal year ended December 31, 2019, a change in estimate of the decommissioning obligation resulted in an increase of \$14,439 and \$2,597 was recorded as accretion expense.

DOXA ENERGY LTD.

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in US Dollars, unless otherwise stated)

(Unaudited)

For the Six Months Ended June 30, 2020

11. SHARE CAPITAL

(a) Authorized

The Company has authorized an unlimited number of common shares without par value. All outstanding common shares are fully paid.

(b) Share issuances

There were no share issuances during the six months ended June 30, 2020 and 2019.

(c) Share purchase options

The Company has a stock option plan (the "Plan") in place that allows for the reservation of common shares issuable under the Plan to a maximum of 10% of the number of issued and outstanding common shares of the Company at any given time. The exercise price of each option is required to be set at the closing price of the Company's common shares on the trading day prior to the date of grant.

At June 30, 2020 and December 31, 2019, the Company has no options issued and outstanding.

(d) Warrants

At June 30, 2020 and December 31, 2019, the Company has no warrants issued and outstanding.

12. LOANS PAYABLE

On August 10, 2010, the Company entered into loan agreements with each of Armada Investments Ltd. ("Armada"), a company controlled by the former chairman of the Company, and Harvco LLC ("Harvco"), a company controlled by the president and director of the Company, whereby Armada provided a loan of CDN\$1,200,000 and Harvco provided a loan of CDN\$500,000 (the "loans"). The loans were originally due August 15, 2012 and the interest rate on the loan balance is 10% compound per annum.

On July 27, 2011, the Company entered into a second loan agreement with Armada whereby Armada has provided an aggregate loan facility of up to CDN\$500,000 to the Company. The loan was originally due July 27, 2013 and the interest rate on the loan balance is 10% compound per annum.

As at June 30, 2020 and December 31, 2019, the loans were recorded at CDN\$2,851,128 (principal of CDN\$2,760,375 and accrued fiscal 2019 interest of CDN\$90,753) and CDN\$838,567 (principal of CDN\$811,875 and accrued fiscal 2019 interest of CDN\$26,692), respectively (note 15).

During the year ended December 31, 2011, the due date of the loans payable was amended to August 15, 2013. On November 28, 2013 and November 19, 2014, the due date was further amended to July 31, 2015 and July 31, 2016, respectively. On February 3, 2017, the due date for all of the loans payable to Armada and Harvco were amended to July 31, 2018. On July 31, 2018 the due date for all of the loans payable to Armada and Harvco were amended to July 31, 2023.

DOXA ENERGY LTD.

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in US Dollars, unless otherwise stated)

(Unaudited)

For the Six Months Ended June 30, 2020

12. LOANS PAYABLE (Continued)

On May 22, 2019, the Company entered into debt settlement agreements with Armada and Harvco to settle the principal amounts of the loans for common shares without par value of the Company. In accordance with the agreement interest on the loans stopped accruing on April 30, 2019. All accrued and unpaid interest on the loans will be forgiven. The settlement of the debts is conditional on the closing of the transaction with Prostar (note 2).

A breakdown of the loans and the debt shares issuable is as follows:

	<u>Amount of Debt</u>	<u>Debt Shares Issuable</u>
Armada Investments Ltd.	CDN\$ 1,700,000	145,282,936
Harvco LLC	CDN\$ 500,000	42,730,275
<hr/>		
Balance, December 31, 2018		2,618,460
Accrued interest		88,517
Foreign exchange		133,718
<hr/>		
Balance, December 31, 2019		\$ 2,840,695
Accrued interest		-
Foreign exchange		(133,197)
<hr/>		
Balance, June 30, 2020		\$ 2,707,498

13. CREDIT FACILITY

On September 12, 2012, the Company entered into a revolving credit facility with UMB Financial Corporation ("UMB") (formerly, Meridian Bank Texas, successor by merger). During the year ended December 31, 2014, the borrowing capacity of the loan was adjusted to \$750,000 from \$5,000,000 and the entire amount outstanding under the UMB revolving credit facility was to mature September 12, 2016. During the year ended December 31, 2015, the borrowing capacity of the loan was adjusted from \$750,000 to \$550,000 and the maturity date was extended to September 12, 2017. During the year ended December 31, 2017, the borrowing capacity of the loan was adjusted from \$550,000 to \$175,000 and the maturity date was extended to June 1, 2019. The UMB revolving credit facility bears interest at a rate equal to prime plus 1%, with an interest rate floor of 6%. Interest accrued is payable monthly. The borrowing is guaranteed by one officer and one director of the Company, and is secured by the oil and gas assets of the Company.

During the year ended December 31, 2019, the maturity date was extended to May 12, 2020. All other terms remain the same. During the six-months ended June 30, 2020, the maturity date was extended to May 12, 2021 and the borrowing capacity of the loan was adjusted to \$5,000,000.

As at June 30, 2020, the Company had drawn upon \$148,100 (2019 - \$153,100) of the credit facility. During the year ended December 31, 2018 the credit facility has been transferred to liability held for sale (note 2).

DOXA ENERGY LTD.

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in US Dollars, unless otherwise stated)

(Unaudited)

For the Six Months Ended June 30, 2020

14. SEGMENTED INFORMATION

The Company has one operating segment, which is the acquisition and exploration of oil and gas properties. This operating segment was treated as an asset held for sale and discontinued operations as at June 30, 2020.

All of the Company's long-term assets are located in the US. The majority of the Company's operating expenses are incurred in the US, with a smaller portion in Canada. Exploration and development activities are located in the US and oil and gas revenues are generated in the US.

15. RELATED PARTY TRANSACTIONS

During the six-months ended June 30, 2020, the Company was charged legal fees of CDN\$11,345 (2019 - CDN\$13,050) by S. Paul Simpson Law Corp., a law firm of which an officer of the Company is an employee. As at June 30, 2020, the Company recorded CDN\$nil (December 31, 2019 - CDN\$50,019) in accounts payable owing to S. Paul Simpson Law Corp.

At June 30, 2020, the Company has CDN\$2,760,375 (December 31, 2019 - CDN\$2,760,375) in loans payable and accrued interest of CDN\$90,753 (December 31, 2019 - CDN\$90,753) owing to Armada, a company controlled by the former chairman of the Company (note 12).

At June 30, 2019, the Company has CDN\$811,875 (December 31, 2019 - CDN\$811,875) in loans payable and accrued interest of CDN\$26,692 (December 31, 2019 - CDN\$26,692) owing to Harvco, a company controlled by the president and director of the Company (note 12).

At June 30, 2020, the Company has \$1,485,477 (December 31, 2020 - \$1,639,860) in accounts payable owing to Dynamic Production, Inc., a company controlled by the president and director of the Company, for lease operating expenses relating to the Company's developed and producing oil and gas properties.

During the six months ended June 30, 2020, the Company recorded \$296,365 (2019 - \$248,960) in oil and gas revenue and incurred \$135,751 (2019 - \$149,683) in direct operating expenses with Dynamic Production, Inc. relating to the Company's developed and producing oil and gas properties. As at June 30, 2020, the Company has \$12,993 (2019 - \$11,759) in accounts receivable from Dynamic Production, Inc.

There was no key management compensation during the six months ended June 30, 2020 and the year ended December 31, 2019.

17. COVID-19

DOXA ENERGY LTD.**Notes to Condensed Consolidated Interim Financial Statements****(Expressed in US Dollars, unless otherwise stated)****(Unaudited)****For the Six Months Ended June 30, 2020**

The global impact of COVID-19 as well as recent declines in spot prices for oil and gas have resulted in significant declines in global stock markets and has fostered a great deal of uncertainty as to the health of the global economy over the next 12 to 18 months. As such, companies such as Doxa are subject to liquidity risks in maintaining their revenues and earnings as well as ongoing and future development and operating expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors are likely to have a negative impact on the Company's ability to raise equity and/or obtain loans and other credit facilities in the future or on terms favourable to the Company and its management.

Companies such as Doxa that are involved directly or indirectly in providing goods and services to the oil and gas sector will be affected by the impact of COVID-19 as well as other economic factors impacting the oil and gas sector. Although it is not possible to reliably estimate the length or severity of these developments and their financial impact to the date of approval of these financial statements, there may be further significantly adverse impact on the Company's financial position and results of operations for future periods or the pending transaction with ProStar (note 2) if the pandemic is not successfully contained or the effects of which are not mitigated.

SCHEDULE "B"

**MD&A OF THE COMPANY FOR THE YEAR ENDED DECEMBER 31, 2019
AND FOR THE SIX MONTHS ENDED JUNE, 30, 2020**

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

Doxa Energy Ltd.

#1450 – 700 West Georgia Street, Vancouver, B.C., V7Y 1K8
Tel: 604-642-3692 Fax: 604-642-2629

Management Discussion and Analysis For the year ended December 31, 2019 (Expressed in U.S. Dollars)



Doxa Energy Ltd.
Period Ended December 31, 2019
Management Discussion and Analysis
(Expressed in U.S. Dollars)

Overview

The following Management’s Discussion and Analysis (“MD&A”) of Doxa Energy Ltd. (the “Company” or “Doxa”), prepared as of April 24, 2020, should be read together with the audited consolidated financial statements for the year ended December 31, 2019 and related notes attached thereto, which are prepared in accordance with International Financial Reporting Standards, (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). The Company’s functional currency is the Canadian dollar and the US subsidiary, Doxa Energy US Inc.’s (“Doxa USA”) functional currency is the U.S. dollar. All amounts are stated in U.S. dollars unless otherwise indicated.

The reader should also refer to the audited consolidated financial statements for the years ended December 31, 2018 and 2017, found filed on SEDAR.

Additional information related to the Company is available for view on SEDAR at www.sedar.com, and the Company website www.doxaenergy.com.

Forward Looking Statements and Risk Factors

The forward-looking information in this MD&A is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the Company’s operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the Company or other factors.

Further information regarding these and other factors which may cause results to differ materially from those projected in forward-looking statements are included in the Company’s filings with securities regulatory authorities. The Company does not undertake to update any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities laws.

GLOSSARY OF ABBREVIATIONS

BBL	barrel
BOPD	barrels of oil per day
BOE	barrels of oil equivalent ⁽¹⁾
BOEPD	barrels of oil equivalent per day
MCF	1,000 cubic feet of natural gas
MCFD	1,000 cubic feet of natural gas per day

- (2) BOE conversion ratio of 6 MCF: 1 BBL is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Disclosure provided herein in respect of BOEs may be misleading, particularly if used in isolation.

The following table sets forth certain standard conversions between Standard Imperial Units and the International System of units (or metric units).

Doxa Energy Ltd.
Period Ended December 31, 2019
Management Discussion and Analysis
(Expressed in U.S. Dollars)

To Convert From	To	Multiply By
MCF	Cubic metres	28.317
Cubic metres	Cubic feet	35.494
BBLs	Cubic metres	0.159
Cubic metres	Bbls	6.292
Feet	Metres	0.305
Metres	Feet	3.281
Miles	Kilometers	1.609
Kilometers	Miles	0.621
Acres	Hectares	0.405
Hectares	Acres	2.471

DESCRIPTION OF BUSINESS

Doxa Energy Ltd. (the “Company” or “Doxa”) is a Canadian junior oil and gas company with its offices in Vancouver, B.C., and Fort Worth, Texas, and its shares are listed for trading on the TSX Venture Exchange under the symbol **DXA**. Its head office address is Suite 1450 – 700 West Georgia Street, Vancouver, B.C., V7Y 1K8. The Company has been engaged primarily in exploration for, and production of, petroleum and natural gas reserves in Oklahoma and Texas, USA.

On October 26, 2018, the Company signed a Letter of Intent to essentially liquidate its existing oil and gas assets and enter into a ‘reverse takeover’ by an unrelated technology Company pursuant to Policy 5.2 of the TSX-V. On May 22, 2019, the Company entered into a definitive merger agreement with Prostar Geocorp, Inc. On February 11, 2020, the Company agreed to an amendment to the definitive agreement. If consummated, this transaction will have a significant effect on the operations of Doxa and its shareholders. Trading of Doxa shares has been halted. See the “ProStar Geocorp Inc. Reverse Takeover Transaction” section below further information

As the Company plans to dispose of Doxa USA, as a condition of the transaction, management determined the operations for Doxa USA meet the definitions of assets held for sale and discontinued operations under IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*. Consequently, assets and liabilities of Doxa USA were classified as a disposal group. Revenue and expenses relating to the discontinuation of Doxa USA have been classified from the Company’s continuing operations to net income from discontinued operations as a single line in the consolidated statements of operations and comprehensive loss.

The reader should refer to Note 2 of the audited consolidated financial statements for financial statement presentation of Doxa USA.

Doxa Energy Ltd.
Period Ended December 31, 2019
Management Discussion and Analysis
(Expressed in U.S. Dollars)

Oil and Gas Properties

Mississippian Lime Play, Oklahoma

As at December 31, 2019, the Company continued to own interests in 24 active Mississippian wells, being 0.74 net producing wells. During the fourth quarter, 2019, completed Mississippian wells produced an average of approximately 1.5 barrels of oil per day (BOPD) and 16 MCF of natural gas per day (MCFPD), or 4 barrels of oil equivalent per day (BOEPD) per well, net to the company. The wells are marginally economic and Doxa has no plans to participate in any new wells in the future.

3D Seismic Project, Bee and Goliad Counties, Texas

The Company owns 5.37% participating interest in 5 producing oil wells on this project, before payout, along with an additional reversionary interest equal to 1.775% after payout, as these terms are defined in various agreements with third parties. The Company projects that payout should occur in Q1 2020. As of December 31, 2019, completed wells on the project were producing approximately 172 BOPD and 88 MCFD in total gross production, being 7 BOPD and 4 MCFD net to Doxa.

Peeler Ranch Area, Atascosa County, Texas

Doxa continues to own interests in 2 producing Eagle Ford wells in Atascosa County, Texas, both on the Peeler Ranch leasehold.

The Company owns a 20% interest in the Peeler Ranch No. 1-H, which was completed in March 2011, is marginally productive, and a 9.4796% interest in the Peeler Ranch No. 2-H was completed in January, 2012 and is currently producing an average of 9 BOPD.

County Line North Prospect, McMullen County, Texas

Doxa owns a 12.527% working interest along with an 8.999% net revenue interest in the County Line North Project, McMullen County, Texas. One well has been drilled on the project, being the Kynette No. 1, which was completed as a gas well in October 2011. After producing a total of 2.8 BCF the well was recompleted to a new zone of interest in the wellbore at a shallower depth during the first quarter 2019. For the fourth quarter 2019 the well produced an average of 500 MCFD and 1 BOPD net to the company.

Doxa Energy Ltd.
Period Ended December 31, 2019
Management Discussion and Analysis
(Expressed in U.S. Dollars)

New Beilau Prospect, Colorado County, Texas

The Company owns 6.25% interest in the Koehn Unit No. 1 well, and a 12.5% interest in the Koehn Unit No. 2 well, both situated on the New Beilau Prospect, Colorado County, Texas.

While the Koehn No. 1 is marginally productive, plans are being formulated to rework the number No. 2 well, which is shut-in.

Rogers Project, Jackson County, Texas

Doxa also owns a 4.50% interest in a Yegua formation producer, being the Rogers No. 1 well, Jackson County, Texas. Completing during 2013, the well is currently marginally productive. No further operations are planned for this project.

OPERATIONS REVIEW

Selected Production Net to the Company

	Three months ended December 31		Year Ended December 31,	
	2019	2018	2019	2018
Gas - MCF	52,479	11,550	147,367	49,395
Oil - BBL	863	847	3,940	3,602
Total - BOE	9,610	2,772	28,502	11,835

Selected Revenue Net to the Company

	Three months ended December 31			
	2019		2018	
	(\$000's)	(\$/BOE)	(\$000's)	(\$/BOE)
Oil and gas revenue	\$199.5	\$20.7	\$91.4	\$33.0
Severance taxes	(50.5)	(5.2)	(11.0)	(3.9)
Production expenses	(51.8)	(5.4)	(63.3)	(22.8)
Total \$, \$/BOE	\$97.2	\$10.1	\$17.1	\$6.3

Doxa Energy Ltd.
Period Ended December 31, 2019
Management Discussion and Analysis
(Expressed in U.S. Dollars)

	Year ended December 31			
	2019		2018	
	(\$000's)	(\$/BOE)	(\$000's)	(\$/BOE)
Oil and gas revenue	\$609.3	\$21.4	\$384.6	\$32.5
Severance taxes	(104.7)	(3.7)	(39.0)	(3.3)
Production expenses	(212.1)	(7.1)	(216.9)	(18.3)
Total \$, \$/BOE	\$292.5	\$10.3	\$128.7	\$10.9

Selected Annual Information

Year Ended December 31	2019	2018	2017
Total Revenues *	\$609,325	\$384,665	\$377,112
Net Income (Loss)	(81,542)	(284,918)	107,959
Basic and Diluted Loss per share	0.00	0.00	0.00
Total Assets	2,099,215	2,143,903	2,215,065
Total Non-Current liabilities	0	2,618,460	262,961
Cash Dividends Declared per Share	\$0.00	\$0.00	\$0.00

*Revenues presented net of severance taxes and transport. Pending the sale of Doxa USA, the revenues are presented in Note 2 of the financial statements under asset held for sale.

Summary of Quarterly Results

The following table sets forth a comparison of the revenues and net income (loss) for each of the Company's last eight quarters:

Quarter Ended	2019				2018			
	31-Dec	30-Sep	30-Jun	31-Mar	31-Dec	30-Sep	30-Jun	31-Mar
Total Revenues	\$199,533	\$160,832	\$164,745	\$84,215	\$91,407	\$87,751	\$96,687	\$108,820
Net Income (Loss)	18,489	(82,024)	20,891	(38,898)	(109,287)	(69,958)	(77,384)	(28,289)
Earnings (Loss) per share	\$0.00	\$(0.00)	\$0.00	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)

Doxa Energy Ltd.
Period Ended December 31, 2019
Management Discussion and Analysis
(Expressed in U.S. Dollars)

Performance Summary

Discussion of the performance for the year ended December 31, 2019, include amounts from the discontinued operations of Doxa USA for consistent comparison to the prior year.

Three months ended December 31, 2019:

For the three months ended December 31, 2019, the Company realized a net income of \$18,489 as compared to a net loss of \$(109,287) for the same period in 2018. The earnings (loss) per share was \$0.00 as compared to loss per share of \$(0.00) for the same period in 2018. Earnings (Loss) before interest, taxes, depletion and amortization (EBITDA) for the period were \$126,698 compared to \$(75,129) for the same period in 2018. The net income (loss) experienced by the Company fluctuates each quarter due to the timing of certain expenditures such as impairments which are tested for annually. For the three months ended December 31, 2019, the Company recorded a \$33,611 recovery of exploration and evaluation assets compared to an impairment of \$77,206 in the same period in 2018. The net income (loss) can also fluctuate due to peripheral or incidental transactions or events such as a realized gain or a write-down or write-off of an asset.

The Company had gross revenue from oil and gas production from thirty three wells during the three month period ended December 31, 2019 of \$199,533, as compared with \$91,407 from thirty three wells for the same period in 2018. During the three months ended December 31, 2019, the Company had net production of 863 BBLs oil and 52,479 MCF gas compared with 847 BBLs oil and 11,550 MCF gas for the same period in 2018. The average price of oil realized during the current period was \$60.96 per BBL and for gas \$2.80 per MCF compared to \$62.42 per BBL and \$3.34 per MCF for the prior year period.

Filing fees and shareholder services for the three month period were \$(28) as compared to \$2,600 in 2018. Filing fees and shareholder services fluctuates depending on activity during the period.

Professional fees for the three month period were \$16,472 as compared to \$5,316 in 2018 due to a reimbursement of expenses by Prostar for professional fees relating to the merger agreement. A recovery of \$44,556 was recorded on professional fees as due from Prostar as per the agreement.

Interest expense on long-term debt for the period was \$152 as compared to \$62,035 in 2018. During the period the Company did not pay interest on related party loans in agreement with the related parties. As per the agreement with Prostar interest on the related party loans was accrued to April 30, 2019.

Doxa Energy Ltd.
Period Ended December 31, 2019
Management Discussion and Analysis
(Expressed in U.S. Dollars)

Year ended December 31, 2019:

For the year ended December 31, 2019, the Company realized a net loss of \$(81,542) as compared to net loss of \$(284,918) in 2018. The loss per share was \$(0.00) as compared to income per share of \$(0.00) for the same period in 2018. Earnings (Loss) before interest, taxes, depletion and amortization (EBITDA) for the period were \$17,678 compared to \$(6,716) for the same period in 2018. The net income (loss) experienced by the Company fluctuates each quarter due to the timing of certain expenditures such as impairments which are tested for annually. The net income (loss) can also fluctuate due to peripheral or incidental transactions or events such as a realized gain or a write-down or write-off of an asset.

The Company recorded \$255,698 in impairment of property and equipment and a recovery of \$33,611 on exploration and evaluation assets compared to \$79,481 in 2018.

The Company had gross revenue from oil and gas production from thirty three wells during the year ended December 31, 2019 of \$609,325, as compared with \$384,665 from thirty three wells for the same period in 2018. During the year ended December 31, 2019, the Company had net production of 3,940 BBLs oil and 147,367 MCF gas compared with 3,602 BBLs oil and 49,395 MCF gas for the same period in 2018. The average price of oil realized during the current period was \$60.00 per BBL and for gas \$2.53 per MCF compared to \$67.35 per BBL and \$2.87 per MCF for the prior year period.

Filing fees and shareholder services for the year were \$10,620 as compared to \$10,275 in 2018. Filing fees and shareholder services fluctuates depending on activity during the period.

Professional fees for the year were \$16,167 as compared to \$37,955 in 2018. A recovery of \$44,556 was recorded on professional fees as due from Prostar as per the agreement.

Interest expense on long-term debt for the period was \$88,517 as compared to \$250,740 in 2018. During the period the Company did not pay interest on related party loans in agreement with the related parties. As per the agreement with Prostar interest on the related party loans was accrued to April 30, 2019.

Liquidity and Capital Resources

The Company ended the period with \$5,660 (2018 - \$10,061) cash and working capital deficiency of \$2,836,023 (2018 - \$1,269).

Net cash from (used in) operating activities for the period ended December 31, 2019 was \$57,773 as compared to net cash of \$92,379 from operating activities in 2018.

Doxa Energy Ltd.
Period Ended December 31, 2019
Management Discussion and Analysis
(Expressed in U.S. Dollars)

Net cash from (used in) investing activities for the period ended December 31, 2019 was \$(17,424) as compared to \$(86,169) during 2018.

Net cash provided from (used in) financing activity for the period ended December 31, 2019 was \$Nil as compared to \$(20,033) during 2018.

The Company does not have sufficient funds to meet its liabilities and investment obligations for the ensuing twelve months as they fall due. In assessing whether the going concern assumption is appropriate, Management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period.

The Company's ability to continue operations and fund its liabilities is dependent on management's ability to secure additional financing from either debt or equity, or from asset divestment opportunities. In this regard, Management has secured a revolving line of credit in the face amount of \$175,000 with a borrowing base of \$175,000. Management is pursuing such additional sources of financing and, while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

Critical Accounting Judgments and Estimates

The Company's use of judgments and estimates are presented in Note 3 of the accompanying unaudited condensed consolidated financial statements. The preparation of the consolidated financial statements in accordance with IFRS requires management to select accounting policies and make judgments and estimates. Such judgments and estimates may have a significant impact on the consolidated financial statements. Actual amounts could differ materially from the estimates used and, accordingly, affect the results of the operations.

These include:

- identification of cash-generating units ("CGUs");
- classification of exploration and evaluation assets;
- going concern assumption;
- the valuation of deferred income tax assets;
- the determination of the Company and its subsidiary's functional currency
- the estimation of the oil and natural gas reserves;
- recoverability of asset carrying values;
- depreciation and depletion;
- the recoverability of accounts receivable; and
- the provision for decommissioning liabilities

Doxa Energy Ltd.
Period Ended December 31, 2019
Management Discussion and Analysis
(Expressed in U.S. Dollars)

Adoption of New Accounting Standards

Effective January 1, 2019, the Company adopted IFRS 16, Leases (“IFRS 16”), which requires lessees to recognize assets and liabilities for most leases. For lessors, there is little change to the existing accounting in IAS 17, Leases. The adoption of IFRS 16 did not have an impact on the Company’s consolidated financial statements as the Company has no long-term leases.

Key Accounting Policies

a) Revenue Recognition

Revenue from the sale of oil and natural gas is recognized when performance obligations are satisfied. Performance obligations are satisfied at the point in time when products are delivered based on volumes to customers at contractual delivery points, and prices have been agreed with the purchaser and collectability is reasonably assured. Delivery is generally at the time the oil enters the tanks and when natural gas enters the pipeline. Revenue is measured net of discounts, customs duties and royalties. With respect to the latter, the entity is acting as a collection agent on behalf of others. The costs associated with the deliver are recognized the same year in which the related revenue is earned and recorded.

Tariffs and tolls charged to other entities for use of pipelines and facilities owned by the Company are recognized as revenue, as they accrue in accordance with the terms of the service or tariff and tolling agreements.

Royalty income is recognized as it accrues in accordance with the terms of the overriding royalty agreements.

b) Property and equipment and exploration and evaluation assets

(i) Pre-exploration expenditures

Expenditures made by the Company before acquiring the legal right to explore in a specific area do not meet the definition of an asset and therefore are expensed by the Company as incurred.

(ii) Exploration and evaluation expenditures

Costs incurred once the legal right to explore has been acquired are capitalized as exploration and evaluation assets. These costs include, but are not limited to, exploration license expenditures,

Doxa Energy Ltd.
Period Ended December 31, 2019
Management Discussion and Analysis
(Expressed in U.S. Dollars)

leasehold property acquisition costs, evaluation costs, including drilling costs directly attributable to an identifiable well and directly attributable general and administrative costs. These costs are accumulated in cost centers by property and are not subject to depletion until technical feasibility and commercial viability has been determined.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For purposes of impairment testing, exploration and evaluation assets are grouped together with developing and producing assets and are tested at an aggregated CGU level. The Company evaluates the geography, geology, production profile and infrastructure of its assets in determining its CGUs. Doxa's CGUs are generally composed of significant development areas. The Company reviews the composition of its CGUs at each reporting date to assess whether any changes are required in light of new facts and circumstances.

The assessment of technical feasibility and commercial viability is based upon estimates of the recoverability of capitalized costs by future exploitation or sale and where the activities have reached a stage that permits a reasonable assessment of the existence of proved reserves. This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available.

When technical feasibility and commercial viability of a well is determinable based on management's assessment of current information, the exploration and evaluation assets attributable to that well are first tested for impairment and then reclassified from exploration and evaluation assets to property and equipment.

(iii) Other intangible costs

Costs of data purchased to formulate strategy for license applications, such as seismic data, and asset purchases are accumulated and capitalized as other intangible assets to the extent that they are incurred prior to obtaining related licenses and do not relate to a field with proven reserves attributed.

Doxa Energy Ltd.
Period Ended December 31, 2019
Management Discussion and Analysis
(Expressed in U.S. Dollars)

(iv) Developing and production costs

Items of property and equipment, which include petroleum and natural gas development and production assets, are measured at cost less accumulated depletion and depreciation and accumulated impairment losses. Development and production assets are grouped into CGUs for impairment testing. A CGU's recoverable amount is the higher of its fair value less costs to sell and its value in use. Where the carrying amount of a CGU exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount.

When significant parts of an item of property and equipment, including petroleum and natural gas interests, have different useful lives, they are accounted for as separate items (major components).

Gains and losses on disposal of an item of property and equipment, including petroleum and natural gas properties, are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized net within the statements of operations and comprehensive loss.

(v) Subsequent costs

Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of property and equipment are recognized as petroleum and natural gas properties only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in comprehensive income (loss) as incurred. Such capitalized petroleum and natural gas properties generally represent costs incurred in developing proved and/or probable reserves and bringing in or enhancing production from such reserves, and are accumulated on a field or geotechnical area basis. The carrying amount of any replaced or sold component is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in comprehensive income (loss) as incurred.

Doxa Energy Ltd.
Period Ended December 31, 2019
Management Discussion and Analysis
(Expressed in U.S. Dollars)

(vi) Depletion and depreciation

Depletion of petroleum and natural gas properties is provided using the unit-of-production method based on production volumes in relation to total estimated proved reserves as determined annually by independent engineers.

Natural gas reserves and production are converted at the energy equivalent of six thousand cubic feet to one barrel of oil. Costs are only depleted once production in a given area begins.

Calculations for depletion and depreciation of production equipment are based on total capitalized costs plus estimated future development costs of proved and undeveloped reserves less the estimated net realizable value of production equipment and facilities after the proved reserves are fully produced.

Proved reserves are estimated using independent reserve engineering reports and represent the estimated quantities of crude oil, natural gas and natural gas liquids, which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible.

Such reserves may be considered commercially producible if management has the intention of developing and producing them and such intention is based upon:

- A reasonable assessment of the future economics of such production;
- A reasonable expectation that there is a market for all or substantially all the expected oil and natural gas production; and
- Evidence that the necessary production, transmission and transportation facilities are available or can be made available.

Reserves may only be considered proved if supported by either actual production or conclusive formation tests.

The area of reservoir considered proved includes:

Doxa Energy Ltd.
Period Ended December 31, 2019
Management Discussion and Analysis
(Expressed in U.S. Dollars)

- (i) that portion delineated by drilling and defined by as-oil and/or oil-water contacts, if any, or both; and
- (ii) immediately adjoining portions not yet drilled, but which can be reasonably judged as economically productive on the basis of available geophysical, geological and engineering data. In the absence of information on fluid contacts, the lowest known structural occurrence of oil and natural gas controls the lower proved limit of the reservoir.

Reserves that can be produced economically through application of improved recovery techniques (such as fluid injection) are only included in the proved classification when successful testing by a pilot project, the operation of an installed program in the reservoir or other reasonable evidence (such as, experience of the same techniques on similar reservoirs or reservoir simulation studies) provides support for the engineering analysis on which the project or program was based.

Depletion and depreciation for other equipment is recognized in profit or loss on a declining balance basis with the following annual rates:

Office equipment	20%
Computer equipment	45%

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

c) Impairment of non-financial assets

Exploration and evaluation assets are assessed for impairment when they are reclassified to developing and producing assets, as petroleum and natural gas properties, and also if facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Fair value less costs to sell is determined to be the amount for which the asset could be sold in an arm's length transaction. Fair value less costs to sell can be determined by using an observable market or by using discounted future net cash flows of proved and probable reserves using forecasted prices and costs. Value in use is determined by estimating the present value of the future net cash flows expected to be derived from the continued use of the asset or CGU.

Doxa Energy Ltd.
Period Ended December 31, 2019
Management Discussion and Analysis
(Expressed in U.S. Dollars)

Exploration and evaluation assets are grouped together with the Company's CGUs when they are assessed for impairment, both at the time of any triggering facts and circumstances as well as upon their eventual reclassification to developing and producing assets (oil and natural gas properties).

An impairment loss would be recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. A CGU's recoverable amount is the higher of its fair value less costs to sell and its value in use. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion and depreciation, if no impairment loss had been recognized.

At December 31, 2019, the Company calculated the recoverable amounts which were determined with fair value less costs to sell using a discounted cash flow method and categorized in Level 3 of the fair value hierarchy. Key assumptions in the determination of cash flows from reserves include crude oil and natural gas prices, loss factors and discount rates specific to the underlying composition of assets residing the CGU. The post-tax discount rate used was 19.5%.

At December 31, 2019, an impairment of \$255,698 was determined on the property and equipment, and a recovery of impairment of \$33,611 on the exploration and evaluation assets.

Off Balance Sheet Arrangements

There are no off balance sheet arrangements to which the Company is committed.

Related Party Transactions

At December 31, 2019, the Company has CDN\$2,760,375 in loans payable, and CDN\$90,752 in accrued interest owing to Armada, a Company controlled by the former chairman of the Company.

Doxa Energy Ltd.
Period Ended December 31, 2019
Management Discussion and Analysis
(Expressed in U.S. Dollars)

At December 31, 2019, the Company has CDN\$811,875 in loans payable, and CDN\$26,692 in accrued interest owing to Harvco, a Company controlled by the president and director of the Company.

At December 31, 2019, the Company has \$1,639,860 in accounts payable owing to Dynamic Production, Inc. a Company controlled by the president and director of the Company for lease operating expenses relating to the Company's developed and producing oil and gas properties.

Prostar Geocorp Inc. Reverse Takeover Transaction

On October 26, 2018, the Company entered into a binding letter agreement whereby the Company will acquire all the issued and outstanding securities of Prostar Geocorp Inc. ("Prostar") by way of a share exchange, amalgamation or such other form of business combination as the parties may determine.

On May 22, 2019, the Company entered into a definitive merger agreement with Prostar Geocorp, Inc. The proposed transaction, pursuant to the Merger Agreement, will result in a reverse takeover of Doxa by ProStar in accordance with the policies of the TSX Venture Exchange (the "TSXV"). Upon completion of the Transaction, it is anticipated that the combined entity (the "Resulting Issuer") will continue to carry on the business of ProStar and will be listed on the TSXV as a Tier 2 Technology Issuer.

On February 11, 2020, the Company entered into an agreement to amend the Merger Agreement, conditional upon certain terms, including receipt of payments for incurred transaction costs.

ProStar specializes in the development of Precision Mapping Solutions. The flagship solution is Transparent Earth, a natively Cloud and Mobile solution offered as Software as a Service. Transparent Earth is designed to improve the business practices of any industry involved in the management of sub-surface infrastructure including utility, oil & gas, construction, engineering & surveying, 811 and contract locating. When close enough is no longer good enough, Transparent Earth enables real-time access to critical and precise location information where and when it is most needed including in the office or out in the field. Transparent Earth enables clients to improve their operations by reducing risks, monitoring workflows, measuring productivity and making more informed business decisions with a higher degree of confidence. Visit <https://www.prostarcorp.com>

Upon successful completion of the proposed acquisition of the securities of ProStar (the "Transaction"), it is anticipated that the Company will be listed as a Tier 2 Technology issuer on the TSX Venture Exchange ("TSX-V") and will carry on the business of ProStar. The Transaction constitutes a 'reverse takeover' of the Company pursuant to Policy 5.2 of the TSX-V.

Doxa Energy Ltd.
Period Ended December 31, 2019
Management Discussion and Analysis
(Expressed in U.S. Dollars)

(a) Transaction Summary

Pursuant to the Transaction, the Company will issue common shares ("DXA Shares") to the holders of common shares in the capital of Prostar ("ProStar Shares") on the basis of approximately four post-Consolidation (as defined below) DXA Shares for each Prostar Share. It is anticipated that approximately 59.3 million DXA Shares will be issued pursuant to the Transaction based on the current capital structure of ProStar. It is a condition to the closing of the Transaction that the Prostar shareholders will hold at least 80.01% of the issued and outstanding DXA Shares on completion of the Transaction, but prior to the completion of a concurrent financing (as discussed below).

The Transaction is an arm's length transaction. Upon the completion of the Transaction, it is expected that ProStar will become a wholly-owned subsidiary of the Company (the "Resulting Issuer").

Pursuant to the agreement, it is agreed that ProStar will complete a pre-Transaction private placement through the issuance of not more than 4,750,000 ProStar Shares and will settle a portion of its existing debt through the issuance of not more than 2,400,000 ProStar Shares.

The Transaction is subject to a number of terms and conditions, including, but not limited to, the completion of satisfactory due diligence investigations, the completion of a private placement by the Company as further described below, the completion of a debt settlement of the Company's related party debt as further described below, the completion of the Consolidation, the completion of the sale of the Company's oil and gas interests, and the approval of the TSX-V and other applicable regulatory authorities. All dollar figures referenced herein, unless otherwise specified, refer to Canadian dollars.

Trading in the DXA Shares will remain halted pending the satisfaction of all applicable requirements of Policy 2.4 of the TSX-V. There can be no assurance that trading of Doxa Shares will resume prior to the completion of the Transaction. Further details concerning the Transaction (including additional financial information) and other matters will be announced.

(b) Information Concerning ProStar

ProStar is incorporated under the laws of the State of Delaware and is a Software as a Service (SaaS) company that provides patented Geospatial Intelligence Software®. ProStar's flagship solution is Transparent Earth®, a natively Cloud and Mobile solution designed to capture, record and display the precise location of subsurface assets, including buried utilities and pipelines. As of December 31, 2018, Prostar had approximately US \$500,000 in assets, liabilities of approximately US \$3,400,000 and estimated (unaudited) revenues for 2018 of US\$1.6 million.

Doxa Energy Ltd.
Period Ended December 31, 2019
Management Discussion and Analysis
(Expressed in U.S. Dollars)

(c) Consolidation

The completion of the Transaction is subject to the completion by the Company of a consolidation of its share capital on a 17 old for one new basis (the "Consolidation").

(d) Debt Settlement

The parties to the Transaction have agreed that prior to or concurrently with the closing of the Transaction, the Company will settle approximately CAD\$3,689,694 in debt (including accrued and unpaid interest to April 30, 2019) owed collectively to Armada Investments Ltd. (a company owned and controlled by the Estate of G. A. Armstrong) and Harvco LLC (a company owned and controlled by President and CEO, John D. Harvison) through the issuance of 188,013,211 pre-Consolidation DXA Shares at a price of CAD\$0.0117013 per pre-Consolidation DXA Share (the "Debt Settlements").

The Debt Settlements will result in the temporary creation of a new control position to be held by Harvco LLC, which will be issued 42,730,275 pre-Consolidation DXA Shares representing 21% of the Company, prior to the completion of the Transaction and any private placement. The Debt Settlements are also "related party transactions" as defined under Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101") as the debts are held indirectly by President and CEO John D. Harvison (through Harvco LLC) and the Estate of G. A. Armstrong (through Armada Investments Ltd.). As a result, the completion of the Debt Settlements will be subject to majority of the minority shareholder approval requirements of MI 61-101.

(e) Private Placement

Pursuant to the letter agreement, it is a condition of the Transaction that the Company completes a private placement of up to 7,500,000 post-Consolidation DXA Shares or units at a price of CAD\$0.40 per post-Consolidation DXA Share. Additional details concerning the terms of the private placement will be provided in a subsequent press release.

(f) Disposition of Oil and Gas Assets

At or prior to the closing of the Transaction, the Company will dispose of its existing oil and gas interests and related equipment in assets through the sale of its U.S. subsidiary (the "Disposition") to Dynamic Production, Inc. ("Dynamic"), a company controlled by John Harvison, the President and CEO of the Company, at their fair market value. As a condition of the Disposition, the Company will be released from the outstanding revolving secured credit facility with UMB Financial Corporation, of which US\$153,100 is currently outstanding and matures on June 1, 2020 and the amount payable to Dynamic of which US\$1,654,188 is currently outstanding as of December 31 (the "Credit Facility"). As it is expected that the fair market value of the oil and gas assets is less than the outstanding balance of the Credit Facility, the Disposition will not result in any payments to the Company.

Doxa Energy Ltd.
Period Ended December 31, 2019
Management Discussion and Analysis
(Expressed in U.S. Dollars)

As the Disposition results in the sale of all or substantially all of the assets of the Company, the Disposition is subject to the approval, by way of a special resolution, of at least 66 2/3% of the shareholders of the Company, voting in person or by proxy, in accordance with the requirements of the Business Corporations Act (British Columbia). Additionally, as Dynamic is in part owned and controlled by President and CEO John D. Harvison, the Disposition is also a "related party transaction" as defined under MI 61-101 and is subject to majority of the minority shareholder approval requirements of MI 61-101.

(g) Shareholder Meeting

On, December 12, 2018 at its annual and special general meeting, the Company received shareholder approval for the Consolidation, Debt Settlements and Disposition. The Company will seek shareholder approval for the Transaction, if required, on a subsequent date.

(h) Sponsorship

The Transaction is subject to the sponsorship requirements of the TSX-V, unless an exemption from those requirements is granted. There can be no assurance that an exemption will be obtained, if an exemption from the sponsorship requirements is not obtained, a sponsor will be identified at a later date. An agreement to act as sponsor in respect of the Transaction should not be construed as any assurance with respect to the merits of the Transaction or the likelihood of its completion.

(i) Trading Halt

Trading in the DXA Shares has been halted as of October 26, 2018 and will remain halted pending the satisfaction of all applicable requirements pursuant to Policy 5.2 of the TSX-V.

(j) Name Change

Upon completion of the Transaction, the Company intends to change its name to "[ProStar Geocorp Holdings Inc.]" or such other name as Prostar and the Company may determine, and the parties expect that the TSX-V will assign a new trading symbol for the Resulting Issuer.

On May 22, 2019, the Company entered into debt settlement agreements with Armada Investments Ltd. and Harvco, LLC., to settle the principal amounts of the loans (See Note 11) being CDN\$1,700,000 to Armada Investments Ltd. and CDN\$500,000 to Harvco, LLC., for common shares without par value of the Company. All accrued and unpaid interest on the loans will be forgiven. The settlement of the debts is conditional on the closing of the transaction with Prostar.

Doxa Energy Ltd.
Period Ended December 31, 2019
Management Discussion and Analysis
(Expressed in U.S. Dollars)

A breakdown of the loans and the debt shares issuable is as follows:

	<u>Amount of Debt</u>	<u>Debt Shares Issuable</u>
Armada Investments Ltd	CDN\$1,700,000	145,282,936
Harvco, LLC	CDN\$500,000	42,730,275

Capital Stock, Options, and Warrants:

- a) Common shares issued and outstanding as at December 31, 2019 and the date this MD&A – 33,980,141 common shares.
- b) Options outstanding as at December 31, 2019 and the date of this MD&A – None
- c) Warrants outstanding as at December 31, 2019 and the date of this MD&A – None

List of Officers and Directors

John D. Harvison	Director, President and CEO, Ft. Worth, Texas
Mark Bronson	Director and CFO, Ft. Worth, Texas
Gerald Graham	Director, President of Doxa Energy US, Inc. Fort Worth, Texas
Jonathon Weiss	Director, Ft. Worth, Texas
Dan Frederiksen	Director, Vancouver, BC
Paul McKenzie	Director, Vancouver, BC
Shauna Hartman	Corporate Secretary, Surrey, BC

FINANCIAL INSTRUMENTS

Details of the Company's financial instruments, management's assessment of their related risks and details of management of those risks are as follows:

Financial Risk Management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, accounts receivable and accounts payable and accrued liabilities.

The fair values of cash, accounts receivable and accounts payable and accrued liabilities approximate their book values because of the short-term nature of these instruments.

Financial Instrument Risk Exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Doxa Energy Ltd.
Period Ended December 31, 2019
Management Discussion and Analysis
(Expressed in U.S. Dollars)

Credit Risk

The Company's only exposure to credit risk is on its bank accounts and accounts receivable. Bank accounts are with highly rated Canadian and US financial institutions.

Liquidity Risk

The Company has insufficient capital in order to meet short-term business requirements, taking into account the Company's holdings of cash and accounts payables. The Company's cash is invested in business accounts which are available on demand.

Market Risk

The only significant market risk exposure to which the Company is exposed is interest rate risk. The Company's bank account earns interest income at variable rates. The fair value of its portfolio is relatively unaffected by changes in short-term interest rates. The Company's future interest income is exposed to short-term rate fluctuations.

Exchange Risk

As at December 31, 2019, some of the Company's cash was held in Canada in Canadian dollars and some was held in the US in US dollars. As a result, the Company is subject to fluctuations in exchange rates.

Risk Factors

The Company is in the business of acquiring, exploring and, if warranted, developing and exploiting natural resource properties in North America. Due to the nature of the Company's proposed business and the present stage of exploration of its oil and gas properties the following risk factors, among others, will apply:

Exploration, Development and Operating Risks

The exploration for and development of oil and gas reserves involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties that are explored are ultimately developed into producing wells. Major expenses may be required to locate and establish petroleum reserves, to develop processes and to construct battery facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the Company will result in a profitable commercial oil operation. Whether an oil reserve will be commercially viable depends on a number of factors, some of which are: the particular attributes of the reserve, such as quantity and quality of the minerals and proximity to infrastructure; oil prices, which are highly cyclical; and government regulations, including regulations relating to

Doxa Energy Ltd.
Period Ended December 31, 2019
Management Discussion and Analysis
(Expressed in U.S. Dollars)

prices, taxes, royalties, land tenure, land use, and environmental protection. The exact effect of these factors cannot be accurately predicted but could have a material adverse effect upon the Company's operations.

Oil and gas operations generally involve a high degree of risk. The operations of the Company are subject to all the hazards and risks normally encountered in the exploration, development and production of oil and gas, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of other producing facilities, damage to life or property, environmental damage and possible legal liability.

Dependence on the Operator and Operational Risks

The Company holds a minority interest in its oil and gas properties and is not the operator of them. As such, the Company is dependent on the operator of these properties for further development and management of these properties. Operational risks in the oil and gas industry include exploration and reserve estimate risks, costs and availability of services and materials, premature reservoir declines, blowouts, well bore collapse, equipment failure and other accidents and adverse weather conditions. The Company is able to obtain material information regarding the operations of these properties when necessary, and is confident that the operations on these properties are carried out in keeping with industry standards.

Political Stability and Government Regulation Risks

The operations of the Company are currently conducted in North America, and as such, the operations of the Company are not exposed to severe uncertainties. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure could result in loss, reduction or expropriation of entitlements.

Insurance and Uninsured Risks

The business of the Company is subject to a number of risks and hazards in general, including adverse environmental conditions, industrial accidents, labor disputes, unusual or unexpected geological conditions, ground or slope failures, changes in the regulatory environment and natural phenomena such as inclement weather conditions and floods.

Such occurrences could result in damage to oil properties or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, and monetary losses and possible legal liability.

Doxa Energy Ltd.
Period Ended December 31, 2019
Management Discussion and Analysis
(Expressed in U.S. Dollars)

Although the Company may maintain insurance to protect against certain risks in such amounts as it considers being reasonable, its insurance may not cover all the potential risks associated with the Company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not be available or may not be adequate to cover any resulting liability.

Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the oil and gas industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards which it may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Environmental Risks and Hazards

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of waste. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties.

COVID-19

The global impact of COVID-19 as well as recent declines in spot prices for oil and gas have resulted in significant declines in global stock markets and has fostered a great deal of uncertainty as to the health of the global economy over the next 12 to 18 months. As such, companies such as Doxa are subject to liquidity risks in maintaining their revenues and earnings as well as ongoing and future development and operating expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors are likely to have a negative impact on the Company's ability to raise equity and/or obtain loans and other credit facilities in the future or on terms favourable to the Company and its management.

Companies such as Doxa that are involved directly or indirectly in providing goods and services to the oil and gas sector will be affected by the impact of COVID-19 as well as other economic factors impacting the oil and gas sector.

Doxa Energy Ltd.
Period Ended December 31, 2019
Management Discussion and Analysis
(Expressed in U.S. Dollars)

Impairment test for property and equipment, exploration and evaluation assets and assets held for sale and discontinued operations are generally based on a fair value less costs of disposal model. Accordingly, as required by IFRS, management has not reflected these subsequent conditions in the measurement of property and equipment, exploration and evaluation assets and assets held for sale and discontinued operations as at December 31, 2019.

Impairment indicators for property and equipment, exploration and evaluation assets and assets held for sale and discontinued operations could exist at April 24, 2020, if current conditions persist. Management continues to work on revisions to our Company's forecasts and development plans in light of the current conditions and will use these updated assumptions / forecasts in their impairment indicator analysis and for impairment tests, if such tests are required.

Forward Looking Statements

Except for statements of historical fact relating to the Company, certain information contained herein constitutes forward-looking statements. Forward-looking statements are frequently characterized by words such as “plan”, “expect”, “project”, “intend”, “believe”, “anticipate” and other similar words, or statements that certain events or conditions “may” or “will” occur. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include the inherent risks involved in the exploration and development of oil and gas properties, the uncertainties involved in interpreting drilling results and other geological data, fluctuating oil and gas prices, the possibility of project costs overruns or unanticipated costs and expenses, uncertainties relating to the availability and costs of financing needed in the future and other factors. The Company undertakes no obligation to update forward-looking statements if circumstances or management’s estimates or opinions should change. The reader is cautioned not to place undue reliance on forward-looking statements.

Doxa Energy Ltd.

#1450 – 700 West Georgia Street, Vancouver, B.C., V7Y 1K8
Tel: 604-642-3692 Fax: 604-642-2629

Management Discussion and Analysis For the period ended June 30, 2020 (Expressed in U.S. Dollars)



Doxa Energy Ltd.
Period Ended June 30, 2020
Management Discussion and Analysis
(Expressed in U.S. Dollars)

Overview

The following Management’s Discussion and Analysis (“MD&A”) of Doxa Energy Ltd. (the “Company” or “Doxa”), prepared as of August 27, 2020, should be read together with the unaudited condensed consolidated financial statements for the period ended June 30, 2020 and related notes attached thereto, which are prepared in accordance with International Financial Reporting Standards, (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). The Company’s functional currency is the Canadian dollar and the US subsidiary, Doxa Energy US Inc.’s (“Doxa USA”) functional currency is the U.S. dollar. All amounts are stated in U.S. dollars unless otherwise indicated.

The reader should also refer to the audited consolidated financial statements for the years ended December 31, 2019 and 2018, found filed on SEDAR.

Additional information related to the Company is available for view on SEDAR at www.sedar.com, and the Company website www.doxaenergy.com.

Forward Looking Statements and Risk Factors

The forward-looking information in this MD&A is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the Company’s operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the Company or other factors.

Further information regarding these and other factors which may cause results to differ materially from those projected in forward-looking statements are included in the Company’s filings with securities regulatory authorities. The Company does not undertake to update any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities laws.

GLOSSARY OF ABBREVIATIONS

BBL	barrel
BOPD	barrels of oil per day
BOE	barrels of oil equivalent ⁽¹⁾
BOEPD	barrels of oil equivalent per day
MCF	1,000 cubic feet of natural gas
MCFD	1,000 cubic feet of natural gas per day

(2) BOE conversion ratio of 6 MCF: 1 BBL is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Disclosure provided herein in respect of BOEs may be misleading, particularly if used in isolation.

Doxa Energy Ltd.
Period Ended June 30, 2020
Management Discussion and Analysis
(Expressed in U.S. Dollars)

The following table sets forth certain standard conversions between Standard Imperial Units and the International System of units (or metric units).

To Convert From	To	Multiply By
MCF	Cubic metres	28.317
Cubic metres	Cubic feet	35.494
BBLs	Cubic metres	0.159
Cubic metres	Bbls	6.292
Feet	Metres	0.305
Metres	Feet	3.281
Miles	Kilometers	1.609
Kilometers	Miles	0.621
Acres	Hectares	0.405
Hectares	Acres	2.471

DESCRIPTION OF BUSINESS

Doxa Energy Ltd. (the “Company” or “Doxa”) is a Canadian junior oil and gas company with its offices in Vancouver, B.C., and Fort Worth, Texas, and its shares are listed for trading on the TSX Venture Exchange under the symbol **DXA**. Its head office address is Suite 1450 – 700 West Georgia Street, Vancouver, B.C., V7Y 1K8. The Company has been engaged primarily in exploration for, and production of, petroleum and natural gas reserves in Oklahoma and Texas, USA.

On October 26, 2018, the Company signed a Letter of Intent to essentially liquidate its existing oil and gas assets and enter into a ‘reverse takeover’ by an unrelated technology Company pursuant to Policy 5.2 of the TSX-V. On May 22, 2019, the Company entered into a definitive merger agreement with Prostar Geocorp, Inc. On February 11, 2020, the Company agreed to an amendment to the definitive agreement. If consummated, this transaction will have a significant effect on the operations of Doxa and its shareholders. Trading of Doxa shares has been halted. See the “ProStar Geocorp Inc. Reverse Takeover Transaction” section below further information

As the Company plans to dispose of Doxa USA, as a condition of the transaction, management determined the operations for Doxa USA meet the definitions of assets held for sale and discontinued operations under IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*. Consequently, assets and liabilities of Doxa USA were classified as a disposal group. Revenue and expenses relating to the discontinuation of Doxa USA have been classified from the Company’s continuing operations to net income from discontinued operations as a single line in the consolidated statements of operations and comprehensive loss.

The reader should refer to Note 2 of the audited consolidated financial statements for financial statement presentation of Doxa USA.

Doxa Energy Ltd.
Period Ended June 30, 2020
Management Discussion and Analysis
(Expressed in U.S. Dollars)

Oil and Gas Properties

Mississippian Lime Play, Oklahoma

As of June 30, 2020, the Company owned interests in 18 active Mississippian wells, being 0.5 net producing wells. During the first quarter, 2020, completed Mississippian wells produced an average of approximately 1 barrels of oil per day (BOPD) and 16 MCF of natural gas per day (MCFPD), or 4 barrels of oil equivalent per day (BOEPD) per well, net to the company. The wells are marginally economic and Doxa has no plans to participate in any new wells in the future.

3D Seismic Project, Bee and Goliad Counties, Texas

The Company owns 7.1475% participating interest in 5 producing oil wells on this project, including additional interest obtained after payout, as defined in various agreements with third parties. Payout occurred effective January 1, 2020. As of June 30, 2020, completed wells on the project were collectively producing approximately 30 BOPD and 16 MCFD in total gross production, being 2 BOPD and 1 MCFD net to Doxa.

Peeler Ranch Area, Atascosa County, Texas

Doxa continues to own interests in 2 producing Eagle Ford wells in Atascosa County, Texas, both on the Peeler Ranch leasehold.

The Company owns a 20% interest in the Peeler Ranch No. 1-H, which was completed in March 2011, and a 9.4796% interest in the Peeler Ranch No. 2-H was completed in January 2012. Both wells are temporarily shut in.

County Line North Prospect, McMullen County, Texas

Doxa owns a 12.527% working interest along with an 8.999% net revenue interest in the County Line North Project, McMullen County, Texas. One well has been drilled on the project, being the Kynette No. 1, which was completed as a gas well in October 2011. During 2019 the well was recompleted and as of June 30, 2020, was producing at an average rate of 628 MMCFD and 2 BOPD net to the company.

New Beilau Prospect, Colorado County, Texas

The Company owns 6.25% interest in the Koehn Unit No. 1 well, and a 12.5% interest in the Koehn Unit No. 2 well, both situated on the New Beilau Prospect, Colorado County, Texas. Both wells are marginally productive.

Doxa Energy Ltd.
Period Ended June 30, 2020
Management Discussion and Analysis
(Expressed in U.S. Dollars)

Rogers Project, Jackson County, Texas

Doxa also owns a 4.50% interest in a Yegua formation producer, being the Rogers No. 1 well, Jackson County, Texas. Completing during 2013, the well is currently shut in waiting on a workover. No further drilling operations are planned for this project.

OPERATIONS REVIEW

Selected Production Net to the Company

	Three months ended June 30		Six months ended June 30		Year Ended December 31,	
	2020	2019	2020	2019	2019	2018
Gas - MCF	63,092	39,638	115,338	49,289	147,367	49,395
Oil - BBL	877	1,002	1,983	2,030	3,940	3,602
Total - BOE	11,392	7,608	21,206	10,245	28,502	11,835

Selected Revenue Net to the Company

	Three months ended June 30		Six months ended June 30		Year Ended December 31,	
	2020		2020		2019	
	(\$000's)	(\$/BOE)	(\$000's)	(\$/BOE)	(\$000's)	(\$/BOE)
Oil and gas revenue	\$137.8	\$12.1	\$296.4	\$13.9	\$609.3	\$21.4
Severance taxes	(37.0)	(3.3)	(63.5)	(3.0)	(104.7)	(3.7)
Production expenses	(27.4)	(2.4)	(72.2)	(3.4)	(212.1)	(7.1)
Total \$, \$/BOE	\$73.4	\$9.4	\$160.7	\$7.5	\$292.5	\$10.3

Selected Annual Information

Doxa Energy Ltd.
Period Ended June 30, 2020
Management Discussion and Analysis
(Expressed in U.S. Dollars)

Year Ended December 31	2019	2018	2017
Total Revenues *	\$609,325	\$384,665	\$377,112
Net Income (Loss)	(81,542)	(284,918)	107,959
Basic and Diluted Loss per share	0.00	0.00	0.00
Total Assets	2,099,215	2,143,903	2,215,065
Total Non-Current liabilities	0	2,618,460	262,961
Cash Dividends Declared per Share	\$0.00	\$0.00	\$0.00

*Revenues presented net of severance taxes and transport. Pending the sale of Doxa USA, the revenues are presented in Note 2 of the financial statements under asset held for sale.

Summary of Quarterly Results

The following table sets forth a comparison of the revenues and net income (loss) for each of the Company's last eight quarters:

Quarter Ended	2020		2019				2018	
	30-Jun	31-Mar	31-Dec	30-Sep	30-Jun	31-Mar	31-Dec	30-Sep
Total Revenues	\$137,812	\$158,553	\$199,533	\$160,832	\$164,745	\$84,215	\$91,407	\$87,751
Net Income (Loss)	(21,402)	18,593	18,489	(82,024)	20,891	(38,898)	(109,287)	(69,958)
Earnings (Loss) per share	\$0.00	\$0.00	\$0.00	\$(0.00)	\$0.00	\$(0.00)	\$(0.00)	\$(0.00)

Performance Summary

Discussion of the performance for the period ended June 30, 2020, include amounts from the discontinued operations of Doxa USA for consistent comparison to the prior year.

Three months ended June 30, 2020:

For the six months ended June 30, 2020, the Company realized a net loss of \$(21,402) as compared to a net income of \$20,891 for the same period in 2019. The earnings (loss) per share was \$0.00 as compared to loss per share of \$(0.00) for the same period in 2019. Earnings (Loss) before interest, taxes, depletion and amortization (EBITDA) for the period were \$31,000 compared to \$55,284 for the same period in 2019. The net income (loss) experienced by the Company fluctuates each quarter due to the timing of certain expenditures such as impairments which are tested for annually. For the three months ended June 30, 2020, the Company recorded a \$156 impairment of exploration and

Doxa Energy Ltd.
Period Ended June 30, 2020
Management Discussion and Analysis
(Expressed in U.S. Dollars)

evaluation assets compared to an impairment of \$Nil in the same period in 2019. The net income (loss) can also fluctuate due to peripheral or incidental transactions or events such as a realized gain or a write-down or write-off of an asset.

The Company had gross revenue from oil and gas production from thirty three wells during the three month period ended June 30, 2020 of \$137,812, as compared with \$164,745 from thirty three wells for the same period in 2019. During the three months ended June 30, 2020, the Company had net production of 877 BBLs oil and 63,092 MCF gas compared with 1,002 BBLs oil and 39,638 MCF gas for the same period in 2019. The average price of oil realized during the current period was \$24.88 per BBL and for gas \$1.83 per MCF compared to \$66.57 per BBL and \$2.47 per MCF for the prior year period.

Filing fees and shareholder services for the three month period were \$1,239 as compared to \$3,470 in 2019. Filing fees and shareholder services fluctuates depending on activity during the period.

Interest expense on long-term debt for the period was \$1,556 as compared to \$24,358 in 2019. During the period the Company did not pay interest on related party loans in agreement with the related parties. As per the agreement with Prostar interest on the related party loans was accrued to April 30, 2019.

Six months ended June 30, 2020:

For the six months ended June 30, 2020, the Company realized a net loss of \$(2,810) as compared to net loss of \$(18,007) for the same period in 2019. The loss per share was \$(0.00) as compared to income per share of \$(0.00) for the same period in 2019. Earnings (Loss) before interest, taxes, depletion and amortization (EBITDA) for the period were \$100,344 compared to \$91,151 for the same period in 2019. The net income (loss) experienced by the Company fluctuates each quarter due to the timing of certain expenditures such as impairments which are tested for annually. For the six months ended June 30, 2020, the Company recorded a \$11,540 impairment of exploration and evaluation assets compared to an impairment of \$Nil in the same period in 2019. The net income (loss) can also fluctuate due to peripheral or incidental transactions or events such as a realized gain or a write-down or write-off of an asset.

The Company had gross revenue from oil and gas production from thirty three wells during the six month period ended June 30, 2020 of \$296,365, as compared with \$248,960 from thirty three wells for the same period in 2019. During the six months ended June 30, 2020, the Company had net production of 1,983 BBLs oil and 115,338 MCF gas compared with 2,030 BBLs oil and 49,289 MCF gas for the same period in 2019. The average price of oil realized during the current period was \$36.70 per BBL and for gas \$1.94 per MCF compared to \$66.65 per BBL and \$2.79 per MCF for the prior year period.

Doxa Energy Ltd.
Period Ended June 30, 2020
Management Discussion and Analysis
(Expressed in U.S. Dollars)

Filing fees and shareholder services for the six month period were \$5,610 as compared to \$8,494 in 2019. Filing fees and shareholder services fluctuates depending on activity during the period.

Interest expense on long-term debt for the period was \$3,878 as compared to \$93,093 in 2019. During the period the Company did not pay interest on related party loans in agreement with the related parties. The interest on the related party loans is being accrued.

Liquidity and Capital Resources

The Company ended the period with \$2,870 (2019 - \$26,276) cash and working capital of \$821 (2019 - \$9,990).

Net cash from (used in) operating activities for the period ended June 30, 2020 was \$(3,316) as compared to net cash of \$86,512 from operating activities in 2019.

Net cash from (used in) investing activities for the period ended June 30, 2020 was \$(16,250) as compared to \$(42,746) during 2019.

Net cash provided from (used in) financing activity for the period ended June 30, 2020 was \$(5,000) as compared to \$20,000 during 2019.

The Company does not have sufficient funds to meet its liabilities and investment obligations for the ensuing twelve months as they fall due. In assessing whether the going concern assumption is appropriate, Management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period.

The Company's ability to continue operations and fund its liabilities is dependent on management's ability to secure additional financing from either debt or equity, or from asset divestment opportunities. In this regard, Management has secured a revolving line of credit in the face amount of \$175,000 with a borrowing base of \$175,000. Management is pursuing such additional sources of financing and, while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

Critical Accounting Judgments and Estimates

The Company's use of judgments and estimates are presented in Note 3 of the accompanying unaudited condensed consolidated financial statements. The preparation of the consolidated financial statements in accordance with IFRS requires management to select accounting policies and make judgments and estimates. Such judgments and estimates may have a significant impact on the consolidated financial statements. Actual

Doxa Energy Ltd.
Period Ended June 30, 2020
Management Discussion and Analysis
(Expressed in U.S. Dollars)

amounts could differ materially from the estimates used and, accordingly, affect the results of the operations.

These include:

- identification of cash-generating units (“CGUs”);
- classification of exploration and evaluation assets;
- going concern assumption;
- the valuation of deferred income tax assets;
- the determination of the Company and its subsidiary’s functional currency
- the estimation of the oil and natural gas reserves;
- recoverability of asset carrying values;
- depreciation and depletion;
- the recoverability of accounts receivable; and
- the provision for decommissioning liabilities

Adoption of New Accounting Standards

Effective January 1, 2019, the Company adopted IFRS 16, Leases (“IFRS 16”), which requires lessees to recognize assets and liabilities for most leases. For lessors, there is little change to the existing accounting in IAS 17, Leases. The adoption of IFRS 16 did not have an impact on the Company’s consolidated financial statements as the Company has no long-term leases.

Key Accounting Policies

a) Revenue Recognition

Revenue from the sale of oil and natural gas is recognized when performance obligations are satisfied. Performance obligations are satisfied at the point in time when products are delivered based on volumes to customers at contractual delivery points, and prices have been agreed with the purchaser and collectability is reasonably assured. Delivery is generally at the time the oil enters the tanks and when natural gas enters the pipeline. Revenue is measured net of discounts, customs duties and royalties. With respect to the latter, the entity is acting as a collection agent on behalf of others. The costs associated with the deliver are recognized the same year in which the related revenue is earned and recorded.

Doxa Energy Ltd.
Period Ended June 30, 2020
Management Discussion and Analysis
(Expressed in U.S. Dollars)

Tariffs and tolls charged to other entities for use of pipelines and facilities owned by the Company are recognized as revenue, as they accrue in accordance with the terms of the service or tariff and tolling agreements.

Royalty income is recognized as it accrues in accordance with the terms of the overriding royalty agreements.

b) Property and equipment and exploration and evaluation assets

(i) Pre-exploration expenditures

Expenditures made by the Company before acquiring the legal right to explore in a specific area do not meet the definition of an asset and therefore are expensed by the Company as incurred.

(ii) Exploration and evaluation expenditures

Costs incurred once the legal right to explore has been acquired are capitalized as exploration and evaluation assets. These costs include, but are not limited to, exploration license expenditures, leasehold property acquisition costs, evaluation costs, including drilling costs directly attributable to an identifiable well and directly attributable general and administrative costs. These costs are accumulated in cost centers by property and are not subject to depletion until technical feasibility and commercial viability has been determined.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For purposes of impairment testing, exploration and evaluation assets are grouped together with developing and producing assets and are tested at an aggregated CGU level. The Company evaluates the geography, geology, production profile and infrastructure of its assets in determining its CGUs. Doxa's CGUs are generally composed of significant development areas. The Company reviews the composition of its CGUs at each reporting date to assess whether any changes are required in light of new facts and circumstances.

The assessment of technical feasibility and commercial viability is based upon estimates of the recoverability of capitalized costs by future exploitation or sale and where the activities have reached a stage that permits a reasonable assessment of the existence of proved

Doxa Energy Ltd.
Period Ended June 30, 2020
Management Discussion and Analysis
(Expressed in U.S. Dollars)

reserves. This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available.

When technical feasibility and commercial viability of a well is determinable based on management's assessment of current information, the exploration and evaluation assets attributable to that well are first tested for impairment and then reclassified from exploration and evaluation assets to property and equipment.

(iii) Other intangible costs

Costs of data purchased to formulate strategy for license applications, such as seismic data, and asset purchases are accumulated and capitalized as other intangible assets to the extent that they are incurred prior to obtaining related licenses and do not relate to a field with proven reserves attributed.

(iv) Developing and production costs

Items of property and equipment, which include petroleum and natural gas development and production assets, are measured at cost less accumulated depletion and depreciation and accumulated impairment losses. Development and production assets are grouped into CGUs for impairment testing. A CGU's recoverable amount is the higher of its fair value less costs to sell and its value in use. Where the carrying amount of a CGU exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount.

When significant parts of an item of property and equipment, including petroleum and natural gas interests, have different useful lives, they are accounted for as separate items (major components).

Gains and losses on disposal of an item of property and equipment, including petroleum and natural gas properties, are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized net within the statements of operations and comprehensive loss.

Doxa Energy Ltd.
Period Ended June 30, 2020
Management Discussion and Analysis
(Expressed in U.S. Dollars)

(v) Subsequent costs

Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of property and equipment are recognized as petroleum and natural gas properties only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in comprehensive income (loss) as incurred. Such capitalized petroleum and natural gas properties generally represent costs incurred in developing proved and/or probable reserves and bringing in or enhancing production from such reserves, and are accumulated on a field or geotechnical area basis. The carrying amount of any replaced or sold component is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in comprehensive income (loss) as incurred.

(vi) Depletion and depreciation

Depletion of petroleum and natural gas properties is provided using the unit-of-production method based on production volumes in relation to total estimated proved reserves as determined annually by independent engineers.

Natural gas reserves and production are converted at the energy equivalent of six thousand cubic feet to one barrel of oil. Costs are only depleted once production in a given area begins.

Calculations for depletion and depreciation of production equipment are based on total capitalized costs plus estimated future development costs of proved and undeveloped reserves less the estimated net realizable value of production equipment and facilities after the proved reserves are fully produced.

Proved reserves are estimated using independent reserve engineering reports and represent the estimated quantities of crude oil, natural gas and natural gas liquids, which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible.

Doxa Energy Ltd.
Period Ended June 30, 2020
Management Discussion and Analysis
(Expressed in U.S. Dollars)

Such reserves may be considered commercially producible if management has the intention of developing and producing them and such intention is based upon:

- A reasonable assessment of the future economics of such production;
- A reasonable expectation that there is a market for all or substantially all the expected oil and natural gas production; and
- Evidence that the necessary production, transmission and transportation facilities are available or can be made available.

Reserves may only be considered proved if supported by either actual production or conclusive formation tests.

The area of reservoir considered proved includes:

- (i) that portion delineated by drilling and defined by as-oil and/or oil-water contacts, if any, or both; and
- (ii) immediately adjoining portions not yet drilled, but which can be reasonably judged as economically productive on the basis of available geophysical, geological and engineering data. In the absence of information on fluid contacts, the lowest known structural occurrence of oil and natural gas controls the lower proved limit of the reservoir.

Reserves that can be produced economically through application of improved recovery techniques (such as fluid injection) are only included in the proved classification when successful testing by a pilot project, the operation of an installed program in the reservoir or other reasonable evidence (such as, experience of the same techniques on similar reservoirs or reservoir simulation studies) provides support for the engineering analysis on which the project or program was based.

Depletion and depreciation for other equipment is recognized in profit or loss on a declining balance basis with the following annual rates:

Office equipment	20%
Computer equipment	45%

Doxa Energy Ltd.
Period Ended June 30, 2020
Management Discussion and Analysis
(Expressed in U.S. Dollars)

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

c) Impairment of non-financial assets

Exploration and evaluation assets are assessed for impairment when they are reclassified to developing and producing assets, as petroleum and natural gas properties, and also if facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Fair value less costs to sell is determined to be the amount for which the asset could be sold in an arm's length transaction. Fair value less costs to sell can be determined by using an observable market or by using discounted future net cash flows of proved and probable reserves using forecasted prices and costs. Value in use is determined by estimating the present value of the future net cash flows expected to be derived from the continued use of the asset or CGU.

Exploration and evaluation assets are grouped together with the Company's CGUs when they are assessed for impairment, both at the time of any triggering facts and circumstances as well as upon their eventual reclassification to developing and producing assets (oil and natural gas properties).

An impairment loss would be recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. A CGU's recoverable amount is the higher of its fair value less costs to sell and its value in use. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion and depreciation, if no impairment loss had been recognized.

At December 31, 2019, the Company calculated the recoverable amounts which were determined with fair value less costs to sell using a discounted cash flow method and categorized in Level 3 of the fair value hierarchy. Key assumptions in the determination of cash flows from reserves include crude oil and natural gas prices, loss factors and discount

Doxa Energy Ltd.
Period Ended June 30, 2020
Management Discussion and Analysis
(Expressed in U.S. Dollars)

rates specific to the underlying composition of assets residing the CGU. The post-tax discount rate used was 19.5%.

At December 31, 2019, an impairment of \$255,698 was determined on the property and equipment, and a recovery of impairment of \$33,611 on the exploration and evaluation assets.

At June 30, 2020, an impairment of \$11,540 on the exploration and evaluation assets.

Off Balance Sheet Arrangements

There are no off balance sheet arrangements to which the Company is committed.

Related Party Transactions

At June 30, 2020, the Company has CDN\$2,851,128 in loans payable to Armada, a Company controlled by the former chairman of the Company.

At June 30, 2020, the Company has CDN\$838,567 in loans payable to Harvco, a Company controlled by the president and director of the Company.

At June 30, 2020, the Company has \$1,485,477 in accounts payable owing to Dynamic Production, Inc. a Company controlled by the president and director of the Company for lease operating expenses relating to the Company's developed and producing oil and gas properties.

Prostar Geocorp Inc. Reverse Takeover Transaction

On October 26, 2018, the Company entered into a binding letter agreement whereby the Company will acquire all the issued and outstanding securities of Prostar Geocorp Inc. ("Prostar") by way of a share exchange, amalgamation or such other form of business combination as the parties may determine.

On May 22, 2019, the Company entered into a definitive merger agreement with Prostar Geocorp, Inc. The proposed transaction, pursuant to the Merger Agreement, will result in a reverse takeover of Doxa by ProStar in accordance with the policies of the TSX Venture Exchange (the "TSXV"). Upon completion of the Transaction, it is anticipated that the combined entity (the "Resulting Issuer") will continue to carry on the business of ProStar and will be listed on the TSXV as a Tier 2 Technology Issuer.

Doxa Energy Ltd.
Period Ended June 30, 2020
Management Discussion and Analysis
(Expressed in U.S. Dollars)

On August 18, 2020, the Company entered into an agreement to amend the Merger Agreement, conditional upon certain terms, including receipt of payments for incurred transaction costs, and extending the outside date for closing to December 31, 2020.

ProStar specializes in the development of Precision Mapping Solutions. The flagship solution is Transparent Earth, a natively Cloud and Mobile solution offered as Software as a Service. Transparent Earth is designed to improve the business practices of any industry involved in the management of sub-surface infrastructure including utility, oil & gas, construction, engineering & surveying, 811 and contract locating. When close enough is no longer good enough, Transparent Earth enables real-time access to critical and precise location information where and when it is most needed including in the office or out in the field. Transparent Earth enables clients to improve their operations by reducing risks, monitoring workflows, measuring productivity and making more informed business decisions with a higher degree of confidence. Visit <https://www.prostarcorp.com>

Upon successful completion of the proposed acquisition of the securities of ProStar (the "Transaction"), it is anticipated that the Company will be listed as a Tier 2 Technology issuer on the TSX Venture Exchange ("TSX-V") and will carry on the business of ProStar. The Transaction constitutes a 'reverse takeover' of the Company pursuant to Policy 5.2 of the TSX-V.

(a) Transaction Summary

Pursuant to the Transaction, the Company will issue common shares ("DXA Shares") to the holders of common shares in the capital of Prostar ("ProStar Shares") on the basis of approximately four post-Consolidation (as defined below) DXA Shares for each Prostar Share. It is anticipated that approximately 59.3 million DXA Shares will be issued pursuant to the Transaction based on the current capital structure of ProStar. It is a condition to the closing of the Transaction that the Prostar shareholders will hold at least 80.01% of the issued and outstanding DXA Shares on completion of the Transaction, but prior to the completion of a concurrent financing (as discussed below).

The Transaction is an arm's length transaction. Upon the completion of the Transaction, it is expected that ProStar will become a wholly-owned subsidiary of the Company (the "Resulting Issuer").

Pursuant to the agreement, it is agreed that ProStar will complete a pre-Transaction private placement through the issuance of not more than 4,750,000 ProStar Shares and will settle a portion of its existing debt through the issuance of not more than 2,400,000 ProStar Shares.

The Transaction is subject to a number of terms and conditions, including, but not limited to, the completion of satisfactory due diligence investigations, the completion of a private placement by the Company as further described below, the completion of a debt settlement

Doxa Energy Ltd.
Period Ended June 30, 2020
Management Discussion and Analysis
(Expressed in U.S. Dollars)

of the Company's related party debt as further described below, the completion of the Consolidation, the completion of the sale of the Company's oil and gas interests, and the approval of the TSX-V and other applicable regulatory authorities. All dollar figures referenced herein, unless otherwise specified, refer to Canadian dollars.

Trading in the DXA Shares will remain halted pending the satisfaction of all applicable requirements of Policy 2.4 of the TSX-V. There can be no assurance that trading of Doxa Shares will resume prior to the completion of the Transaction. Further details concerning the Transaction (including additional financial information) and other matters will be announced.

(b) Information Concerning ProStar

ProStar is incorporated under the laws of the State of Delaware and is a Software as a Service (SaaS) company that provides patented Geospatial Intelligence Software®. ProStar's flagship solution is Transparent Earth®, a natively Cloud and Mobile solution designed to capture, record and display the precise location of subsurface assets, including buried utilities and pipelines. As of December 31, 2018, Prostar had approximately US \$500,000 in assets, liabilities of approximately US \$3,400,000 and estimated (unaudited) revenues for 2018 of US\$1.6 million.

(c) Consolidation

The completion of the Transaction is subject to the completion by the Company of a consolidation of its share capital on a 17 old for one new basis (the "Consolidation").

(d) Debt Settlement

The parties to the Transaction have agreed that prior to or concurrently with the closing of the Transaction, the Company will settle approximately CAD\$3,689,694 in debt (including accrued and unpaid interest to April 30, 2019) owed collectively to Armada Investments Ltd. (a company owned and controlled by the Estate of G. A. Armstrong) and Harvco LLC (a company owned and controlled by President and CEO, John D. Harvison) through the issuance of 188,013,211 pre-Consolidation DXA Shares at a price of CAD\$0.0117013 per pre-Consolidation DXA Share (the "Debt Settlements").

The Debt Settlements will result in the temporary creation of a new control position to be held by Harvco LLC, which will be issued 42,730,275 pre-Consolidation DXA Shares representing 21% of the Company, prior to the completion of the Transaction and any private placement. The Debt Settlements are also "related party transactions" as defined under Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101") as the debts are held indirectly by President and CEO John D. Harvison (through Harvco LLC) and the Estate of G. A. Armstrong (through Armada Investments Ltd.). As a result, the completion of the Debt Settlements will be subject to majority of the minority shareholder approval requirements of MI 61-101.

Doxa Energy Ltd.
Period Ended June 30, 2020
Management Discussion and Analysis
(Expressed in U.S. Dollars)

(e) Private Placement

Pursuant to the letter agreement, it is a condition of the Transaction that the Company completes a private placement of up to 7,500,000 post-Consolidation DXA Shares or units at a price of CAD\$0.40 per post-Consolidation DXA Share. Additional details concerning the terms of the private placement will be provided in a subsequent press release.

(f) Disposition of Oil and Gas Assets

At or prior to the closing of the Transaction, the Company will dispose of its existing oil and gas interests and related equipment in assets through the sale of its U.S. subsidiary (the "Disposition") to Dynamic Production, Inc. ("Dynamic"), a company controlled by John Harvison, the President and CEO of the Company, at their fair market value. As a condition of the Disposition, the Company will be released from the outstanding revolving secured credit facility with UMB Financial Corporation, of which US\$153,100 is currently outstanding and matures on June 1, 2020 and the amount payable to Dynamic of which US\$1,654,188 is currently outstanding as of December 31 (the "Credit Facility"). As it is expected that the fair market value of the oil and gas assets is less than the outstanding balance of the Credit Facility, the Disposition will not result in any payments to the Company.

As the Disposition results in the sale of all or substantially all of the assets of the Company, the Disposition is subject to the approval, by way of a special resolution, of at least 66 2/3% of the shareholders of the Company, voting in person or by proxy, in accordance with the requirements of the Business Corporations Act (British Columbia). Additionally, as Dynamic is in part owned and controlled by President and CEO John D. Harvison, the Disposition is also a "related party transaction" as defined under MI 61-101 and is subject to majority of the minority shareholder approval requirements of MI 61-101.

(g) Shareholder Meeting

On, December 12, 2018 at its annual and special general meeting, the Company received shareholder approval for the Consolidation, Debt Settlements and Disposition. The Company will seek shareholder approval for the Transaction, if required, on a subsequent date.

(h) Sponsorship

The Transaction is subject to the sponsorship requirements of the TSX-V, unless an exemption from those requirements is granted. There can be no assurance that an exemption will be obtained, if an exemption from the sponsorship requirements is not obtained, a sponsor will be identified at a later date. An agreement to act as sponsor in respect of the Transaction should not be construed as any assurance with respect to the merits of the Transaction or the likelihood of its completion.

Doxa Energy Ltd.
Period Ended June 30, 2020
Management Discussion and Analysis
(Expressed in U.S. Dollars)

(i) Trading Halt

Trading in the DXA Shares has been halted as of October 26, 2018 and will remain halted pending the satisfaction of all applicable requirements pursuant to Policy 5.2 of the TSX-V.

(j) Name Change

Upon completion of the Transaction, the Company intends to change its name to "[ProStar Geocorp Holdings Inc.]" or such other name as Prostar and the Company may determine, and the parties expect that the TSX-V will assign a new trading symbol for the Resulting Issuer.

On May 22, 2019, the Company entered into debt settlement agreements with Armada Investments Ltd. and Harvco, LLC., to settle the principal amounts of the loans (See Note 11) being CDN\$1,700,000 to Armada Investments Ltd. and CDN\$500,000 to Harvco, LLC., for common shares without par value of the Company. All accrued and unpaid interest on the loans will be foregiven. The settlement of the debts is conditional on the closing of the transaction with Prostar.

A breakdown of the loans and the debt shares issuable is as follows:

	<u>Amount of Debt</u>	<u>Debt Shares Issuable</u>
Armada Investments Ltd	CDN\$1,700,000	145,282,936
Harvco, LLC	CDN\$500,000	42,730,275

Capital Stock, Options, and Warrants:

- a) Common shares issued and outstanding as at June 30, 2020 and the date this MD&A – 33,980,141 common shares.
- b) Options outstanding as at June 30, 2020 and the date of this MD&A – None
- c) Warrants outstanding as at June 30, 2020 and the date of this MD&A – None

List of Officers and Directors

John D. Harvison	Director, President and CEO, Ft. Worth, Texas
Mark Bronson	Director and CFO, Ft. Worth, Texas
Gerald Graham	Director, President of Doxa Energy US, Inc. Fort Worth, Texas
Jonathon Weiss	Director, Ft. Worth, Texas
Dan Frederiksen	Director, Vancouver, BC
Paul McKenzie	Director, Vancouver, BC
Shauna Hartman	Corporate Secretary, Surrey, BC

Doxa Energy Ltd.
Period Ended June 30, 2020
Management Discussion and Analysis
(Expressed in U.S. Dollars)

FINANCIAL INSTRUMENTS

Details of the Company's financial instruments, management's assessment of their related risks and details of management of those risks are as follows:

Financial Risk Management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, accounts receivable and accounts payable and accrued liabilities.

The fair values of cash, accounts receivable and accounts payable and accrued liabilities approximate their book values because of the short-term nature of these instruments.

Financial Instrument Risk Exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit Risk

The Company's only exposure to credit risk is on its bank accounts and accounts receivable. Bank accounts are with highly rated Canadian and US financial institutions.

Liquidity Risk

The Company has insufficient capital in order to meet short-term business requirements, taking into account the Company's holdings of cash and accounts payables. The Company's cash is invested in business accounts which are available on demand.

Market Risk

The only significant market risk exposure to which the Company is exposed is interest rate risk. The Company's bank account earns interest income at variable rates. The fair value of its portfolio is relatively unaffected by changes in short-term interest rates. The Company's future interest income is exposed to short-term rate fluctuations.

Exchange Risk

As at June 30, 2020, some of the Company's cash was held in Canada in Canadian dollars and some was held in the US in US dollars. As a result, the Company is subject to fluctuations in exchange rates.

Doxa Energy Ltd.
Period Ended June 30, 2020
Management Discussion and Analysis
(Expressed in U.S. Dollars)

Risk Factors

The Company is in the business of acquiring, exploring and, if warranted, developing and exploiting natural resource properties in North America. Due to the nature of the Company's proposed business and the present stage of exploration of its oil and gas properties the following risk factors, among others, will apply:

Exploration, Development and Operating Risks

The exploration for and development of oil and gas reserves involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties that are explored are ultimately developed into producing wells. Major expenses may be required to locate and establish petroleum reserves, to develop processes and to construct battery facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the Company will result in a profitable commercial oil operation. Whether an oil reserve will be commercially viable depends on a number of factors, some of which are: the particular attributes of the reserve, such as quantity and quality of the minerals and proximity to infrastructure; oil prices, which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, and environmental protection. The exact effect of these factors cannot be accurately predicted but could have a material adverse effect upon the Company's operations.

Oil and gas operations generally involve a high degree of risk. The operations of the Company are subject to all the hazards and risks normally encountered in the exploration, development and production of oil and gas, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of other producing facilities, damage to life or property, environmental damage and possible legal liability.

Dependence on the Operator and Operational Risks

The Company holds a minority interest in its oil and gas properties and is not the operator of them. As such, the Company is dependent on the operator of these properties for further development and management of these properties. Operational risks in the oil and gas industry include exploration and reserve estimate risks, costs and availability of services and materials, premature reservoir declines, blowouts, well bore collapse, equipment failure and other accidents and adverse weather conditions. The Company is able to obtain material information regarding the operations of these properties when necessary, and is confident that the operations on these properties are carried out in keeping with industry standards.

Doxa Energy Ltd.
Period Ended June 30, 2020
Management Discussion and Analysis
(Expressed in U.S. Dollars)

Political Stability and Government Regulation Risks

The operations of the Company are currently conducted in North America, and as such, the operations of the Company are not exposed to severe uncertainties. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure could result in loss, reduction or expropriation of entitlements.

Insurance and Uninsured Risks

The business of the Company is subject to a number of risks and hazards in general, including adverse environmental conditions, industrial accidents, labor disputes, unusual or unexpected geological conditions, ground or slope failures, changes in the regulatory environment and natural phenomena such as inclement weather conditions and floods.

Such occurrences could result in damage to oil properties or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, and monetary losses and possible legal liability.

Although the Company may maintain insurance to protect against certain risks in such amounts as it considers being reasonable, its insurance may not cover all the potential risks associated with the Company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not be available or may not be adequate to cover any resulting liability.

Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the oil and gas industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards which it may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Environmental Risks and Hazards

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of waste. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve increased fines and penalties for non-compliance, more stringent environmental

Doxa Energy Ltd.
Period Ended June 30, 2020
Management Discussion and Analysis
(Expressed in U.S. Dollars)

assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties.

COVID-19

The global impact of COVID-19 as well as recent declines in spot prices for oil and gas have resulted in significant declines in global stock markets and has fostered a great deal of uncertainty as to the health of the global economy over the next 12 to 18 months. As such, companies such as Doxa are subject to liquidity risks in maintaining their revenues and earnings as well as ongoing and future development and operating expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors are likely to have a negative impact on the Company's ability to raise equity and/or obtain loans and other credit facilities in the future or on terms favourable to the Company and its management.

Companies such as Doxa that are involved directly or indirectly in providing goods and services to the oil and gas sector will be affected by the impact of COVID-19 as well as other economic factors impacting the oil and gas sector.

Impairment test for property and equipment, exploration and evaluation assets and assets held for sale and discontinued operations are generally based on a fair value less costs of disposal model. Accordingly, as required by IFRS, management has not reflected these subsequent conditions in the measurement of property and equipment, exploration and evaluation assets and assets held for sale and discontinued operations as at December 31, 2019, or June 30, 2020.

Impairment indicators for property and equipment, exploration and evaluation assets and assets held for sale and discontinued operations could exist at August 27, 2020, if current conditions persist. Management continues to work on revisions to our Company's forecasts and development plans in light of the current conditions and will use these updated assumptions / forecasts in their impairment indicator analysis and for impairment tests, if such tests are required.

Forward Looking Statements

Except for statements of historical fact relating to the Company, certain information contained herein constitutes forward-looking statements. Forward-looking statements are frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions and estimates of

Doxa Energy Ltd.
Period Ended June 30, 2020
Management Discussion and Analysis
(Expressed in U.S. Dollars)

management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include the inherent risks involved in the exploration and development of oil and gas properties, the uncertainties involved in interpreting drilling results and other geological data, fluctuating oil and gas prices, the possibility of project costs overruns or unanticipated costs and expenses, uncertainties relating to the availability and costs of financing needed in the future and other factors. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change. The reader is cautioned not to place undue reliance on forward-looking statements.

SCHEDULE "C"

**FINANCIAL STATEMENTS OF PROSTAR FOR THE YEAR ENDED DECEMBER 31, 2019 (AUDITED)
AND FOR THE SIX MONTHS ENDED JUNE 30, 2020 (UNAUDITED)**

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]



PRECISION MAPPING SOLUTIONS

PROSTAR GEOCORP INC

**FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

**(AUDITED)
(Expressed in United States Dollars)**

INDEPENDENT AUDITOR'S REPORT

To the Directors of
ProStar Geocorp Inc.

Opinion

We have audited the accompanying financial statements of ProStar Geocorp Inc. (the “Company”), which comprise the statements of financial position as at December 31, 2019 and 2018, and the statements of loss and comprehensive loss, cash flows, and shareholders’ equity (deficiency) for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (“IFRS”).

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that at December 31, 2019 the Company had not achieved profitable operations, had an accumulated deficit of \$16,930,913 since inception, and expects to incur further operating losses as it develops and expands its business. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management’s Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Peter Maloff.

“DAVIDSON & COMPANY LLP”

Vancouver, Canada

Chartered Professional Accountants

November 10, 2020

PROSTAR GEOCORP INC.
STATEMENTS OF FINANCIAL POSITION
AS AT December 31,
(Expressed in United States dollars)

	2019	2018
ASSETS		
Current Assets		
Cash	\$ 130,137	\$ 175,189
Accounts and other receivables (note 4)	29,292	98,953
	<u>159,429</u>	<u>274,142</u>
Non-Current Assets		
Equipment and right-of-use assets (note 5)	72,429	30,850
Intangible assets (note 6)	-	33,000
	<u>-</u>	<u>33,000</u>
Total Assets	<u>\$ 231,858</u>	<u>\$ 337,992</u>
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current Liabilities		
Accounts payable and accrued liabilities (note 7)	\$ 172,401	\$ 343,247
Deferred Revenue	262,213	157,893
Lease liabilities (note 8)	5,074	-
Notes payable (note 10)	2,321,105	-
	<u>2,760,793</u>	<u>501,140</u>
Notes payable (note 10)	-	3,104,063
Preferred shares (note 11)	12,337,005	8,778,993
Preferred shares received in advance (note 11)	<u>50,000</u>	<u>717,012</u>
Total Liabilities	<u>15,147,798</u>	<u>13,101,208</u>
Shareholders' Deficiency (note 12)		
Share capital	1,635,813	1,210,264
Reserves	379,160	613,144
Deficit	(16,930,913)	(14,586,624)
	<u>(14,915,940)</u>	<u>(12,763,216)</u>
Total Liabilities and Shareholders' Equity (Deficiency)	<u>\$ 231,858</u>	<u>\$ 337,992</u>

Nature of Operations and Going Concern (note 1)
Subsequent Events (note 20)

APPROVED ON BEHALF OF THE BOARD ON NOVEMBER 10, 2020

"Herb McKim"
Director

"Page Tucker"
Director

The accompanying notes are an integral part of these financial statements.

PROSTAR GEOCORP INC.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31,
(Expressed in United States dollars)

	2019	2018
Revenue		
Sales	\$ 1,287,784	\$ 1,350,895
Grant Income	200,044	49,956
	<u>1,487,828</u>	<u>1,400,851</u>
Cost of Sales	<u>(196,798)</u>	<u>(80,190)</u>
Gross Margin	1,291,030	1,320,661
Expenses		
Management	506,620	298,709
Information technology	482,111	190,050
Product development	628,811	353,172
Sales and marketing	439,523	208,305
Consulting	206,577	79,000
Depreciation	83,136	44,859
Insurance	15,996	9,213
Office & miscellaneous	115,359	62,748
Professional fees	450,581	208,204
Rent	92,333	123,239
Salaries and wages	140,319	54,402
Share-based payments (note 13)	147,454	268,402
Software support	68,428	27,893
Travel	187,031	62,322
	<u>(3,564,279)</u>	<u>(1,990,518)</u>
Operating loss	(2,273,249)	(669,857)
Other items		
Loss on disposal of asset	(3,042)	-
Financing costs (notes 9)	(67,998)	(302,710)
	<u>(71,040)</u>	<u>(302,710)</u>
Loss and comprehensive loss for the year	\$ (2,344,289)	\$ (972,567)
Weighted Average Number of Common Shares Outstanding		
Basic and Diluted	1,607,971	1,060,021
Loss Per Share		
Basic and Diluted	\$ (1.46)	\$ (0.92)

The accompanying notes are an integral part of financial statements.

PROSTAR GEOCORP INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,
(Expressed in United States dollars)

	2019	2018
Cash Flows used in Operating Activities		
Loss for the year	\$ (2,344,289)	\$ (972,567)
Non-cash items		
Depreciation	83,136	45,795
Accrued interest expense	65,392	287,448
Share-based payments	147,453	268,402
Loss on disposal of assets	3,042	-
Changes in non-cash working capital items:		
Accounts and other receivables	69,661	71,984
Subscriptions receivable	-	1,000
Accounts payable and accrued liabilities	(170,846)	96,997
Deferred Revenue	104,320	1,527
	<u>(2,042,131)</u>	<u>(199,414)</u>
Cash Flows used in Investing Activities		
Purchase of equipment	(64,995)	(19,254)
	<u>(64,995)</u>	<u>(19,254)</u>
Cash Flows provided by Financing Activities		
Preferred shares	2,841,000	-
Preferred shares received in advance	50,000	674,375
Common shares	44,112	-
Line of credit, net	-	(248,532)
Repayment of notes payable	(848,350)	(10,703)
Repayment of lease liability	(24,688)	-
	<u>2,062,074</u>	<u>415,140</u>
Change in cash during the year	(45,052)	196,472
Cash – beginning of year	<u>175,189</u>	<u>(21,283)</u>
Cash – end of year	<u>\$ 130,137</u>	<u>\$ 175,189</u>

Supplemental Information (note 15)

The accompanying notes are an integral part of these financial statements.

PROSTAR GEOCORP INC.
STATEMENTS OF SHAREHOLDERS' EQUITY (DEFICIENCY)
FOR THE YEARS ENDED DECEMBER 31,
(Expressed in United States dollars)

	Share Capital						Total
	Shares	Share Capital	Share Premium	Reserves	Deficit		
Balance – December 31, 2017	909,778	\$ 910	\$ 908,868	\$ 645,228	\$ (13,614,057)	\$ (12,059,051)	
Share-based payments (note 13)	-	-	-	268,402	-	268,402	
Restricted Share Units (note 13)	300,486	300	300,186	(300,486)	-	-	
Net comprehensive loss for the year	-	-	-	-	(972,567)	(972,567)	
Balance – December 31, 2018	1,210,264	1,210	1,209,054	613,144	(14,586,624)	(12,763,216)	
Common shares	176,446	176	146,746	-	-	146,922	
Share-based payments (note 13)	-	-	-	44,643	-	44,643	
Restricted Share Units (note 13)	278,629	279	278,348	(278,627)	-	-	
Net comprehensive loss for the year	-	-	-	-	(2,344,289)	(2,344,289)	
Balance – December 31, 2019	1,665,339	\$ 1,665	\$ 1,634,148	\$ 379,160	\$ (16,930,913)	\$ (14,915,940)	

The accompanying notes are an integral part of these financial statements.

PROSTAR GEOCORP INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

(figures in tables are expressed in United States dollars, except per share amounts)

1. Nature of Operations

ProStar Geocorp Inc. (“**ProStar**” or the “**Company**”) is incorporated under the General Corporation Law (Delaware, USA) after converting from a Colorado Corporation on January 14, 2014. ProStar is a developer of Software-as-a-Service (“**SaaS**”)-based solutions, providing patented Geospatial Intelligence Software designed to enhance the management and maintenance of the asset lifecycle for asset centric industries.

ProStar recently entered into a definitive agreement with Doxa Energy Ltd. (“**Doxa**”), whereby Doxa will acquire all the issued and outstanding securities of the Company (the “**Transaction**”). Doxa is listed on the Toronto Stock Exchange Venture (“**TSXV**”), and upon completion of the proposed Transaction, it is anticipated that the Company will be listed as a Tier 2 technology issuer on the TSXV. Please refer to the subsequent events note for additional information regarding the proposed transaction.

The head office and principal address of the Company is located at Suite 200 – 760 Horizon Drive, Grand Junction, Colorado, 81506.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as recorded in these financial statements. These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. At December 31, 2019, the Company had not achieved profitable operations, had accumulated a deficit of \$16,930,913 since inception and expects to incur further operating losses as it develops and expands its business. The Company’s ability to continue as a going concern is dependent upon the ability to develop its business units, develop marketable software, potentially find, acquire and develop various other business segments with growth potential, its ability to obtain the necessary financing to carry out this strategy, and to meet its corporate overhead needs and discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These matters indicate material uncertainties that may cast significant doubt about the Company’s ability to continue as a going concern.

Since March 31, 2020, the outbreak of the novel strain of coronavirus, specifically identified as “**COVID-19**”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global markets have experienced significant volatility. The duration and enduring impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods. The Company has moved its personnel to remote working environments and has experienced minimal disruption to ongoing operations.

2. Basis of Preparation

Statement of Compliance

These financial statements, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards (“**IFRS**”) issued by the International Accounting Standards Board (“**IASB**”) and Interpretations of the International Financial Reporting Interpretations Committee (“**IFRIC**”).

Basis of Presentation

The financial statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The financial statements of the Company are presented in United States Dollars, unless stated otherwise, which is the functional currency of the parent company.

Significant accounting judgments, estimates, and assumptions

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the year. Actual results could differ from these estimates.

PROSTAR GEOCORP INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

(figures in tables are expressed in United States dollars, except per share amounts)

2. Basis of Preparation (cont'd...)

Significant accounting judgments, estimates, and assumptions (cont'd...)

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below.

Functional currency

The functional currency of an entity is assessed on a standalone basis to determine the economic substance of the currency in which each entity performs its operations. The functional currency of the ProStar is the United States dollar.

Estimate useful life

The useful life of some of the Company's non-current assets is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of practices of similar business, internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to technical or commercial obsolescence and legal or other limits on the use of the asset. It is possible however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above. A reduction in the estimated useful life of any non-current asset would increase the recorded operating expenses and decrease long-term assets.

Impairment of accounts receivable

The Company exercises judgment in identifying impaired accounts receivable, the collection of which may be uncertain.

Deferred income tax

The Company has not recognized a deferred tax asset as management believes it is not probable that taxable profit will be available against which deductible temporary differences can be utilized.

Going concern

The assessment of the Company's ability to continue as a going concern involves critical judgment based on historical experience. Significant judgments are used in the Company's assessment of its ability to continue as a going concern which are described in Note 1.

Critical accounting estimates

The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

PROSTAR GEOCORP INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

(figures in tables are expressed in United States dollars, except per share amounts)

3. Significant Accounting Policies

Intangible assets

Intangible assets are measured at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets acquired through asset acquisitions or business combinations are initially recognized at fair value. The intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Patents	15 years
---------	----------

The amortization method, estimated useful lives, and residual values are reviewed annually, or more frequently if required, and are adjusted as appropriate.

Impairment

At the end of each reporting period, the Company's long-lived assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, due to a change in circumstances, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Revenue recognition

Services revenue includes SaaS subscriptions, related set-up and custom programming service contracts, and from subscriptions to the PointMan. Services revenue is measured at the fair value of the consideration received or receivable for services, net of discounts and sales taxes. Consideration received from customers in advance is recorded as deferred revenue.

Services revenue is recognized when the amount of revenue can be reliably measured, the stage of completion of the work involved in supplying the services can be reliably measured, it is probable that economic benefits associated with the transaction will flow to the Company, and the costs incurred and to be incurred can be reliably measured.

Translation of Foreign Currencies

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency for the Company is the United States dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates.

Transactions in currencies other than the United States dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

PROSTAR GEOCORP INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

(figures in tables are expressed in United States dollars, except per share amounts)

3. Significant Accounting Policies (cont'd...)

Equipment

On initial recognition, equipment are valued at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in a manner intended by the Company. Equipment is subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses.

Depreciation is recognized in operations using the declining balance method at the following rates over the assets useful life, except for software, which is amortized over the life of the license:

Computer equipment	40%
Software	3 years
Office Furniture and fixtures	30-40%
Survey Equipment	30-40%

Depreciation methods, useful lives, and residual values are reviewed at each financial year-end and adjusted if appropriate.

Financial instruments

On January 1, 2018 the Company adopted IFRS 9, Financial Instruments. This new standard replaces International Accounting Standards (“IAS”) 39, Financial Instruments: Recognition and Measurement.

IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments and contractual cash flow characteristics of the financial asset. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9 and, therefore, the accounting policy with respect to financial liabilities is unchanged.

The following is the new accounting policy for financial assets and liabilities under IFRS 9:

Financial assets

The Company classified its financial assets in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive income (FVTOCI), or at amortized cost. The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL; for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

The Company’s accounting policy for each of the categories is as follows:

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs

Financial assets at FVTOCI: Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive (loss) income in they arise.

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset’s contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date, and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

PROSTAR GEOCORP INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

(figures in tables are expressed in United States dollars, except per share amounts)

3. Significant Accounting Policies (cont'd...)

Financial instruments (cont'd...)

Impairment of financial assets at amortized cost: The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

The following table shows the classification of the Company's financial assets under IFRS 9:

Financial asset	IFRS 9 Classification
Cash	FVTPL
Accounts and other receivables	Amortized cost

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

Fair value through profit or loss – This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of operations and comprehensive loss.

Other financial liabilities - This category includes accounts payable and accrued liabilities, secured convertible debentures and flow-through obligation, all of which are recognized at amortized cost using the effective interest method.

Transaction costs in respect of financial instruments at fair value through profit or loss are recognized in the statement of operations and comprehensive losses immediately, while transaction costs associated with all other financial instruments are included in the initial measurement of the financial instrument.

The following table shows the classification of the Company's financial liabilities under IFRS 9:

Financial liability	IFRS 9 Classification
Accounts payable and accrued liabilities	Other financial liabilities
Preferred Notes	FVTPL

Share-based payments

The fair value of all share-based awards granted is recorded, at the measurement date fair value, as an asset or a charge to profit or loss and as a credit to contributed surplus under the graded attribution method.

The fair value of share-based awards granted to employees and others providing similar services which vest immediately is recorded at the date of grant. The fair value of share-based awards which vest in the future is recognized over the vesting period, as adjusted for the expected level of vesting of the options. The fair value of share-based awards is estimated using the Black-Scholes pricing model, with estimated volatility based on the historical volatility of the Company's share price.

Share-based awards granted to parties other than employees and those providing similar services are measured at the fair value of the goods and services received on the date of receipt. If the fair value of the goods and services received cannot be reliably measured, their value is estimated using the Black-Scholes option pricing model, with estimated volatility based on the historical volatility of the Company's share price.

PROSTAR GEOCORP INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

(figures in tables are expressed in United States dollars, except per share amounts)

3. Significant Accounting Policies (cont'd...)

Share-based payments (cont'd...)

Any consideration received on the exercise of share-based awards together with the related portion of contributed surplus attributed to the exercised share-based awards is credited to share capital. When share-based awards expire unexercised the amounts recorded in contributed surplus with respect to those share-based awards are not reclassified within equity.

Restricted Share Units

The Company has granted certain directors, officers, employees and consultants restricted share units ("RSUs") to be settled in shares of the Corporation. The fair value of the estimated number of RSUs that will eventually vest, determined at the date of grant, is recognized as share-based compensation expense over the vesting period, with a corresponding amount recorded as equity. The fair value of the RSUs is estimated using the market value of the underlying shares as well as assumptions related to the market and non-market conditions at the grant date.

Earnings per share

Earnings per share is calculated by dividing the net income for the period available to common shareholders by the weighted average number of shares outstanding during the period. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity. The Company uses the treasury stock method of calculating fully diluted loss per share amounts, whereby any proceeds from the exercise of stock options or other dilutive instruments are assumed to be used to purchase common shares at the average market price during the period. Basic and diluted earnings per share are the same for the periods presented as stock options or other dilutive instruments outstanding during the periods presented were anti-dilutive.

Government grants

Government grants related to research and development activities are recognized in profit or loss as a deduction from the related expenditure when there is reasonable assurance that the grant will be received. Grants that compensate the Company for the cost of an asset are recognized in profit or loss on a systematic basis over the useful life of the asset.

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the date of the statement of financial position.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it does not recognize the excess.

(figures in tables are expressed in United States dollars, except per share amounts)

3. Significant Accounting Policies (cont'd...)

New Standards Adopted

IFRS 16 Leases

The Company adopted IFRS 16 Leases (“IFRS 16”) on January 1, 2019. The objective of the new standard is to eliminate the classification of leases as either operating or financing leases for a lessee and report all leases on the statement of financial position. The only exemption to this will be for leases that are one year or less in duration or for leases of assets with low values. Under IFRS 16 a lessee is required to recognize a right-of-use asset, representing its right to use the underlying asset, and a lease liability, representing its obligations to make lease payments. IFRS 16 also changes the nature of expenses relating to leases, as lease expenses previously recognized for operating leases are replaced with depreciation expense on capitalized right-of-use assets and finance or interest expense for the corresponding lease liabilities associated with the capitalized right-of-use leased assets.

The Company adopted IFRS 16 using the modified retrospective approach and did not restate comparative amounts for the year prior to first adoption. For all leases, the lease liability was measured at January 1, 2019 as the present value of any future minimum lease payments discounted using the appropriate incremental borrowing rate. The associated right of use assets was measured at the amount equal to the lease liability on January 1, 2019.

The following lease accounting policies have been applied as of January 1, 2019 on adoption of IFRS 16:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether the Company has the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement and if the Company has the right to direct the use of the asset.

As a lessee, the Company recognizes a right-of-use asset, and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain measurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- exercise prices of purchase options if we are reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in the Company’s estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit.

As part of the initial application of IFRS 16, the Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit on a straight-line basis over the lease term.

PROSTAR GEOCORP INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

(figures in tables are expressed in United States dollars, except per share amounts)

3. Significant Accounting Policies (cont'd...)

New Standards Adopted (cont'd...)

IFRS 16 Leases (cont'd...)

Impact of transition to IFRS 16:

Effective January 1, 2019, the Company adopted IFRS 16 using the modified retrospective approach and accordingly the information presented for 2018 has not been restated. The cumulative effect of initial application is recognized in deficit at January 1, 2019. Comparative amounts for 2018 remains as previously reported under IAS 17 and related interpretations.

On initial application, the Company has elected to record right-of-use assets based on the corresponding lease liabilities. Lease liabilities have been measured by discounting future lease payments at the incremental borrowing rate at January 1, 2019. The incremental borrowing rate applied was 9% per annum and represents the Company's best estimate of the rate of interest that it would expect to pay to borrow, on a collateralized basis, over a similar term, an amount equal to the lease payments in the current economic environment.

The application of IFRS 16 to leases, previously classified as operating leases under IAS 17, resulted in the recognition of right-of-use assets of \$29,762 (Note 5) and lease liabilities (Note 8) with no net impact on deficit.

4. Accounts and Other Receivables

	December 31, 2019	December 31, 2018
Trade receivables	\$ 10,950	\$ 53,955
Subscriptions receivable	-	-
Other receivables	18,342	44,998
	<u>\$ 29,292</u>	<u>\$ 98,953</u>

PROSTAR GEOCORP INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

(figures in tables are expressed in United States dollars, except per share amounts)

5. Equipment

	Office furniture and equipment	Computer equipment and software	Survey equipment	Right-or-use assets (Office leases)	Total
Cost					
Balance – December 31, 2017	\$ 3,177	\$ 83,150	\$ 8,066	\$ -	\$ 94,393
Additions	10,265	6,256	1,797	-	18,318
Disposals	-	(11,625)	-	-	(11,625)
Balance – December 31, 2018	13,442	77,781	9,863	-	101,086
Adoption of IFRS 16 (note 3)	-	-	-	29,762	29,762
Additions	24,709	40,287	-	-	64,996
Disposals	(2,496)	(12,584)	(529)	-	(15,609)
Balance – December 31, 2019	\$ 35,655	\$ 105,484	\$ 9,334	\$ 29,762	\$ 180,235
Accumulated Depreciation					
Balance – December 31, 2017	\$ 2,347	\$ 60,742	\$ 6,913	\$ -	\$ 70,002
Depreciation	1,070	10,162	627	-	11,859
Disposals	-	(11,625)	-	-	(11,625)
Balance – December 31, 2018	3,417	59,279	7,540	-	70,236
Depreciation	6,803	17,162	660	25,512	50,137
Disposals	(2,208)	(9,830)	(529)	-	(12,567)
Balance – December 31, 2019	\$ 8,012	\$ 66,611	\$ 7,671	\$ 25,512	\$ 107,806
Balance – December 31, 2018	\$ 10,025	\$ 18,502	\$ 2,323	\$ -	\$ 30,850
Balance – December 31, 2019	\$ 27,643	\$ 38,873	\$ 1,663	\$ 4,250	\$ 72,429

6. Intangible assets

	Patent
Cost	
Balance – December 31, 2017, 2018 and 2019	\$ 495,000
Accumulated Amortization	
Balance – December 31, 2017	\$ 429,000
Amortization	33,000
Balance – December 31, 2018	462,000
Amortization	33,000
Balance – December 31, 2019	\$ 495,000
Balance – December 31, 2018	\$ 33,000
Balance – December 31, 2019	\$ -

Patents

A total of \$495,000 had been expended to acquire certain patents. The patents are being amortized over a period of 15 years.

PROSTAR GEOCORP INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

(figures in tables are expressed in United States dollars, except per share amounts)

7. Accounts Payable and Accrued Liabilities

	December 31, 2019	December 31, 2018
Trade accounts payable	\$ 172,145	\$ 294,535
Payroll liabilities	256	48,712
	\$ 172,401	\$ 343,247

8. Lease liabilities

Pursuant to the adoption of IFRS 16, the Company is required to recognize the impact of off-balance lease obligations from January 1, 2019.

Reconciliation of lease liabilities	January 1, 2019
Off-balance lease obligations as of December 31, 2018	\$ 31,617
Discounting	(1,855)
Lease liabilities on application of IFRS 16 at January 1, 2019	\$ 29,762

The Company has applied an incremental borrowing rate of 9.00%.

The changes in lease liabilities during the year ended December 31, 2019 is shown in the table below:

Lease liabilities	
Balance, January 1, 2019	
Initial recognition of lease liability	\$ 29,762
Accrued finance expense	1,771
Lease payments	(26,459)
Balance, December 31, 2019	\$ 5,074
Current	\$ 5,074
Long-term	\$ -

9. Line of Credit

The Company had line of credit facilities totaling \$250,000. The facilities incur interest at a rate of 1.25% above the Wall Street Journal U.S Prime Rate, were for terms of one year, and are secured over the assets of the Company. In the event of default the interest rate increased to 21%. During fiscal 2018 the Company repaid the line of credit and closed the facility.

PROSTAR GEOCORP INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

(figures in tables are expressed in United States dollars, except per share amounts)

10. Notes Payable

	December 31, 2019	December 31, 2018
Balance – beginning of year	\$ 3,104,063	\$ 2,827,318
Interest and fees accrued	65,392	287,448
Repayments – cash	(848,350)	(10,703)
Balance – end of year	\$ 2,321,105	\$ 3,104,063

The Company was advanced short term loans from both related and unrelated parties. The loans bear interest at 3% (2018 - 3%), are repayable on June 30, 2020 and are secured over the assets of the Company. The loans were issued on November 23, 2004, reissued on January 25, 2011, extended on January 9, 2014, restated on January 1, 2015, extended on January 1, 2017 and on January 31, 2018 the loan agreements were revised and extended to June 30, 2020. On January 1, 2018 the Company accrued extension interest of \$205,763. Subsequent to period end the loans were extended to December 31, 2020 and the interest rate was amended to 3.5%.

11. Preferred Shares

The following table summarizes the classes of share capital which are presented as financial liabilities:

Preferred Shares Shares classified as financial liabilities	Class A		Class B		Class C		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
December 31, 2017	6,166,666	\$ 7,708,333	903,124	\$ 903,124	-	\$ -	7,069,790	\$ 8,611,457
Issued	-	-	167,536	167,536	-	-	167,536	167,536
December 31, 2018	6,166,666	7,708,333	1,070,660	1,070,660	-	-	7,237,326	8,778,993
Issued	-	-	58,012	58,012	3,500,000	3,500,000	3,558,012	3,558,012
December 31, 2019	6,166,666	\$ 7,708,333	1,128,672	\$ 1,128,672	3,500,000	\$ 3,500,000	10,795,338	\$12,337,005

During the year ended December 31, 2019 the Company issued 58,012 (2018 – 167,536) Class B preferred shares at \$1 per share for proceeds of \$58,012 (2018 - \$167,536), of which nil (2018 - \$59,501) was issued to settle accounts payable. During the year ended December 31, 2019 the Company issued 3,500,000 (2018 – nil) Class C preferred shares at \$1 per share for proceeds of \$3,500,000.

During the year ended December 31, 2018 the Company received Class B Preference Share subscriptions in advance of \$58,012 and Class C Preferred Share subscriptions in advance of \$659,000. During the year ended December 31, 2019 the Company received Class D Preference Share subscriptions in advance of \$50,000 (2018 - \$nil).

12. Share Capital

(a) Authorized Share Capital

Class	Authorized	Rights and Restrictions
Common Shares	19,000,000	<ul style="list-style-type: none"> - Par value of \$0.001 - Voting is subject to and qualified by the rights, powers and preferences of the holders of preferred shares. - Dividends are subordinate to Preferred Series – Preferred Series must be paid dividends first, or simultaneously - On liquidation, entitled to residual amount after payment of Series A, B and C liquidation amount.

PROSTAR GEOCORP INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

(figures in tables are expressed in United States dollars, except per share amounts)

Class	Authorized	Rights and Restrictions
Class A Preferred Shares	6,500,000	<ul style="list-style-type: none"> - Par value of \$0.001 per share. - Unrestricted right to vote - Priority to Series B and C and Common Stock on liquidation in the amount of greater of: <ul style="list-style-type: none"> a) Series A Original Issue Price plus any declared and unpaid dividends b) Series A Liquidation Amount – defined as the amount per share payable on the conversion to Common Stock - Convertible at any time to Common Stock, without additional consideration <ul style="list-style-type: none"> i. Such conversion is at a rate of Series A Original Issue Price / Series A Conversion Price ii. Conversion is adjusted for Common Stock pricings lower than \$1.00 - No redemption rights - Residual interest in the net assets of the Company on liquidation
Class B Preferred Shares	3,500,000	<ul style="list-style-type: none"> - Par value of \$0.001 per share. - Unrestricted right to vote - Priority to Series C and Common Stock on liquidation in the amount of greater of: <ul style="list-style-type: none"> a) Series B Original Issue Price plus any declared and unpaid dividends b) Series B Liquidation Amount – defined as the amount per share payable on the conversion to Common Stock - Convertible at any time to Common Stock, without additional consideration <ul style="list-style-type: none"> i. Such conversion is at a rate of Series B Original Issue Price / Series B Conversion Price ii. Conversion is adjusted for Common Stock pricings lower than \$1.00 - No redemption rights
Class C Preferred Shares	3,500,000	<ul style="list-style-type: none"> - Par value of \$0.001 per share. - Unrestricted right to vote - Adjusted by subsequent common share issuances to protect against subsequent Common Stock issuances priced lower than \$1.00 - First priority on liquidation in the amount of greater of: <ul style="list-style-type: none"> a) Series C Original Issue Price plus any declared and unpaid dividends b) Series C Liquidation Amount – defined as the amount per share payable on the conversion to Common Stock - Convertible at any time to Common Stock, without additional consideration - Such conversion is at a rate of Series C Original Issue Price / Series C Conversion Price - Conversion is adjusted for Common Stock pricings lower than \$1.00 under - No redemption rights
Class D Preferred Shares	1,500,000	<ul style="list-style-type: none"> - Par value of \$0.001 per share. - Unrestricted right to vote - Adjusted by subsequent common share issuances to protect against subsequent Common Stock issuances priced lower than \$1.00 - First priority on liquidation in the amount of greater of: <ul style="list-style-type: none"> c) Series D Original Issue Price plus any declared and unpaid dividends d) Series D Liquidation Amount – defined as the amount per share payable on the conversion to Common Stock - Convertible at any time to Common Stock, without additional consideration - Such conversion is at a rate of Series D Original Issue Price / Series D Conversion Price - Conversion is adjusted for Common Stock pricings lower than \$1.00 under - No redemption rights

PROSTAR GEOCORP INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

(figures in tables are expressed in United States dollars, except per share amounts)

12. Share Capital (cont'd...)

(b) Issued Share Capital

During the year ended December 31, 2019 the Company issued 176,446 (2018 – nil) common shares to officers and employees of the Company for proceeds of \$44,112. The Company recorded share-based payment expenses of \$102,810 on issuance.

During the year ended December 31, 2019 the company completed a non-brokered private placement and issued 3,500,000 (2018 – nil) Class C preferred units at a price of \$1.00 for gross proceeds of \$3,500,000. Each unit includes one Class C preferred share and one-half of one transferrable share purchase warrant. Upon completion of the proposed RTO (as described above), each whole warrant shall be converted into two warrants, with each warrant entitling the holder to acquire one post-consolidation Doxa share at a price of 140% of the Concurrent Financing (as described in Note 20, Subsequent Events) for a period of 24 months from the closing date of the Concurrent Financing.

During the year ended December 31, 2019 the company issued 58,012 (2018 - 167,536) Class B preferred units at a price of \$1.00 for gross proceeds of \$58,012 (2018 \$167,536). Each unit includes one Class B preferred share.

13. Share-Based Payments

During the year ended December 31, 2016 the Company adopted an Equity Incentive Plan, under which the Company may issue shares and share purchase options to employees, directors and consultants. The Company has a fixed equity incentive plan and options granted and outstanding may not exceed 1,250,000 at the date of grant. Options may be granted with an exercise price equal to or greater than the market value of the common shares, vest according to privileges set at the time the options, and are granted and expire no later than ten years from the date of grant.

The changes in incentive share options outstanding are summarized as follows:

	Weighted average exercise price	Number of Shares issued or issuable on exercise
Balance – December 31, 2017	\$ 3.00	625,000
Cancelled	3.00	(500,000)
Balance – December 31, 2018	3.00	125,000
Cancelled	3.00	(125,000)
Balance – December 31, 2019	\$ -	-

The were no stock options granted during the year ended December 31, 2019. During the year ended December 31, 2019 all stock options were forfeited.

Restricted share units

The Company has a long-term restricted share unit plan (“RSU’s”). The RSU’s entitle directors, officers, employees or consultants to common shares of the Company upon vesting, based on vesting terms determined by the Company’s Board of Directors at the time of grant.

During the year ended December 31, 2016 the Company granted 1,517,000 RSU’s which vest out to December 31, 2019. On grant 35% vested immediately, and then 5% vested every three months thereafter. The total RSU share-based expense recognized in the statements of comprehensive loss was \$41,853 (2018 - \$202,861) for the year ended December 31, 2019. The RSU’s had a fair value of \$1.00 per unit on grant date. During the year ended December 31, 2019 21,446 (2018 – 4,578) were forfeited.

PROSTAR GEOCORP INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

(figures in tables are expressed in United States dollars, except per share amounts)

14. Management of Capital

The capital managed by the Company includes the components of shareholders' equity as described in the statements of shareholders' equity and Preferred Shares, as described in note 11. The Company is not subject to externally imposed capital requirements.

The Company's objectives of capital management are to create long-term value and economic returns for its shareholders. It does this by seeking to maximize the availability of funds for growth and development of its projects, and to support the working capital required to maintain its ability to continue as a going concern. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its assets, seeking to limit shareholder dilution and optimize its cost of capital while maintaining an acceptable level of risk. To maintain or adjust its capital structure, the Company considers all sources of finance reasonably available to it, including but not limited to issuance of new capital, issuance of new debt and the sale of assets in whole or in part.

15. Supplemental Cash Flow Information

There were no material non-cash transactions during the year ended December 31, 2019. During the year ended December 31, 2018 the Company issued 59,501 Class B Preference Shares to settle accounts payable of \$59,501.

16. Related Party Transactions

During the year ended December 31, 2019, the Company paid or accrued, to key management personnel, directors and their related companies:

	2019	2018
Chief Executive Officer	\$ 145,000	\$ 103,750
Chief Operating Officer	214,247	-
VP of Admin Services and former Director	96,500	64,000
Total	\$ 455,747	\$ 167,750

In addition to the above the Company paid consulting fees of \$nil (2018 - \$4,000) to Brightmark Partners LLC, a company which director was an employee of. Included in notes payable is \$1,655,044 (2018 - \$2,235,651) due to directors and officers of the Company. Included in accounts payable and accrued liabilities is \$nil (2018 - \$1,408) due to directors and officers.

17. Income Taxes

A reconciliation of income taxes (recovery) at statutory rates with the reported taxes for the years ended December 31, 2019 and 2018.

	2019	2018
Loss before income tax for the year	\$ (2,344,289)	\$ (972,567)
Expected income tax (recovery)	\$ (633,000)	\$ (204,000)
Change in statutory, foreign tax rates and other	126,000	-
Permanent difference	31,000	31,000
Change in unrecognized deductible temporary differences	476,000	173,000
Income tax expenses (recovery)	\$ -	\$ -

PROSTAR GEOCORP INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

(figures in tables are expressed in United States dollars, except per share amounts)

17. Income Taxes (cont'd...)

The significant components of the Company's deferred tax assets (liabilities) are as follows:

	2019	2018
Deferred tax assets (liabilities):		
Research and development	\$ 51,000	\$ 51,000
Capital and intangibles	56,000	24,000
Non-capital losses available for future periods	1,893,000	1,449,000
Net deferred tax assets (liabilities)	\$ 2,000,000	\$ 1,524,000

Management has not recognized deferred tax assets in excess of the deferred tax liabilities as there is insufficient certainty as to the timing of when these excess deferred tax assets will be realized in the foreseeable future.

The significant components of the Company's unrecognized temporary differences are as follows:

	2019	2018	Expiry date range
Temporary Differences:			
Research and development tax credits	266,000	240,000	No expiry date
Capital and intangible assets	241,000	116,000	No expiry date
Non-capital losses available for future periods			
USA	9,014,000	6,900,000	2026 to 2038

Tax attributes are subject to review, and potential adjustment, by tax authorities.

18. Financial Risk Management

Fair value of financial instruments

The Company classifies the fair value of its financial instruments according to a fair value hierarchy based on the significance of observable inputs used to value the instrument as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – Unobservable inputs for the asset or liability.

As at December 31, 2018, the Company does not carry any financial instruments at fair value and believes that the carrying values of cash, accounts receivable, accounts payable and accrued liabilities, notes payable, and preferred shares approximate their fair values because of their nature and/or relatively short maturity dates or durations.

Classification of financial instruments

The Company's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, loans payable, and convertible note. The Company classifies its cash and accounts receivable, as loans and receivables, which are measured at amortized cost. The accounts payable and accrued liabilities, loans payable, and convertible note are classified as other financial liabilities, which are measured at amortized cost.

Financial and capital risk management

The Company examines the various financial instruments and risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include market risk, foreign currency risk, interest rate risk, credit risk, and liquidity risk. These risks are reviewed and monitored by the Board of Directors.

PROSTAR GEOCORP INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

(figures in tables are expressed in United States dollars, except per share amounts)

18. Financial Risk Management (cont'd...)

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Discussions of risks associated with financial assets and liabilities are detailed below:

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the fair value or future cash flows of a financial instrument. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. At December 31, 2019 and 2018 the Company was not subject to significant market risk

Foreign currency risk

The Company's current operations have limited foreign currency risk. The Company has engaged a number of vendors in relation to the Company's listing on the TSX-V (note 20). As such, the Company is exposed to some foreign currency risk. Fluctuations in the exchange rate between the Canadian dollar and US dollar may have an adverse effect on the Company's business and costs to proceed with preferred vendors. The Company may reduce its foreign currency risk as needed by substituting United States vendors as required. Foreign currency risk is considered low relative to the overall financial operating plan.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk mainly arises from changes in the interest rates on cash. Cash generates interest based on market interest rates. At December 31, 2019 and 2018, the Company was subject to interest rate risk with respect to its notes payable, some of which bear interest at a fixed rate.

Credit Risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations. The Company's maximum exposure to credit risk at the reporting date is the carrying value of cash and accounts receivables. The Company holds cash at a major United States bank in a chequing account.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk by maintaining adequate cash balances. If necessary, the Company may raise funds through the issuance of preferred shares, debt, or equity. The Company ensures that there is sufficient capital to meet its obligations by continuously monitoring and reviewing actual and forecasted cash flows and matching the maturity profile of financial assets to development, capital and operating needs. The maturities of notes payable are disclosed in note 9. Subsequent to December 31, 2020 the Company closed the Preferred Series D share financing raising \$1,500,000. The Company continues to progress the listing transaction as disclosed in note 20.

19. Segmented Information

The Company operates in one reportable segments, providing Geospatial Intelligence Software for asset centric industries and earns revenue in one region, North America.

PROSTAR GEOCORP INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

(figures in tables are expressed in United States dollars, except per share amounts)

20. Subsequent Events

Subsequent to December 31, 2019, the Company:

- a) Completed a non-brokered private placement and issued 1,500,000 Class D preferred units at a price of \$1.00 for gross proceeds of \$1,500,000. Each unit includes one Class D preferred share and one-half of one transferrable share purchase warrant. Upon completion of the proposed RTO (as described below), each whole warrant shall be converted into two warrants, with each warrant entitling the holder to acquire one post-consolidation Doxa share at a price of 140% of the Concurrent Financing for a period of 24 months from the closing date of the Concurrent Financing.
- b) Entered into a definitive merger agreement (the “Merger Agreement”) dated May 22, 2019, as amended on February 11, 2020, May 29, 2020 and August 17, 2020 with Doxa Merger Corp., (“Doxa Subco”) a wholly owned subsidiary of the Doxa Energy Limited (“Doxa”). The proposed transaction, pursuant to the merger agreement, will result in a reverse takeover of Doxa by ProStar in accordance with the policies of the TSX Venture Exchange and IFRS 3. The operations of Doxa do not represent a business, consequently, the excess of the purchase price over the net assets of Doxa will be presented as transaction costs. Upon completion of the transaction, it is anticipated that the combined venture will continue to carry on the business of ProStar and will be listed on the TSX-V as a Tier 2 technology issuer.

Under the terms of the Merger Agreement, immediately prior to the closing of the transaction, the outstanding common shares of Doxa will be consolidated on the basis of one new Doxa share for every 17 existing Doxa shares and certain ProStar notes payable totaling \$1,693,918 will be converted to Class B Preferred Shares.

The transaction will be completed by way of a merger under the laws of Delaware, whereby:

- Doxa Subco, a subsidiary created for the purposes of completing the transaction, will merge with and into ProStar, with ProStar surviving as a wholly owned subsidiary of Doxa.
- Each outstanding common share and preferred share of ProStar shall be converted into the right to receive four post-consolidation Doxa shares. Class C and Class D Preferred Shares will also receive two post-consolidation Doxa share purchase warrants. Each warrant will entitle the holder to purchase, for a period of 24 months, one additional share at a price of \$0.56.
- Each common share of Doxa Subco shall be converted into one common share of the resulting issuer.
- Concurrently with closing of the transaction, Doxa is expected to change its name to Prostar Geocorp International Inc. or such other name as the parties may determine.

The Company has agreed to reimburse Doxa certain transaction and sustaining costs, which was subsequently amended as follows:

- 1) The Company paid Doxa for costs associated with the Transaction of \$57,869 on the following schedule:
 - a) \$30,000 to be paid on or before February 14, 2020 (paid);
 - b) \$27,869 to be paid on or before March 16, 2020 (paid).
- 2) The Company agreed to pay Doxa up to \$10,000 on execution of the August 17, 2020 amendment and \$10,000 on the first of each calendar month commencing September 1, 2020 to December 1, 2020 towards Doxa's annual filing requirements.

In connection with the transaction Doxa completed a non-brokered private placement, issuing 14,000,000 subscription receipts at a price of C\$0.40 for gross proceeds of \$5,600,000 (the “Financing”). Each subscription receipt will be sold at a price of C\$0.40 cents and will automatically convert immediately prior to the closing of the transaction into one post-consolidation Doxa unit. Each Doxa unit will consist of one Doxa common share and one-half of one transferable common share purchase warrant. Each whole warrant will entitle the holder to purchase, for a period of 24 months, one additional share at an exercise price of C\$0.60. The proceeds from the private placement will be held in escrow with Doxa pending the closing of the transaction. Doxa issued 7% broker warrants on certain subscriptions, totaling 878,937. Each broker warrant is exercisable at a price of CDN\$0.40 for a period of 2 years from the date of completion of the transaction.

PROSTAR GEOCORP INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

(figures in tables are expressed in United States dollars, except per share amounts)

20. Subsequent Events (cont'd...)

Upon closing of the transaction, and immediately prior to the conversion of the subscription receipts, the resulting issuer will have:

- 1) An aggregate of 75,676,813 common shares issued and outstanding. The current shareholders of Doxa will hold 13,058,432 resulting issuer shares, representing approximately 17.3% of the outstanding resulting issuer shares; the current shareholders of ProStar will hold 62,618,380 resulting issuer shares, representing approximately 82.7% of the outstanding resulting issuer shares; and the shareholders.
- 2) An aggregate of 10,000,000 warrants outstanding. Each whole warrant will entitle the holder to purchase, for a period of 24 months, one additional share at an exercise price of C\$0.56.
- 3) An aggregated of 878,937 broker warrants. Each warrant will entitle the holder to purchase, for a period of 24 months, one additional share at an exercise price of \$0.40.

Pursuant to the terms of the merger agreement, completion of the transaction will be subject to a number of conditions, including, but not limited to, closing conditions customary to transactions of the nature of the transaction, including the completion of the consolidation, the completion of Doxa's debt settlement of related party debt and the sale of the Doxa's oil and gas interests, approvals of all regulatory bodies having jurisdiction in connection with the transaction, and approval of the TSX-V including the satisfaction of its initial listing requirements. There can be no assurance that the transaction will be completed as proposed or at all.

- c) As part of the US Government response to the COVID-19 global pandemic, certain businesses were eligible to apply for a Small Business Administration Payroll Protection Program Loan ("SBA PPP Loan"). The SBA PPP Loan amount was calculated based on 2019 payroll expenses. Borrowers can apply for loan forgiveness if evidenced that minimum of 75% of loan proceeds were used for qualified payroll expenses and up to 25% used for qualified office utilities mortgage / lease expenses. The Company applied for the SBA PPP loan and received \$267,400 in loan proceeds. The Company anticipates that 100% of the loan will be forgiven before the end of 2020 having met the loan forgiveness requirements.



PROSTAR GEOCORP INC

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2020 AND 2019**

**(UNAUDITED – PREPARED BY MANAGEMENT)
(Expressed in United States Dollars)**

PROSTAR GEOCORP INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT,
(Unaudited – Prepared By Management)
(Expressed in United States dollars)

	June 30, 2020	December 31, 2019
ASSETS		
Current Assets		
Cash	\$ 172,380	\$ 130,137
Accounts and other receivables (note 4)	41,126	29,292
	213,506	159,429
Non-Current Assets		
Equipment and right-of-use assets (note 5)	140,420	72,429
Total Assets	\$ 353,926	\$ 231,858
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current Liabilities		
Accounts payable and accrued liabilities (note 7)	\$ 245,435	\$ 172,401
Deferred Revenue	195,500	262,213
Lease liabilities (note 8)	18,825	5,074
Notes payable (note 10)	2,351,966	2,321,105
	2,811,726	2,760,793
Lease liabilities (note 8)	62,324	-
Loan (note 9)	267,400	-
Preferred shares (note 11)	12,337,005	12,337,005
Preferred shares received in advance (note 11)	689,980	50,000
Total Liabilities	16,168,435	15,147,798
Shareholders' Deficiency (note 12)		
Share capital	1,635,813	1,635,813
Reserves	379,160	379,160
Deficit	(17,829,482)	(16,930,913)
	(15,814,509)	(14,915,940)
Total Liabilities and Shareholders' Equity (Deficiency)	\$ 353,926	\$ 231,858

Nature of Operations and Going Concern (note 1)

Subsequent Events (note 19)

APPROVED ON BEHALF OF THE BOARD ON NOVEMBER 10, 2020

"Herb McKim"

Director

"Page Tucker"

Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

PROSTAR GEOCORP INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2020 AND 2019
(Unaudited – Prepared By Management)
(Expressed in United States dollars)

	For the Three Months Ended June 30, 2020	For the Three Months Ended June 30, 2019	For the Six Months Ended June 30, 2020	For the Six Months Ended June 30, 2019
Revenue				
Sales	\$ 316,936	\$ 183,120	\$ 619,669	\$ 591,430
Grant Income	-	22,805	-	200,044
	<u>316,936</u>	<u>205,925</u>	<u>619,669</u>	<u>791,474</u>
Cost of Sales	<u>(36,581)</u>	<u>(68,669)</u>	<u>(73,134)</u>	<u>(80,754)</u>
Gross Margin	280,355	137,256	546,535	710,720
Expenses				
Management	89,347	192,367	196,347	350,787
Information technology	23,295	158,541	48,765	258,660
Product development	233,040	133,249	465,398	257,016
Sales and marketing	60,293	162,200	144,919	292,248
Consulting	9,950	60,000	32,075	60,000
Depreciation	14,524	17,883	29,832	39,033
Insurance	5,043	4,756	33,624	10,344
Office & miscellaneous	15,005	26,522	46,123	54,303
Professional fees	112,039	130,895	197,020	229,810
Rent	27,788	21,882	57,664	45,444
Salaries and wages	43,959	32,262	90,896	66,730
Share-based payments (note 13)	-	109,281	-	138,316
Software support	14,711	15,600	18,183	27,300
Travel	7,451	46,798	48,044	87,760
	<u>(656,445)</u>	<u>(1,112,236)</u>	<u>(1,408,890)</u>	<u>(1,917,751)</u>
Operating loss	(376,090)	(974,980)	(862,355)	(1,207,031)
Other items				
Gain on disposal of asset	1,416	-	1,416	-
Financing costs (notes 9)	(18,513)	(14,846)	(37,630)	(32,151)
Loss and comprehensive loss for the period	<u>\$ (393,187)</u>	<u>\$ (989,826)</u>	<u>\$ (898,569)</u>	<u>\$ (1,239,182)</u>
Weighted Average Number of Common Shares Outstanding				
Basic and Diluted	<u>1,665,337</u>	<u>1,437,799</u>	<u>1,665,337</u>	<u>1,362,782</u>
Loss Per Share				
Basic and Diluted	<u>\$ (0.24)</u>	<u>\$ (0.69)</u>	<u>\$ (0.54)</u>	<u>\$ (0.91)</u>

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

PROSTAR GEOCORP INC.
STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30,
(Unaudited – Prepared By Management)
(Expressed in United States dollars)

	2020	2019
Cash Flows used in Operating Activities		
Loss for the period	\$ (898,569)	\$ (1,239,182)
Non-cash items		
Depreciation	29,832	39,033
Accrued interest expense	30,861	32,283
Share-based payments	-	138,316
Loss on disposal of assets	(1,416)	-
Changes in non-cash working capital items:		
Accounts and other receivables	(11,834)	41,555
Accounts payable and accrued liabilities	73,034	(125,200)
Deferred Revenue	(66,713)	(15,594)
	<u>(844,805)</u>	<u>(1,128,789)</u>
Cash Flows used in Investing Activities		
Disposition of equipment	2,180	-
Purchase of equipment	(11,606)	(40,735)
	<u>(9,426)</u>	<u>(40,735)</u>
Cash Flows provided by Financing Activities		
Common shares	-	38,750
Preferred shares	-	2,841,000
Preferred shares received in advance	639,980	-
Loan	267,400	-
Repayment of notes payable	-	(848,350)
Repayment of lease liability	(10,906)	(12,563)
	<u>896,474</u>	<u>2,018,837</u>
Change in cash during the period	42,243	849,313
Cash – beginning of period	<u>130,137</u>	<u>175,189</u>
Cash – end of period	<u>\$ 172,380</u>	<u>\$ 1,024,502</u>

Supplemental Information (note 15)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

PROSTAR GEOCORP INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF SHAREHOLDERS' EQUITY (DEFICIENCY)
FOR THE PERIODS ENDED JUNE 30,
(Unaudited – Prepared By Management)
(Expressed in United States dollars)

	<u>Share Capital</u>					
	Shares	Share Capital	Share Premium	Reserves	Deficit	Total
Balance – December 31, 2018	1,210,264	\$ 1,210	\$ 1,209,054	\$ 613,144	\$ (14,586,624)	\$ (12,763,216)
Common shares	155,000	155	128,909	-	-	129,064
Share-based payments (note 13)	-	-	-	48,002	-	48,002
Restricted Share Units (note 13)	150,035	150	149,885	(150,035)	-	-
Net comprehensive loss for the period	-	-	-	-	(1,239,182)	(1,239,182)
Balance – June 30, 2019	1,515,299	1,515	1,487,848	511,111	(15,825,806)	(13,825,332)
Common shares	21,446	21	17,837	-	-	17,858
Share-based payments (note 13)	-	-	-	(3,359)	-	(3,359)
Restricted Share Units (note 13)	128,594	129	128,463	(128,592)	-	-
Net comprehensive loss for the period	-	-	-	-	(1,105,107)	(1,105,107)
Balance – December 31, 2019	1,665,339	1,665	1,634,148	379,160	(16,930,913)	(14,915,940)
Net comprehensive loss for the period	-	-	-	-	(898,569)	(898,569)
Balance – June 30, 2020	1,665,339	\$ 1,665	\$ 1,634,148	\$ 379,160	\$ (17,829,482)	\$ (15,814,509)

The accompanying notes are an integral part of these condensed consolidated interim financial statements

PROSTAR GEOCORP INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED JUNE 30, 2020 AND 2019

(figures in tables are expressed in United States dollars, except per share amounts)

1. Nature of Operations

ProStar Geocorp Inc. (“**ProStar**” or the “**Company**”) is incorporated under the General Corporation Law (Delaware, USA) after converting from a Colorado Corporation on January 14, 2014. ProStar is a developer of Software-as-a-Service (“**SaaS**”)-based solutions, providing patented Geospatial Intelligence Software designed to enhance the management and maintenance of the asset lifecycle for asset centric industries.

ProStar recently entered into a definitive agreement with Doxa Energy Ltd. (“**Doxa**”), whereby Doxa will acquire all the issued and outstanding securities of the Company (the “**Transaction**”). Doxa is listed on the Toronto Stock Exchange Venture (“**TSXV**”), and upon completion of the proposed Transaction, it is anticipated that the Company will be listed as a Tier 2 technology issuer on the TSXV. Please refer to the subsequent events note for additional information regarding the proposed transaction.

The head office and principal address of the Company is located at Suite 200 – 760 Horizon Drive, Grand Junction, Colorado, 81506.

These condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as recorded in these condensed consolidated interim financial statements. These condensed consolidated interim financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. At June 30, 2020, the Company had not achieved profitable operations, had accumulated a deficit of \$17,829,482 since inception and expects to incur further operating losses as it develops and expands its business. The Company’s ability to continue as a going concern is dependent upon the ability to develop its business units, develop marketable software, potentially find, acquire and develop various other business segments with growth potential, its ability to obtain the necessary financing to carry out this strategy, and to meet its corporate overhead needs and discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These matters indicate material uncertainties that may cast significant doubt about the Company’s ability to continue as a going concern.

Since March 31, 2020, the outbreak of the novel strain of coronavirus, specifically identified as “**COVID-19**”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global markets have experienced significant volatility. The duration and enduring impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods. The Company has moved its personnel to remote working environments and has experienced minimal disruption to ongoing operations.

2. Basis of Preparation

Statement of Compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards (“**IAS**”) 34 ‘Interim Financial Reporting’ (“**IAS 34**”) using accounting policies consistent with IFRS issued by the International Accounting Standards Board (“**IASB**”) and Interpretations of the International Financial Reporting Interpretations Committee (“**IFRIC**”).

Basis of Presentation

The condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The condensed consolidated interim financial statements of the Company are presented in United States Dollars, unless stated otherwise, which is the functional currency of the parent company.

PROSTAR GEOCORP INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED JUNE 30, 2020 AND 2019

(figures in tables are expressed in United States dollars, except per share amounts)

2. Basis of Preparation (cont'd...)

Significant accounting judgments, estimates, and assumptions

The preparation of these condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and the reported revenues and expenses during the year. Actual results could differ from these estimates. Critical estimates and judgments are discussed more fully in the Company's audited financial statements for the year ended December 31, 2019.

3. Significant accounting policies

The accounting policies applied in preparation of these condensed consolidated interim financial statements are consistent with those applied and disclosed in the Company's annual financial statements for the year ended December 31, 2019.

4. Accounts and Other Receivables

	June 30, 2020	December 31, 2019
Trade receivables	\$ 41,126	\$ 10,950
Other receivables	-	18,342
	<u>\$ 41,126</u>	<u>\$ 29,292</u>

5. Equipment

	Office furniture and equipment	Computer equipment and software	Survey equipment	Right-or-use assets (Office leases)	Total
Cost					
Balance – December 31, 2018	\$ 13,442	\$ 77,781	\$ 9,863	\$ -	\$ 101,086
Adoption of IFRS 16	-	-	-	29,762	29,762
Additions	24,709	40,287	-	-	64,996
Disposals	(2,496)	(12,584)	(529)	-	(15,609)
Balance – December 31, 2019	35,655	105,484	9,334	29,762	180,235
Additions	5,994	5,612	-	86,981	98,587
Disposals	(1,874)	(5,586)	-	(29,762)	(37,222)
Balance – June 30, 2020	\$ 39,775	\$ 105,510	\$ 9,334	\$ 86,981	\$ 241,600
Accumulated Depreciation					
Balance – December 31, 2018	\$ 3,417	\$ 59,279	\$ 7,540	\$ -	\$ 70,236
Depreciation	6,803	17,162	660	25,512	50,137
Disposals	(2,208)	(9,830)	(529)	-	(12,567)
Balance – December 31, 2019	8,012	66,611	7,671	25,512	107,806
Depreciation	6,207	11,920	207	11,498	29,832
Disposals	(1,874)	(4,822)	-	(29,762)	(36,458)
Balance – June 30, 2020	\$ 12,345	\$ 73,709	\$ 7,878	\$ 7,248	\$ 101,180
Balance – December 31, 2018	\$ 10,025	\$ 18,502	\$ 2,323	\$ -	\$ 30,850
Balance – December 31, 2019	\$ 27,643	\$ 38,873	\$ 1,663	\$ 4,250	\$ 72,429
Balance – June 30, 2020	\$ 27,430	\$ 31,801	\$ 1,456	\$ 79,733	\$ 140,420

PROSTAR GEOCORP INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED JUNE 30, 2020 AND 2019

(figures in tables are expressed in United States dollars, except per share amounts)

6. Intangible assets

	Patent
Cost	
Balance – December 31, 2018, 2019 and June 30, 2020	\$ 495,000
Accumulated Amortization	
Balance – December 31, 2018	\$ 462,000
Amortization	33,000
Balance – December 31, 2019 and June 30, 2020	\$ 495,000
Balance – December 31, 2018	\$ 33,000
Balance – December 31, 2019 and June 30, 2020	\$ -

Patents

A total of \$495,000 had been expended to acquire certain patents. The patents are being amortized over a period of 15 years.

7. Accounts Payable and Accrued Liabilities

	June 30, 2020	December 31, 2019
Trade accounts payable	\$ 224,737	\$ 172,145
Payroll liabilities	20,698	256
	\$ 245,435	\$ 172,401

8. Lease liabilities

Pursuant to the adoption of IFRS 16, the Company is required to recognize the impact of off-balance lease obligations from January 1, 2019.

	January 1, 2019
Reconciliation of lease liabilities	
Off-balance lease obligations as of December 31, 2018	\$ 31,617
Discounting	(1,855)
Lease liabilities on application of IFRS 16 at January 1, 2019	\$ 29,762

The Company has applied an incremental borrowing rate of 9.00%.

PROSTAR GEOCORP INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED JUNE 30, 2020 AND 2019

(figures in tables are expressed in United States dollars, except per share amounts)

8. Lease liabilities (cont'd...)

The changes in lease liabilities is shown in the table below:

Lease liabilities	
Balance, January 1, 2019	
Initial recognition of lease liability	\$ 29,762
Accrued finance expense	1,771
Lease payments	<u>(26,459)</u>
Balance, December 31, 2019	
Recognition of lease liability	5,074
Accrued finance expense	86,981
Lease payments	2,627
	<u>(13,533)</u>
Balance, June 30, 2020	
	<u>\$ 81,149</u>
Current	\$ 18,825
Long-term	<u>\$ 62,324</u>

9. Loan

As part of the US Government response to the COVID-19 global pandemic, certain businesses were eligible to apply for a Small Business Administration Payroll Protection Program Loan (“SBA PPP Loan”). The SBA PPP Loan amount was calculated based on 2019 payroll expenses. Borrowers can apply for loan forgiveness if evidenced that minimum of 75% of loan proceeds were used for qualified payroll expenses and up to 25% used for qualified office utilities mortgage / lease expenses. During the period, the Company applied for the SBA PPP loan and received \$267,400 in loan proceeds. The Company anticipates that 100% of the loan will be forgiven before the end of 2020 having met the loan forgiveness requirements.

10. Notes Payable

	June 30, 2020	December 31, 2019
Balance – beginning of period	\$ 2,321,105	\$ 3,104,063
Interest and fees accrued	30,861	65,392
Repayments – cash	<u>-</u>	<u>(848,350)</u>
Balance – end of period	<u>\$ 2,351,966</u>	<u>\$ 2,321,105</u>

The Company was advanced short-term loans from both related and unrelated parties. The loans bore interest at 3% (2019 - 3%), were repayable on June 30, 2020 and are secured over the assets of the Company. The loans were issued on November 23, 2004, reissued on January 25, 2011, extended on January 9, 2014, restated on January 1, 2015, extended on January 1, 2017 and on January 31, 2018 the loan agreements were revised and extended to June 30, 2020. Subsequent to period end the loans were extended to December 31, 2020 and the interest rate was amended to 3.5%.

PROSTAR GEOCORP INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED JUNE 30, 2020 AND 2019

(figures in tables are expressed in United States dollars, except per share amounts)

11. Preferred Shares

The following table summarizes the classes of share capital which are presented as financial liabilities:

Preferred Shares Shares classified as financial liabilities	Class A		Class B		Class C		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
December 31, 2018	6,166,666	7,708,333	1,070,660	1,070,660	-	-	7,237,326	8,778,993
Issued	-	-	58,012	58,012	3,500,000	3,500,000	3,558,012	3,558,012
December 31, 2019 and June 30, 2020	6,166,666	\$ 7,708,333	1,128,672	\$ 1,128,672	3,500,000	\$ 3,500,000	10,795,338	\$12,337,005

The Company did not issue any preferred shares during the six-month period ended June 30, 2020.

During the year ended December 31, 2019 the Company issued 58,012 Class B preferred shares at \$1 per share for proceeds of \$58,012. During the year ended December 31, 2019 the Company issued 3,500,000 Class C preferred shares at \$1 per share for proceeds of \$3,500,000.

During the period ended June 30, 2020 the Company received Class D Preference Share subscriptions in advance of \$639,980 (year ended December 31, 2019 - \$50,000).

12. Share Capital

(a) Authorized Share Capital

Class	Authorized	Rights and Restrictions
Common Shares	19,000,000	- Par value of \$0.001 - Voting is subject to and qualified by the rights, powers and preferences of the holders of preferred shares. - Dividends are subordinate to Preferred Series – Preferred Series must be paid dividends first, or simultaneously - On liquidation, entitled to residual amount after payment of Series A, B and C liquidation amount.

PROSTAR GEOCORP INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED JUNE 30, 2020 AND 2019

(figures in tables are expressed in United States dollars, except per share amounts)

12. Share Capital (cont'd...)

Class	Authorized	Rights and Restrictions
Class A Preferred Shares	6,500,000	<ul style="list-style-type: none"> - Par value of \$0.001 per share. - Unrestricted right to vote - Priority to Series B and C and Common Stock on liquidation in the amount of greater of: <ul style="list-style-type: none"> a) Series A Original Issue Price plus any declared and unpaid dividends b) Series A Liquidation Amount – defined as the amount per share payable on the conversion to Common Stock - Convertible at any time to Common Stock, without additional consideration <ul style="list-style-type: none"> i. Such conversion is at a rate of Series A Original Issue Price / Series A Conversion Price ii. Conversion is adjusted for Common Stock pricings lower than \$1.00 - No redemption rights - Residual interest in the net assets of the Company on liquidation
Class B Preferred Shares	3,500,000	<ul style="list-style-type: none"> - Par value of \$0.001 per share. - Unrestricted right to vote - Priority to Series C and Common Stock on liquidation in the amount of greater of: <ul style="list-style-type: none"> a) Series B Original Issue Price plus any declared and unpaid dividends b) Series B Liquidation Amount – defined as the amount per share payable on the conversion to Common Stock - Convertible at any time to Common Stock, without additional consideration <ul style="list-style-type: none"> i. Such conversion is at a rate of Series B Original Issue Price / Series B Conversion Price ii. Conversion is adjusted for Common Stock pricings lower than \$1.00 - No redemption rights
Class C Preferred Shares	3,500,000	<ul style="list-style-type: none"> - Par value of \$0.001 per share. - Unrestricted right to vote - Adjusted by subsequent common share issuances to protect against subsequent Common Stock issuances priced lower than \$1.00 - First priority on liquidation in the amount of greater of: <ul style="list-style-type: none"> a) Series C Original Issue Price plus any declared and unpaid dividends b) Series C Liquidation Amount – defined as the amount per share payable on the conversion to Common Stock - Convertible at any time to Common Stock, without additional consideration - Such conversion is at a rate of Series C Original Issue Price / Series C Conversion Price - Conversion is adjusted for Common Stock pricings lower than \$1.00 under - No redemption rights
Class D Preferred Shares	1,500,000	<ul style="list-style-type: none"> - Par value of \$0.001 per share. - Unrestricted right to vote - Adjusted by subsequent common share issuances to protect against subsequent Common Stock issuances priced lower than \$1.00 - First priority on liquidation in the amount of greater of: <ul style="list-style-type: none"> c) Series D Original Issue Price plus any declared and unpaid dividends d) Series D Liquidation Amount – defined as the amount per share payable on the conversion to Common Stock - Convertible at any time to Common Stock, without additional consideration - Such conversion is at a rate of Series D Original Issue Price / Series D Conversion Price - Conversion is adjusted for Common Stock pricings lower than \$1.00 under - No redemption rights

PROSTAR GEOCORP INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED JUNE 30, 2020 AND 2019

(figures in tables are expressed in United States dollars, except per share amounts)

12. Share Capital (cont'd...)

(b) Issued Share Capital

During the year ended December 31, 2019 the Company issued 176,446 (2018 – nil) common shares to officers and employees of the Company for proceeds of \$44,112. The Company recorded share-based payment expenses of \$102,810 on issuance.

During the year ended December 31, 2019 the company completed a non-brokered private placement and issued 3,500,000 (2018 – nil) Class C preferred units at a price of \$1.00 for gross proceeds of \$3,500,000. Each unit includes one Class C preferred share and one-half of one transferrable share purchase warrant. Upon completion of the proposed RTO (as described above), each whole warrant shall be converted into two warrants, with each warrant entitling the holder to acquire one post-consolidation Doxa share at a price of 140% of the Concurrent Financing (as described in Note 19, Subsequent Events) for a period of 24 months from the closing date of the Concurrent Financing.

During the year ended December 31, 2019 the company issued 58,012 (2018 - 167,536) Class B preferred units at a price of \$1.00 for gross proceeds of \$58,012 (2018 \$167,536). Each unit includes one Class B preferred share.

13. Share-Based Payments

During the year ended December 31, 2016 the Company adopted an Equity Incentive Plan, under which the Company may issue shares and share purchase options to employees, directors and consultants. The Company has a fixed equity incentive plan and options granted and outstanding may not exceed 1,250,000 at the date of grant. Options may be granted with an exercise price equal to or greater than the market value of the common shares, vest according to privileges set at the time the options, and are granted and expire no later than ten years from the date of grant.

The changes in incentive share options outstanding are summarized as follows:

	Weighted average exercise price	Number of Shares issued or issuable on exercise
Balance – December 31, 2018	\$ 3.00	125,000
Cancelled	3.00	(125,000)
Balance – December 31, 2019 and June 30, 2020	\$ -	-

There were no stock options granted during the periods ended June 30, 2020 and 2019. During the year ended December 31, 2019 all stock options were forfeited.

Restricted share units

The Company has a long-term restricted share unit plan (“RSU’s”). The RSU’s entitle directors, officers, employees or consultants to common shares of the Company upon vesting, based on vesting terms determined by the Company’s Board of Directors at the time of grant.

During the year ended December 31, 2016 the Company granted 1,517,000 RSU’s which vest out to December 31, 2019. On grant 35% vested immediately, and then 5% vested every three months thereafter. The total RSU share-based expense recognized in the statements of comprehensive loss was \$nil (2019 - \$150,035) for the period ended June 30, 2020. The RSU’s had a fair value of \$1.00 per unit on grant date. During the year ended December 31, 2019, 21,446 (2018 – 4,578) were forfeited.

PROSTAR GEOCORP INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED JUNE 30, 2020 AND 2019

(figures in tables are expressed in United States dollars, except per share amounts)

14. Management of Capital

The capital managed by the Company includes the components of shareholders' equity as described in the statements of shareholders' equity and Preferred Shares, as described in note 11. The Company is not subject to externally imposed capital requirements.

The Company's objectives of capital management are to create long-term value and economic returns for its shareholders. It does this by seeking to maximize the availability of funds for growth and development of its projects, and to support the working capital required to maintain its ability to continue as a going concern. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its assets, seeking to limit shareholder dilution and optimize its cost of capital while maintaining an acceptable level of risk. To maintain or adjust its capital structure, the Company considers all sources of finance reasonably available to it, including but not limited to issuance of new capital, issuance of new debt and the sale of assets in whole or in part.

15. Supplemental Cash Flow Information

There were no material non-cash transactions during the periods ended June 30, 2019 and 2020.

16. Related Party Transactions

During the period ended June 30, 2020, the Company paid or accrued, to key management personnel, directors and their related companies:

	2020	2019
Chief Executive Officer	\$ 63,125	\$ 65,000
Chief Operating Officer	86,667	103,750
Treasurer	30,000	-
Total	\$ 179,792	\$ 168,750

Included in notes payable is \$1,676,302 (December 31, 2019 - \$1,655,044) due to directors and officers of the Company. Included in accounts payable is \$14,784 (December 31, 2019 - \$Nil) owing to an officer of the Company.

17. Financial Risk Management

Fair value of financial instruments

The Company classifies the fair value of its financial instruments according to a fair value hierarchy based on the significance of observable inputs used to value the instrument as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – Unobservable inputs for the asset or liability.

As at December 31, 2019, the Company does not carry any financial instruments at fair value and believes that the carrying values of cash, accounts receivable, accounts payable and accrued liabilities, notes payable, and preferred shares approximate their fair values because of their nature and/or relatively short maturity dates or durations.

PROSTAR GEOCORP INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED JUNE 30, 2020 AND 2019

(figures in tables are expressed in United States dollars, except per share amounts)

17. Financial Risk Management (cont'd...)

Classification of financial instruments

The Company's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, loans payable, and convertible note. The Company classifies its cash and accounts receivable, as loans and receivables, which are measured at amortized cost. The accounts payable and accrued liabilities, loans payable, and convertible note are classified as other financial liabilities, which are measured at amortized cost.

Financial and capital risk management

The Company examines the various financial instruments and risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include market risk, foreign currency risk, interest rate risk, credit risk, and liquidity risk. These risks are reviewed and monitored by the Board of Directors.

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Discussions of risks associated with financial assets and liabilities are detailed below:

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the fair value or future cash flows of a financial instrument. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. At June 30, 2020 and December 31, 2019, the Company was not subject to significant market risk

Foreign currency risk

The Company's current operations have limited foreign currency risk. The Company has engaged a number of vendors in relation to the Company's listing on the TSX-V (note 19). As such, the Company is exposed to some foreign currency risk. Fluctuations in the exchange rate between the Canadian dollar and US dollar may have an adverse effect on the Company's business and costs to proceed with preferred vendors. The Company may reduce its foreign currency risk as needed by substituting United States vendors as required. Foreign currency risk is considered low relative to the overall financial operating plan.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk mainly arises from changes in the interest rates on cash. Cash generates interest based on market interest rates. At June 30, 2020 and December 31, 2019, the Company was subject to interest rate risk with respect to its notes payable, some of which bear interest at a fixed rate.

Credit Risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations. The Company's maximum exposure to credit risk at the reporting date is the carrying value of cash and accounts receivables. The Company holds cash at a major United States bank in a chequing account.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk by maintaining adequate cash balances. If necessary, the Company may raise funds through the issuance of preferred shares, debt, or equity. The Company ensures that there is sufficient capital to meet its obligations by continuously monitoring and reviewing actual and forecasted cash flows and matching the maturity profile of financial assets to development, capital and operating needs. The maturities of notes payable are disclosed in note 10. The Company is in the process of raising additional capital via the issuance of Preferred Series C shares and the listing transaction disclosed in note 19.

PROSTAR GEOCORP INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED JUNE 30, 2020 AND 2019

(figures in tables are expressed in United States dollars, except per share amounts)

18. Segmented Information

The Company operates in one reportable segments, providing Geospatial Intelligence Software for asset centric industries and earns revenue in one region, the United States.

19. Subsequent Events

Subsequent to June 30, 2020, the Company:

- a) Completed a non-brokered private placement and issued 1,500,000 Class D preferred units at a price of \$1.00 for gross proceeds of \$1,500,000. Each unit includes one Class D preferred share and one-half of one transferrable share purchase warrant. Upon completion of the proposed RTO (as described below), each whole warrant shall be converted into two warrants, with each warrant entitling the holder to acquire one post-consolidation Doxa share at a price of 140% of the Concurrent Financing for a period of 24 months from the closing date of the Concurrent Financing.
- b) Entered into a definitive merger agreement (the “Merger Agreement”) dated May 22, 2019, as amended on February 11, 2020, May 29, 2020, August 17, 2020 and September 30, 2020 with Doxa Merger Corp., (“Doxa Subco”) a wholly owned subsidiary of the Doxa Energy Limited (“Doxa”). The proposed transaction, pursuant to the merger agreement, will result in a reverse takeover of Doxa by ProStar in accordance with the policies of the TSX Venture Exchange and IFRS 3. The operations of Doxa do not represent a business, consequently, the excess of the purchase price over the net assets of Doxa will be presented as transaction costs. Upon completion of the transaction, it is anticipated that the combined venture will continue to carry on the business of ProStar and will be listed on the TSX-V as a Tier 2 technology issuer.

Under the terms of the Merger Agreement, immediately prior to the closing of the transaction, the outstanding common shares of Doxa will be consolidated on the basis of one new Doxa share for every 17 existing Doxa shares and certain ProStar notes payable totaling \$1,693,918 will be converted to Class B Preferred Shares.

The transaction will be completed by way of a merger under the laws of Delaware, whereby:

- Doxa Subco, a subsidiary created for the purposes of completing the transaction, will merge with and into ProStar, with ProStar surviving as a wholly owned subsidiary of Doxa.
- Each outstanding common share and preferred share of ProStar shall be converted into the right to receive four post-consolidation Doxa shares. Class C and Class D Preferred Shares will also receive two post-consolidation Doxa share purchase warrants. Each warrant will entitle the holder to purchase, for a period of 24 months, one additional share at a price of \$0.56.
- Each common share of Doxa Subco shall be converted into one common share of the resulting issuer.
- Concurrently with closing of the transaction, Doxa is expected to change its name to Prostar Geocorp International Inc. or such other name as the parties may determine.

The Company has agreed to reimburse Doxa certain transaction and sustaining costs, which was subsequently amended as follows:

- 1) The Company paid Doxa for costs associated with the Transaction of \$57,869 on the following schedule:
 - a) \$30,000 to be paid on or before February 14, 2020 (paid);
 - b) \$27,869 to be paid on or before March 16, 2020 (paid).
- 2) The Company agreed to pay Doxa up to \$10,000 on execution of the August 17, 2020 amendment and \$10,000 on the first of each calendar month commencing September 1, 2020 to December 1, 2020 towards Doxas annual filing requirements.

PROSTAR GEOCORP INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED JUNE 30, 2020 AND 2019

(figures in tables are expressed in United States dollars, except per share amounts)

19. Subsequent Events (cont'd...)

In connection with the transaction Doxa completed a non-brokered private placement, issuing 14,000,000 subscription receipts at a price of C\$0.40 for raise gross proceeds of C\$5,600,000 (the "Financing"). Each subscription receipt will automatically convert immediately prior to the closing of the transaction into one post-consolidation Doxa unit. Each Doxa unit will consist of one Doxa common share and one-half of one transferable common share purchase warrant. Each whole warrant will entitle the holder to purchase, for a period of 24 months, one additional share at an exercise price of C\$0.60. The proceeds from the private placement will be held in escrow with Doxa pending the closing of the transaction. Doxa issued 7% broker warrants on certain subscriptions, totaling 878,937. Each broker warrant is exercisable at a price of CDN\$0.40 for a period of 2 years from the date of completion of the transaction.

Upon closing of the transaction, and immediately prior to the conversion of the subscription receipts, the resulting issuer will have:

- 1) An aggregate of 75,676,813 common shares issued and outstanding. The current shareholders of Doxa will hold 13,058,432 resulting issuer shares, representing approximately 17.3% of the outstanding resulting issuer shares; the current shareholders of ProStar will hold 62,618,380 resulting issuer shares, representing approximately 82.7% of the outstanding resulting issuer shares; and the shareholders.
- 2) An aggregate of 10,000,000 warrants outstanding. Each whole warrant will entitle the holder to purchase, for a period of 24 months, one additional share at an exercise price of C\$0.56.
- 3) An aggregated of 878,937 broker warrants. Each warrant will entitle the holder to purchase, for a period of 24 months, one additional share at an exercise price of \$0.40.

Pursuant to the terms of the merger agreement, completion of the transaction will be subject to a number of conditions, including, but not limited to, closing conditions customary to transactions of the nature of the transaction, including the completion of the consolidation, the completion of Doxa's debt settlement of related party debt and the sale of the Doxa's oil and gas interests, approvals of all regulatory bodies having jurisdiction in connection with the transaction, and approval of the TSX-V including the satisfaction of its initial listing requirements. There can be no assurance that the transaction will be completed as proposed or at all.

SCHEDULE "D"

**MD&A OF PROSTAR FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
AND FOR THE SIX MONTHS ENDED JUNE 30, 2020**

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]



PROSTAR GEOCORP, INC.

**FORM 51-102F1
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019 AND DECEMBER 31, 2018**

(Expressed in United States Dollars)

General

This Management's Discussion and Analysis ("MD&A") of ProStar Geocorp, Inc. ("ProStar," or the "**Company**") is the responsibility of management and covers the year ended December 31, 2019 and December 31, 2018. The MD&A takes into account information up to and including November 10, 2020.

The following information should be read in conjunction with the Company's audited financial statements with accompanying notes for the fiscal year ended December 31, 2019, which were prepared in accordance with International Financial Reporting Standards ("IFRS").

All dollar figures are expressed in United States dollars unless otherwise stated. These documents and additional information on the Company are available on the SEDAR website at www.sedar.com.

Cautionary Statement Regarding Forward-Looking Statements

Certain statements contained in this document constitute "forward-looking statements". When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate" and "believe", are intended to identify forward-looking statements. Such statements reflect the Company's "forecast", "estimate", "expectation" and similar expressions as they relate to the Company's current views with respect to future events and are subject to certain risks, uncertainties and assumptions.

The forward-looking statements contained in this MD&A are made as of the date hereof and represent the Company's views as of the date of this document. While the Company believes that the expectations reflected in the forward-looking statements and information contained herein are reasonable, no assurance can be given that these expectations, or the assumptions underlying these expectations, will prove to be correct. The Company acknowledges that subsequent events and developments may cause the views expressed herein to change, however, the Company has no intention and undertakes no obligation to update, revise or correct such forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities law. Therefore, there can be no assurance that forward-looking statements contained herein will prove to be accurate as actual results and future events could differ materially from those expected or estimated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Description of Business

ProStar Geocorp Inc. ("**ProStar**" or the "**Company**") is incorporated under the General Corporation Law (Delaware, USA) after converting from a Colorado Corporation on January 14, 2014. ProStar is a developer of Software-as-a-Service ("SaaS")-based solutions, providing patented Geospatial Intelligence Software designed to enhance the management and maintenance of the asset lifecycle for asset centric industries.

ProStar's head office is located at 760 Horizon Dr Suite 200, Grand Junction, CO 81506, USA and its registered and records office is located at 1209 Orange Street, Wilmington, DE 19801, County of New Castle. ProStar is not a reporting issuer in any jurisdiction in Canada.

ProStar recently entered into a definitive agreement with Doxa Energy Ltd. ("Doxa"), whereby Doxa will acquire all the issued and outstanding securities of the Company (the "Transaction"). Doxa is listed on the Toronto Stock Exchange Venture ("TSXV"), and upon completion of the proposed Transaction, it is anticipated that the Company will be listed as a Tier 2 technology issuer on the TSXV. Please refer to the Proposed Merger section below for additional information regarding the proposed transaction.

ProStar specializes in the development of precision mapping solutions and software designed to precisely capture, record, and provide visualization of utility and pipelines that are placed below the Earth's surface. ProStar's precision mapping solutions provide geospatial intelligence, location precision, and transparency. ProStar's cloud and mobile solutions are Transparent Earth and its native mobile application PointMan® both of which are deployed as SaaS. Transparent Earth is designed to improve the construction, maintenance and repair of underground infrastructure and to better protect the worker, the public and the environment. This unique and patented system integrates open standards, advances in GPS technology, cloud computing and mobile technology to provide a real time view of location data with precision. The result is that all phases of the asset management lifecycle from initial planning & engineering, through the construction and maintenance are enhanced. This conflated geospatial data view provides field workers with the information that they need during construction and maintenance activities, to avoid damage to assets as well as personal injury and pollution.

ProStar has several high-profile clients that include the Colorado Department of Transportation, Utah Department of Transportation, Gibson Energy and Kiewit Corporation, a Fortune 500 contractor based in Omaha, Nebraska and one of the largest construction and engineering organizations in North America.

Proposed Merger

The Company entered into a definitive merger agreement (the "Merger Agreement") dated May 22, 2019, as amended on February 11, 2020, May 29, 2020 and August 17, 2020 with Doxa Merger Corp., ("Doxa Subco") a wholly owned subsidiary of the Doxa Energy Limited ("Doxa"). The proposed transaction, pursuant to the merger agreement, will result in a reverse takeover of Doxa by ProStar in accordance with the policies of the TSX Venture Exchange. Upon completion of the transaction, it is anticipated that the combined venture will continue to carry on the business of ProStar and will be listed on the TSX-V as a Tier 2 technology issuer.

Under the terms of the Merger Agreement, immediately prior to the closing of the transaction, the outstanding common shares of Doxa will be consolidated on the basis of one new Doxa share for every 17 existing Doxa shares and certain ProStar notes payable totaling \$1,693,918 will be converted to Class B Preferred Shares.

The transaction will be completed by way of a merger under the laws of Delaware, whereby:

- Doxa Subco, a subsidiary created for the purposes of completing the transaction, will merge with and into ProStar, with ProStar surviving as a wholly owned subsidiary of Doxa.
- Each outstanding common share and preferred share of ProStar shall be converted into the right to receive four post-consolidation Doxa shares. Preferred Series C and Preferred Series D Preferred Shares will also receive two post-consolidation Doxa share purchase warrants. Each warrant will entitle the holder to purchase, for a period of 24 months, one additional share at a price of \$0.56.
- Each common share of Doxa Subco shall be converted into one common share of the resulting issuer.
- Concurrently with closing of the transaction, Doxa is expected to change its name to Prostar Geocorp International Inc. or such other name as the parties may determine.

The Company has agreed to reimburse Doxa certain transaction and sustaining costs, which was subsequently amended as follows:

- 1) The Company paid Doxa for costs associated with the Transaction of \$57,869 on the following schedule:
 - a) \$30,000 to be paid on or before February 14, 2020 (paid);
 - b) \$27,869 to be paid on or before March 16, 2020 (paid).
- 2) The Company agreed to pay Doxa up to \$10,000 on execution of the August 17, 2020 amendment and \$10,000 on the first of each calendar month commencing September 1, 2020 to December 1, 2020 towards Doxa's annual filing requirements.

In connection with the transaction Doxa completed a non-brokered private placement, issuing 14,000,000 subscription receipts at a price of C\$0.40 for gross proceeds of \$5,600,000 (the "Financing"). Each subscription receipt will be sold at a price of C\$0.40 cents and will automatically convert immediately prior to the closing of the transaction into one post-consolidation Doxa unit. Each Doxa unit will consist of one Doxa common share and one-half of one transferable common share purchase warrant. Each whole warrant will entitle the holder to purchase, for a period of 24 months, one additional share at an exercise price of C\$0.60. The proceeds from the private placement will be held in escrow with Doxa pending the closing of the transaction. Doxa issued 7% broker warrants on certain subscriptions, totaling 878,937. Each broker warrant is exercisable at a price of CDN\$0.40 for a period of 2 years from the date of completion of the transaction.

Upon closing of the transaction, and immediately prior to the conversion of the subscription receipts, the resulting issuer will have:

- 1) An aggregate of 75,676,813 common shares issued and outstanding. The current shareholders of Doxa will hold 13,058,432 resulting issuer shares, representing approximately 17.3% of the outstanding resulting issuer shares; the current shareholders of ProStar will hold 62,618,380 resulting issuer shares, representing approximately 82.7% of the outstanding resulting issuer shares; and the shareholders.
- 2) An aggregate of 10,000,000 warrants outstanding. Each whole warrant will entitle the holder to purchase, for a period of 24 months, one additional share at an exercise price of C\$0.56.
- 3) An aggregated of 878,937 broker warrants. Each warrant will entitle the holder to purchase, for a period of 24 months, one additional share at an exercise price of \$0.40.

Pursuant to the terms of the merger agreement, completion of the transaction will be subject to a number of conditions, including, but not limited to, closing conditions customary to transactions of the nature of the transaction, including the completion of the consolidation, the completion of Doxa's debt settlement of related party debt and the sale of the Doxa's oil and gas interests, approvals of all regulatory bodies having jurisdiction in connection with the transaction, and approval of the TSX-V including the satisfaction of its initial listing requirements. There can be no assurance that the transaction will be completed as proposed or at all.

The Opportunity and the Market

North America is laced with a network of tens of millions of miles of buried infrastructure that are in danger of being damaged every time a ground-breaking activity occurs. Every year in the US alone, over 30 million excavations are performed. On average there is a subsurface utility damage event every sixty seconds of every workday. When these events occur, lights go out, traffic is disrupted, pollution is released into the atmosphere, hundreds of millions of dollars of repairs are required and unfortunately, injuries may occur.

The problem is that many of the underground corridors that hold the buried infrastructure are overcrowded and with more and more demands on the infrastructure to support an ever-growing population these underground corridors are becoming increasingly congested. Combine aging utilities, lack of accurate location data, fragmented processes, and increasing demands to expand the congested corridors in which they lie and you have a potential disaster on your hands every time any form of maintenance, repair or construction is performed. A vast amount of this infrastructure is over 50 years old, much is aging beyond repair and some are just abandoned. At the heart of the issue, is the fact that in many cases, the exact locations of below ground infrastructure is not known with any real certainty. If the location information was recorded - the information is usually in a GIS designed for storing, analyzing and reporting location data. GIS usage has been constrained to a select group of users by factors that include excessive cost, user complexity and lack of accessibility. The technology itself has also been prohibitive in providing location intelligence into enterprise business applications due to the existing client-server GIS systems offered by the major GIS solution providers. Recent catastrophic incidents affecting workers, the public and the environment confirm the need to use a more modern geospatial solution to improve current damage prevention and asset management practices.

ProStar has identified demand for a precision mapping solution that provides immediate and measurable benefits to the utility and pipeline sectors as well as the associated verticals. In order to successfully address the anticipated and growing demand, a model that addresses the current issues of the traditional systems including that of cost, complexity and accessibility is needed. The answers lay within the SaaS model and leveraging cloud and mobile technologies. As with online retail and banking, it is only natural that these same technologies be adopted as the dominant delivery methods for a precision mapping solution. The demand for open cloud and mobile computing is the factor that has created an enormous opportunity for ProStar and its natively cloud and mobile precision mapping solution offered as a SaaS. By using ProStar's precision mapping solutions, government agencies and private businesses will be able to improve the efficiency of their organizations without the financial and technical burdens of creating and maintaining internal systems. Ultimately, all processes will improve and the serious damage caused to the infrastructure, the environment and to the public during construction will be significantly reduced.

ProStar's SaaS platform, which consists of its flagship solutions Transparent Earth® and PointMan®, is commercially available and has commenced generating revenue. Further development and improvements are planned, which include the development and planned launch of its new application in the 4th quarter of 2020, PointMan® PRO, which will work globally and will operate on Android, and iOS platforms.

ProStar's Solution

ProStar designed and developed an open geospatial solution to address these issues and reduce the risk of damage to these buried assets due to the lack of timely and precise information being available during maintenance and construction activities. Using unique and patented processes, ProStar's solution provides a unique view of subsurface infrastructure relative to the user's location resulting in real-time situational awareness and to a precision, which, until now, was unachievable. ProStar's solution leverages open data standards combined with cloud and mobile technologies, to deliver critical information into the hands of project personnel where and when it is most needed. When relevant geospatial information is delivered to the field in a timely manner, the risk of damage to buried assets often caused by construction and maintenance activities is significantly reduced.

The use of ProStar's solution significantly reduces the risks associated with damage currently plaguing the utility and pipeline industries and streamlines business processes throughout the enterprise and asset lifecycle. ProStar offers immediate cost savings, improves worker and public safety, and minimizes environmental risk all the while bringing added value, consistency, and time savings to the asset management and damage prevention processes. This challenge is not limited to the US market and in fact, the concerns in other parts of the world are far greater.

PROSTAR GEOCORP, INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019 AND DECEMBER 31, 2018

The real issue facing the industry is directly related to the quality of the data that is being provided and limitations on getting meaningful information into the hands of the field workers in a timely manner. These limitations arise from current GIS systems, imprecise data collection practices, disparate data standards, fragmented data management processes, and poor data distribution methods, all of which hinder attempts to prevent damage to subsurface utilities during construction activities.

Operating Activities and Plans

ProStar's SaaS platform, which consists of its flagship solutions Transparent Earth® and PointMan®, is commercially available and the Company has commenced generating revenue. Further development and improvements are planned, which include the development and launch of its new application in the 1st quarter of 2021, PointMan PRO®, which will work globally and will operate on Android, Windows and iOS platforms.

ProStar is actively targeting new clients, with a focus on key verticals while also looking to expand into new verticals. With the completion of the proposed merger and concurrent financing the Company plans to invest significantly in market awareness with a focus on sales growth.

Going Concern

The Company's financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as recorded in these audited financial statements. The Company's financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. At December 31, 2019, the Company had not achieved profitable operations, had accumulated a deficit of \$16,930,913 since inception and expects to incur further operating losses in the development of its business. The Company's ability to continue as a going concern is dependent upon the ability to develop its business units, develop marketable software, potentially find, acquire and develop various other business segments with growth potential, its ability to obtain the necessary financing to carry out this strategy, and to meet its corporate overhead needs and discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These matters indicate material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

Selected Annual Information

The following sets out selected financial information of the Company for the period indicated, which has been derived from the Company's audited financial statements. Users of this information should read the following in conjunction with those statements.

	December 31, 2019	December 31, 2018	December 31, 2017
Total Revenue	\$ 1,487,828	\$ 1,400,851	\$ 1,330,348
Cost of sales	196,798	80,190	115,544
Total Expenses	3,564,279	1,990,518	2,816,617
Net Loss	(2,344,289)	(972,567)	(1,615,979)
Basic and Diluted Loss per Share	(1.46)	(0.92)	(2.13)
Total assets	231,858	337,992	262,328
Current liabilities	2,760,793	501,140	731,932
Non-current financial liabilities	12,387,005	12,600,068	11,589,447

Recent Events & Overall Performance

Significant events during the year ended December 31, 2018 include:

- ProStar continued its customer growth and successfully executed additional commercial agreements, as described below.
- ProStar began to expand into other market verticals, by providing its services to engineering & surveying businesses, the Colorado Department of Transportation, construction companies and Colorado 811, a non-profit, non-governmental organization that provides a communication link between excavators and underground facility owners before any excavation begins.

PROSTAR GEOCORP, INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019 AND DECEMBER 31, 2018

- ProStar also released for commercial sale its standalone mobile software application PointMan® and published it on Google Play.
- Microsoft published a case study on ProStar, naming ProStar as part of its digital transformation.

Significant events during the year ended December 31, 2019 include:

- On May 22, 2019, ProStar entered into the Merger Agreement with Doxa and the MergerSub, as described in more detail in the Proposed Merger section.
- In February 2019, AI Global named ProStar as the Global Leader in Geospatial Software Development for 2019. The award spotlights ProStar's flagship geospatial solution, Transparent Earth®.
- In January 2019 ProStar hired Mr. Vasa Dasan as COO. Mr. Dasan was the former chief technology officer of Sun Micro Systems for 15 years and head of their cloud division.
- On June 3, 2019, ProStar completed the ProStar Financing for aggregate gross proceeds of US\$3,500,000 through the issuance of 3,500,000 ProStar Units at a price of US\$1.00 per ProStar Unit. Each ProStar Unit comprising one (1) ProStar Series C Preferred Share and one-half of one transferrable ProStar Warrant, each ProStar Warrant entitling the holder thereof to purchase one (1) ProStar Series C Preferred Share for a period of 24 months from the Closing Date at a price of \$0.75 per share.
- On June 14, 2019, ProStar was granted an additional Canadian patent for a system and method of collecting and updating geographical data. This patent includes the process for capturing and collecting location data of buried utilities and pipelines using data collection devices and GPS. In general terms, the granted patent covers the use of collecting location data of underground utilities on mobile smart phones and tablets with maps and GPS receivers.
- ProStar also completed development of its mobile software application PointMan® for use on iOS platforms and was available on the Apple Store in July 2019.

Subsequent Events

Subsequent to December 31, 2019, the Company:

- a) Completed a non-brokered private placement and issued 1,500,000 Series D preferred units at a price of \$1.00 for gross proceeds of \$1,500,000. Each unit includes one Series D preferred share and one-half of one transferrable share purchase warrant. Upon completion of the proposed RTO (as described below), each whole warrant shall be converted into two warrants, with each warrant entitling the holder to acquire one post-consolidation Doxa share at a price of 140% of the Concurrent Financing for a period of 24 months from the closing date of the Concurrent Financing.
- b) As part of the US Government response to the COVID-19 global pandemic, certain businesses were eligible to apply for a Small Business Administration Payroll Protection Program Loan ("SBA PPP Loan"). The SBA PPP Loan amount was calculated based on 2019 payroll expenses. Borrowers can apply for loan forgiveness if evidenced that minimum of 75% of loan proceeds were used for qualified payroll expenses and up to 25% used for qualified office utilities mortgage / lease expenses. The Company applied for the SBA PPP loan and received \$267,400 in loan proceeds.
- c) Over the previous three years the Company has expanded from 8 employees to over twenty and in March, 2020 the Company opened a research and development office in Boulder, Colorado.
- d) On July 8, 2020 the Company announced it had created a business partnership with Trimble to integrate the PointMan mobile app with the Trimble series of GPS/ GNSS receivers.

Summary of Quarterly Results and Fourth Quarter Results

Prior to becoming a reporting issuer, the Company did not prepare quarterly financial statements and, other than the Company's interim financial statements for the three months ended June 30, 2020 no quarterly financial information is available.

Discussion of Year End Operations – December 31, 2019

Revenue

For the year December 31, 2019, the Company generated \$1,487,828 in revenues (2018 - \$1,400,851) of which \$1,287,784 (2018 - \$1,350,895) related to revenue generated by operations and \$200,044 (2018 - \$49,956) related to grant income received. During 2019 both the number of customers and the recurring revenue increased as the Company added a number of new clients to its SaaS platform and as it completed certain projects and one off work during 2018.

Operating Expenses and Other Items

Operating expenses and other items with significant variances and balances include:

Management fees

Management fees for the year ended December 31, 2019 were \$506,620 (2018 – \$298,709). The increase in management fees related to the expansion and strengthening of the management team with the appointment of Mr. Vasanthan Dasan. Mr. Dasan is a respected and renowned technology veteran known for driving technical strategy, innovation and execution in cloud computing. Mr. Dasan spent more than 15 years of his career at Sun Microsystems where he served as chief technologist for Sun's Cloud Computing Practice and a decade as Distinguished Engineer and CTO for Sun's \$5.1 billion SunService division.

Information technology, product development and Sales and marketing.

Information technology \$482,111 (2018 - \$190,050), product development \$628,811 (2018 - \$353,172) and Sales and Marketing \$439,523 (2018 - \$208,305). These accounts all increased as the Company grew its team and increased its focus on developing and raising awareness of its SaaS platform. These accounts are largely comprised of employee related costs and the increase relates to the increase in the ProStar team and focus.

Consulting fees

Consulting fees for the year ended December 31, 2019 were \$206,577 (2018 – \$79,000). Consulting fees are primarily used for contracts with some of the software developers and various initiatives. The increase during the year ended December 31, 2019 is primarily due to increased activity related to the Proposed Merger and consulting related to entering new international jurisdictions.

Depreciation

Depreciation for the year ended December 31, 2019 was \$83,136 (2018 – \$44,859). During the year ended December 31, 2019, with the expansion of the team the Company purchased new office furniture and computer equipment which contributed to the increase in depreciation expense for the year.

Office and miscellaneous

Office and miscellaneous costs for the year ended December 31, 2019 were \$115,359 (2018 – \$62,748). The increase in office and miscellaneous costs relates to the expansion of the Company and a general increase in activity for the Company.

Professional fees

Professional fees for the year ended December 31, 2019 were \$450,581 (2018 – \$208,204). Professional fees include audit and accounting fees and legal fees which increased due to work completed on the Proposed Merger with Doxa.

Share-based payments

Share-based payments for the year ended December 31, 2019 were \$147,454 (2018 – \$268,402). The expense relates primarily to stock options granted and vested during the period and are not expected to be comparable over time as the expense is dependent on the timing of grants and vesting schedules.

Salaries and wages

Salaries and wages for the year ended December 31, 2019 were \$140,319 (2018 – \$54,402). The increase in salaries and wages is primarily a result of the increased activity in the company and increased administration related staff.

Travel

Travel expenses for the year ended December 31, 2019 were \$187,031 (2018 – \$62,322). The increase in travel is a largely a result of increased marketing efforts including various trade shows. The marketing was focused both on increasing awareness of the ProStar SaaS platform, raising awareness of ProStar ahead of the Proposed Merger and listing, and on increased corporate activities, including the preferred share financings.

Discussion of Year End Operations – December 31, 2018

Revenue

For the year ended December 31, 2018, the Company generated \$1,350,895 in sales and received \$49,956 in grant income. The majority of the income was from the Company's flagship solution Transparent Earth. The increase in revenues is primarily a result of additional awareness of the Company's product and from the Company expanding into other market verticals. The Company began providing services to engineering & surveying businesses, the Colorado Department of Transportation, construction companies and Colorado 811, a non-profit, non-governmental organization that provides a communication link between excavators and underground facility owners before any excavation begins.

Operating Expenses and Other Items

Operating expenses and other items with significant variances and balances include:

Information technology

Information technology for the year ended December 31, 2018 was \$190,050. The decrease was a result in a drop in personal as the Company moved focus to sales and to conserving working capital before it commenced work on the public listing.

Management fees

Management fees for the year ended December 31, 2018 were \$298,709. This decrease was as a result of a decrease in personal and monthly fees during 2018 as the Company conserved working capital.

Sales and marketing

Sales and marketing expense for the year ended December 31, 2018 was \$208,305. The Company continues to expand its sales and marketing efforts and it pushes for sales growth. During the second half of 2018 the Company hired a new sales manager.

Professional fees

Professional fees for the year ended December 31, 2018 were \$208,204. Professional fees include audit and accounting fees and legal fees. The increase during the current year related to the merger transaction and the related legal, audit and tax work.

Share-based payments

Share-based payments for the year ended December 31, 2018 was \$268,402. The expense relates primarily to the vesting of employee Restricted Share Units and stock options issued. During the year ended December 31, 2016 the Company granted 1,517,000 RSU's which vest out to December 31, 2019. On grant 35% vested immediately, and then 5% vested every three months thereafter. The Company did not grant any stock options during the year ended December 31, 2018.

Salaries and wages

Salaries and wages for the year ended December 31, 2018 were \$54,402. This decrease was as a result of a decrease in personal during 2018 as the Company focused on conserving capital as it grew its sales base and started working towards going public.

PROSTAR GEOCORP, INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019 AND DECEMBER 31, 2018

Travel

Travel expenses for the year ended December 31, 2018 was \$62,322. During the year ended December 31, 2018, the Company saw a large increase in travel required for financing, marketing and as the company contemplated a listing.

Financing Costs

Financing costs for the year ended December 31, 2018 were \$302,710. During 2018 the Company accrued extension interest of \$205,763.

Liquidity and Capital Resources – December 31, 2019

During the year ended December 31, 2019 the Company's operating activities had cash outflows of \$2,042,131 (2018 – \$199,414). The increase in cash outflows related to the increased operating activities, including increased development, marketing, and expanding and strengthening the ProStar team.

The Company's cash as at December 31, 2019 was \$130,137 (2018 - \$175,189) and the Company's working capital deficiency was \$2,601,364 (2018 – working capital deficiency \$226,998).

Financing Activities

During the year ended December 31, 2019, the Company generated \$2,062,074 from financing activities (2018 - \$415,140). A total of \$2,841,000 was generated from the issuance of preferred shares (2018 – \$nil), \$50,000 from preferred shares received in advance (2018 - \$674,375), and \$44,112 from the issuance of common shares (2018 - \$nil). The Company repaid \$848,350 (2018 – \$10,703) of notes payable and made lease payments of \$24,688 (2018 - \$nil).

Investing Activities

During the year ended December 31, 2019, the Company's investing activities required \$64,995 (2018 - \$19,254) related to the acquisition of equipment.

Liquidity and Capital Resources – December 31, 2018

During the year ended December 31, 2018 the Company's operating activities required \$199,414. The Company continued to invest in sales and marketing and research and development and is focused on growing such that the operating activities contribute towards investing activities and paying down any debt.

The Company's cash as at December 31, 2018 was \$175,189 and the Company's working capital deficit was \$226,998.

Financing Activities

During the year ended December 31, 2018, the Company generated \$415,140 from financing activities. During the year ended December 31, 2018 the Company funds in advance of issuance of preferred shares of \$674,375. During the year ended December 31, 2018 the Company also repaid the line of credit of \$248,532, which was drawn down during 2017 and repaid notes payable of \$10,703.

Investing Activities

During the year ended December 31, 2018, the Company invested \$19,254 in new equipment.

PROSTAR GEOCORP, INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019 AND DECEMBER 31, 2018

Capital Structure

As at the date of this MD&A, the Company has 1,665,337 common shares, in addition the Company has the following preferred shares and warrants outstanding:

Designation of Security	Authorized	Outstanding as at the date of this MD&A
ProStar Common Shares	19,000,000	1,665,339
ProStar Series A Preferred Shares	6,300,000	6,166,666
ProStar Series B Preferred Shares	3,500,000	1,128,672
ProStar Series C Preferred Shares	3,500,000	3,500,000 ²
ProStar Warrants ¹	1,750,000	1,750,000
ProStar Series D Preferred Shares	1,500,000	1,500,000
ProStar Warrants ²	750,000	750,000

1. Represents 1,750,000 ProStar Warrants exercisable at a price of \$0.56 per share for two years from the Closing Date. On the Closing Date, each outstanding ProStar Warrant shall be converted into a warrant to acquire, on the same terms and conditions as were applicable to such Prostar Warrant, four (4) post-Consolidation Doxa Shares for each ProStar Series C Preferred Share covered by the Prostar Warrant at an exercise price of \$0.56 per share.
2. Represents 750,000 ProStar Warrants exercisable at a price of \$0.56 per share for two years from the Closing Date. On the Closing Date, each outstanding ProStar Warrant shall be converted into a warrant to acquire, on the same terms and conditions as were applicable to such Prostar Warrant, four (4) post-Consolidation Doxa Shares for each ProStar Series C Preferred Share covered by the Prostar Warrant at an exercise price of \$0.56 per share.

Please refer to the financial statements for a description of the rights and restrictions of the preferred shares.

Financial Instruments and Risk Management

Fair value of financial instruments

The Company measures the fair value of its financial instruments according to a fair value hierarchy based on the significance of observable inputs used to value the instrument as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – Unobservable inputs for the asset or liability.

The Company's financial instruments consist of accounts and other receivables, accounts payable and accrued liabilities, loans payable, and convertible note and are classified as amortized cost. The carrying values of these financial instruments approximate their fair values because of their nature and/or relatively short maturity dates or durations.

Cash is classified as being at fair value through profit or loss. The fair value of cash is measured in accordance with Level 1 of the fair value hierarchy.

Financial and capital risk management

The Company examines the various financial instruments and risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include market risk, foreign currency risk, interest rate risk, credit risk, and liquidity risk. These risks are reviewed and monitored by the Board of Directors.

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Discussions of risks associated with financial assets and liabilities are detailed below:

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the fair value or future cash flows of a financial instrument. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. At December 31, 2019 and 2018, the Company was not subject to significant market risk, except as noted below.

Foreign currency risk

The Company's current operations have limited foreign currency risk. The Company has engaged a number of vendors in relation to the Company's listing on the TSX-V. As such, the Company is exposed to some foreign currency risk. Fluctuations in the exchange rate between the Canadian dollar and US dollar may have an adverse effect on the Company's business and costs to proceed with preferred vendors. The Company may reduce its foreign currency risk as needed by substituting United States vendors as required. Foreign currency risk is considered low relative to the overall financial operating plan.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk mainly arises from changes in the interest rates on cash. Cash generates interest based on market interest rates. At December 31, 2019 and 2018, the Company was subject to interest rate risk with respect to its loans payable, some of which bear interest at a fixed rate and others are non-interest bearing, and convertible notes, which bear interest at a fixed rate.

Credit Risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations. The Company's maximum exposure to credit risk at the reporting date is the carrying value of cash and accounts and other receivables. The Company holds cash at a major US chartered bank in a chequing account.

The Company is exposed to credit risk on its trade accounts receivable. Trade receivables totaled \$10,950 (2018 - \$53,955), which the Company does not consider material.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk by maintaining adequate cash balances. If necessary, the Company may raise funds through the issuance of preferred shares, debt, or equity. The Company ensures that there is sufficient capital to meet its obligations by continuously monitoring and reviewing actual and forecasted cash flows and matching the maturity profile of financial assets to development, capital and operating needs. The maturities of notes payable are disclosed in note 9 of the financial statements. Subsequent to December 31, 2020 the Company closed the Preferred Series D share financing raising \$1,500,000. The Company continues to progress the Proposed Merger.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

PROSTAR GEOCORP, INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019 AND DECEMBER 31, 2018

Related Party Transactions

During the years ended December 31, 2019 and December 31, 2018, the Company paid or accrued, to key management personnel, directors and their related companies:

	2019	2018
Chief Executive Officer	\$ 145,000	\$ 103,750
Chief Operating Officer	214,247	-
VP of Admin Services and former Director	96,500	64,000
Total	\$ 455,747	\$ 167,750

In addition to the above the Company paid consulting fees of \$nil (2018 - \$4,000) to Brightmark Partners LLC, a company which director was an employee of. Included in notes payable is \$1,655,044 (2018 - \$2,235,651) due to directors and officers of the Company. Included in accounts payable and accrued liabilities is \$nil (2018 - \$1,408) due to directors and officers.

Proposed Transactions

Except as described in the Proposed Merger Section and elsewhere herein, the Company does not have any material proposed transactions.

Significant accounting judgments, estimates, and assumptions

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. Please refer to the financial statement for a list of the significant judgments and estimates.

New standards and interpretations adopted

IFRS 16 Leases

The Company adopted IFRS 16 Leases ("IFRS 16") on January 1, 2019. The objective of the new standard is to eliminate the classification of leases as either operating or financing leases for a lessee and report all leases on the statement of financial position. The only exemption to this will be for leases that are one year or less in duration or for leases of assets with low values. Under IFRS 16 a lessee is required to recognize a right-of-use asset, representing its right to use the underlying asset, and a lease liability, representing its obligations to make lease payments. IFRS 16 also changes the nature of expenses relating to leases, as lease expenses previously recognized for operating leases are replaced with depreciation expense on capitalized right-of-use assets and finance or interest expense for the corresponding lease liabilities associated with the capitalized right-of-use leased assets.

The Company adopted IFRS 16 using the modified retrospective approach and did not restate comparative amounts for the year prior to first adoption. For all leases, the lease liability was measured at January 1, 2019 as the present value of any future minimum lease payments discounted using the appropriate incremental borrowing rate. The associated right of use assets was measured at the amount equal to the lease liability on January 1, 2019.

The application of IFRS 16 to leases, previously classified as operating leases under IAS 17, resulted in the recognition of right-of-use assets of \$29,762 and lease liabilities with no net impact on deficit.

Risk Factors

The following are major risk factors management has identified which relate to the Company's business activities, including the proposed merger transaction. Such risk factors could materially affect the Company's future financial results and could cause events to differ materially from those described in forward-looking statements relating to the Company. Though the following are major risk factors identified by management, they do not comprise a definitive list of all risk factors related to the Company's business and operations. Other specific risk factors are discussed elsewhere in this MD&A.

Risks related to the proposed transaction:

Completion of the Merger

There are risks associated with the Merger including (i) market reaction to the Merger and the future trading price of the shares of the Resulting Issuer cannot be predicted; (ii) uncertainty as to whether the Merger will have a positive impact on the entities involved therein; and (iii) there is no assurance that required approvals will be received.

The completion of the Merger is subject to several conditions under the Merger Agreement. Please refer to the Filing Statement for additional information regarding the merger.

Market for Securities and Volatility of Share Price

There can be no assurance that an active trading market in the Resulting Issuer's securities will be established or sustained. The market price for the Resulting Issuer's securities could be subject to wide fluctuations. Factors such as government regulation, interest rates, share price movements of peer companies and competitors, announcements of quarterly variations in operating results, revenues and costs, and sentiments toward stocks as well as overall market movements, may have a significant adverse impact on the market price of the securities of the Resulting Issuer. The stock market has from time to time experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance of a particular company.

Speculative Nature of Investment Risk

An investment in the securities of the Company carries a high degree of risk and should be considered as a speculative investment.

Liquidity and Future Financing Risk

The Company will likely operate at a loss until its business becomes established and it may require additional financing in order to fund future operations and expansion plans. The Company's ability to secure any required financing to sustain operations and expansion plans will depend in part upon prevailing capital market conditions and business success. There can be no assurance that the Company will be successful in its efforts to secure any additional financing or additional financing on terms satisfactory to management. Moreover, future activities may require the Company to alter its capitalization significantly and, if additional financing is raised by issuance of additional shares of the Company from treasury, control may change and shareholders may suffer dilution. The inability of the Company to access sufficient capital for its operations could have a material adverse effect on the Company's financial condition and results of operations.

Risks Related to the Company's Business

Loss of Proprietary Information

ProStar's currently holds patents on the technology used in its operations and products and it also relies heavily on trade secrets, know-how, expertise, experience, and the marketing ability of its personnel to remain competitive. Although ProStar requires all employees, consultants, and third parties to agree to keep its proprietary information confidential, no assurance can be given that the steps taken by ProStar will be effective in deterring misappropriation of its technologies. Additionally, no assurance can be given that employees or consultants will not challenge the legitimacy or scope of their confidentiality obligations, or that third parties, in time, could not independently develop and deploy equivalent or superior technologies.

Competing Technologies

With respect to ProStar's software applications, several direct and indirect competitors are currently in the market with product offerings that could be considered at least partially competitive to ProStar's products. These potential competitors vary in size and could have greater technical and/or financial resources than the Company, to develop and market their products. The financial performance of ProStar may be adversely affected by such competition. Additionally, no assurances can be given that additional direct competitors to ProStar may not be formed or that ProStar may not lose some or all of its contracts with existing or future customers, thereby decreasing its ability to compete. Also, existing and future customers may have, or may develop, in-house solutions that could take the place of ProStar's software applications. Any adverse change in the business relationships with the

PROSTAR GEOCORP, INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019 AND DECEMBER 31, 2018

ProStar's customers or partners could have a material adverse impact on the ProStar's software applications business and its future prospects.

Software Functionality

Defects in ProStar's software applications, delays in delivery, and failures or mistakes in the ProStar's software code could materially harm ProStar's business, including customer relationships and operating results.

Internet and System Infrastructure Functionality

The end customers of ProStar's software applications depend on internet service providers, Cloud service providers and ProStar's infrastructure for access to the software applications ProStar provides to its customers. These services are subject to service outages and delays due to system failures, stability or interruption. As a result, ProStar may not be able to meet a satisfactory level of service as agreed to with its customers, which could have a material adverse effect on ProStar's business, revenues, operating results and financial condition.

Information Technology Security

ProStar's software applications are dependent on its ability to protect its computer equipment and the information stored in its data centers against damage that may be caused by fire, power loss, telecommunication failures, unauthorized intrusion, computer viruses, disabling devices and other similar events. A failure in the Company's production systems or a disaster or other event affecting production systems or business operations, both internally and externally, could result in a disruption to ProStar's software services. Such a disruption could also impact ProStar's reputation and cause it to lose customers, revenue, face litigation, or necessitate customer service/repair work that would involve substantial costs and could ultimately have a material impact on ProStar.

ProStar's geospatial database has become a valuable asset to ProStar. While ProStar has invested in database management, information technology security, firewalls, offsite duplicate storage and periodic audits, there is a risk of a loss of data through unauthorized access or a customer violating the terms of ProStar's end user licensing agreements and distributing unauthorized copies of its data. ProStar has, and will continue to invest, in both legal resources to strengthen its licensing agreements with its customers and in overall information technology protection.

Global Positioning System Failure

Prostar's software relies on GPS technology for location data. GPS satellites have been available to the commercial market for many years. The continued unrestricted access to the signals produced by these GPS satellites are helpful in the collection of ProStar's IFSAR data. A loss of GPS would have such a global impact that it is believed that controlling authorities would almost certainly make another system available to GPS receivers in relatively short order.

If the market for analytics products and services fails to grow as we expect, or if businesses fail to adopt our platform, our business, operating results, and financial condition could be adversely affected.

Since 2016, nearly all of ProStar's revenue has come from sales of our subscription-based software platform. ProStar expects these sales to account for a large portion of ProStar's revenue for the foreseeable future. Although demand for GIS mapping products and services has grown in recent years, the market for GIS mapping products and services continues to evolve and the secular shift towards self-service GIS mapping may not be as significant as ProStar expects. ProStar cannot be sure that this market will continue to grow or, even if it does grow, that businesses will adopt our platform. The Company's future success will depend in large part on the Company's ability to further penetrate the existing market for GIS mapping software, as well as the continued growth and expansion of what ProStar believes to be an emerging market for GIS mapping software and services that are faster, easier to adopt, easier to use, and more focused on self-service capabilities. The Company's ability to further penetrate the business analytics market depends on a number of factors, including the cost, performance, and perceived value associated with ProStar's platform, as well as customers' willingness to adopt a different approach to GIS mapping and underground asset locating. ProStar has spent, and intends to keep spending, considerable resources to educate potential customers about GIS mapping software and services in general and our platform in particular. However, ProStar cannot be sure that these expenditures will help ProStar platform achieve any additional market acceptance. Furthermore, potential customers may have made significant investments in legacy GIS mapping software systems and may be unwilling to invest in new products and services. In addition, slower adoption of GIS data collection in the government, department of transportations and construction companies may impact the growth. If the market fails to grow or grows more slowly than ProStar currently expects or businesses fail to adopt ProStar's platform, the Company's business, operating results, and financial condition could be adversely affected.

We derive substantially all of our revenue from our software platform, and our future growth is dependent on its success.

Since 2016, nearly all ProStar's revenue has come from sales of our subscription-based software platform. ProStar expects these sales to account for a large portion of ProStar's revenue for the foreseeable future. As such, the continued growth in market demand for our platform is critical to the Company's continued success. ProStar recently began the development of a new product for ProStar's software platform, PointMan Pro (aka Transparent Earth Lite), but cannot be certain that it will generate significant revenue, if any. In addition, this product is designed to be used with ProStar's PointMan product and will not be sold independently. Accordingly, ProStar's business and financial results will continue to be substantially dependent on our single software platform.

If we are unable to attract new customers and expand sales to existing customers, both domestically and internationally, our revenue growth could be slower than we expect and our business may be harmed.

ProStar's future revenue growth depends in part upon increasing ProStar's customer base. ProStar's ability to achieve significant growth in revenue in the future will depend, in large part, upon the effectiveness of ProStar's marketing efforts, both domestically and internationally, and ProStar's ability to attract new customers. This may be particularly challenging where an organization has already invested substantial personnel and financial resources to integrate traditional GIS mapping software into its business, as such organization may be reluctant or unwilling to invest in new products and services. If the Company fails to attract new customers and maintain and expand those customer relationships, the Company revenue will grow more slowly than expected and the Company's business will be harmed.

If we are unable to develop and release product and service enhancements and new products and services to respond to rapid technological change in a timely and cost-effective manner, our business, operating results, and financial condition could be adversely affected.

The market for our platform is characterized by rapid technological change, frequent new product and service introductions and enhancements, changing customer demands, and evolving industry standards. The introduction of products and services embodying new technologies can quickly make existing products and services obsolete and unmarketable. GIS mapping software and services are inherently complex, and it can take a long time and require significant research and development expenditures to develop and test new or enhanced products and services. The success of any enhancements or improvements to our platform or any new products and services depends on several factors, including timely completion, competitive pricing, adequate quality testing, integration with existing technologies and our platform, and overall market acceptance. We cannot be sure that we will succeed in developing, marketing, and delivering on a timely and cost-effective basis enhancements or improvements to our platform or any new products and services that respond to technological change or new customer requirements, nor can we be sure that any enhancements or improvements to our platform or any new products and services will achieve market acceptance. Any new products that we develop may not be introduced in a timely or cost-effective manner, may contain errors or defects, or may not achieve the broad market acceptance necessary to generate sufficient revenue.

The competitive position of our software platform depends in part on its ability to operate with third-party products and services, and if we are not successful in maintaining and expanding the compatibility of our platform with such third-party products and services, our business, financial position, and operating results could be adversely impacted.

The competitive position of our software platform depends in part on its ability to operate with products and services of third parties, software services and infrastructure. As such, we must continuously modify and enhance our platform to adapt to changes in hardware, software, networking, browser, and database technologies. In the future, one or more technology companies may choose not to support the operation of their hardware, software, or infrastructure, or our platform may not support the capabilities needed to operate with such hardware, software, or infrastructure. In addition, to the extent that a third party were to develop software or services that compete with ours, that provider may choose not to support our platform. We intend to facilitate the compatibility of our software platform with various third-party hardware, software, and infrastructure by maintaining and expanding our business and technical relationships. If we are not successful in achieving this goal, our business, financial condition, and operating results could be adversely impacted.

Our revenue growth and ability to achieve and sustain profitability depends on being able to expand our direct sales force and increase the productivity of our sales force successfully.

To date, most of our revenue has been attributable to the efforts of our direct sales force in the United States. In order to increase our revenue and achieve and sustain profitability, we must increase the size of our direct sales force, both in the United States and internationally, to generate additional revenue from new and existing customers. We intend to substantially further increase our number of direct sales professionals. In addition, we also intend to work via channel partners such as GIS equipment manufacturers.

PROSTAR GEOCORP, INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019 AND DECEMBER 31, 2018

Management Experience and Dependence on Key Personnel

The Company's success is largely dependent on the performance of the proposed directors and officers. Certain members of the Company's management team have experience in the in the underground utility & energy industries, technology and software development industry, while others have experience in areas including financial management, corporate finance and sales and marketing. The experience of these individuals is a factor which will contribute to the Company's continued success and growth. The Company will initially be relying on its board members, as well as independent consultants and advisory board, for certain aspects of the Company's business. The amount of time and expertise expended on the Company's affairs by each of its management team, consultants, advisory board members and directors will vary according to the Company's needs. The Company does not intend to acquire any key man insurance policies and there is, therefore, a risk that the death or departure of any member of management, the Company's board, or any key employee or consultant, could have a material adverse effect on the Company's future. Investors who are not prepared to rely on the Company's management team should not invest in the Company's securities.

Limited Operating History

As a result of ProStar's limited operating history, its ability to forecast its future results of operations and plan for and model future growth is limited and subject to a number of uncertainties. ProStar has encountered and will continue to encounter risks and uncertainties frequently experienced by growing companies in rapidly changing industries, such as the risks and uncertainties described herein. ProStar may be unable to prepare accurate internal financial forecasts or replace anticipated revenue that it does not receive as a result of delays arising from these factors, and its results of operations in future reporting periods may be below the expectations of investors. If ProStar does not address these risks successfully, its results of operations could differ materially from its estimates and forecasts or the expectations of investors, causing its business to suffer and its stock price to decline.

Uncertainty of Additional Funding

Further development of ProStar applications will require additional capital and the Company will require funds to operate as a public company. There is no assurance that the Company will be successful in obtaining any required financing or that such financing will be available on terms acceptable to the Company's management. Any future financing may also be dilutive to the current shareholders of ProStar and the Company.

Negative Cash Flow

ProStar has a limited history of operations, cash flow or profitability. ProStar has had negative operating cash flow since its inception, and it will continue to have negative operating cash flow for the foreseeable future. No assurance can be given that the Company will ever attain positive cash flow or profitability or that additional funding will be available for operations.

Uninsured or Uninsurable Risks

The Company intends to insure its operations in accordance with technology industry practice. However, the Company may become subject to liability for hazards against which the Company cannot insure or against which the Company may elect not to insure because of high premium costs or for other reasons. The payment of any such liabilities would reduce or eliminate the funds available for operations. Payments of liabilities for which the Company does not carry insurance may have a material adverse effect on the Company's financial position.

Contractual Risk

The Company and ProStar are parties to various contracts and it is always possible that contracts to which they are parties will not be fully performed by other contracting parties.

Unforeseen Expenses

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

General Business Risks

Conflicts of Interest

Certain of the directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest.

Tax Risk

The Company is subject to various taxes including, but not limited to the following: income tax; goods and services tax; sales tax; and payroll tax. The Company's tax filings will be subject to audit by various taxation authorities. While the Company intends to base its tax filings and compliance on the advice of its tax advisors, there can be no assurance that its tax filing positions will never be challenged by a relevant taxation authority resulting in a greater than anticipated tax liability.

COVID 19

Since March 31, 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global markets have experienced significant volatility. The duration and enduring impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods. The Company has moved its personnel to remote working environments and has experienced minimal disruption to ongoing operations.



PROSTAR GEOCORP, INC.

**FORM 51-102F1
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2020**

(Expressed in United States Dollars)

General

This Management's Discussion and Analysis ("MD&A") of ProStar Geocorp, Inc. ("ProStar," or the "Company") is the responsibility of management and covers the six-month period ended June 30, 2020. The MD&A takes into account information up to and including November 10, 2020.

The following information should be read in conjunction with the Company's condensed interim financial statements for the period ended June 30, 2020 as well as the audited financial statements with accompanying notes for the fiscal year ended December 31, 2019, which were prepared in accordance with International Financial Reporting Standards ("IFRS").

All dollar figures are expressed in United States dollars unless otherwise stated. These documents and additional information on the Company are available on the SEDAR website at www.sedar.com.

Cautionary Statement Regarding Forward-Looking Statements

Certain statements contained in this document constitute "forward-looking statements". When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate" and "believe", are intended to identify forward-looking statements. Such statements reflect the Company's "forecast", "estimate", "expectation" and similar expressions as they relate to the Company's current views with respect to future events and are subject to certain risks, uncertainties and assumptions.

The forward-looking statements contained in this MD&A are made as of the date hereof and represent the Company's views as of the date of this document. While the Company believes that the expectations reflected in the forward-looking statements and information contained herein are reasonable, no assurance can be given that these expectations, or the assumptions underlying these expectations, will prove to be correct. The Company acknowledges that subsequent events and developments may cause the views expressed herein to change, however, the Company has no intention and undertakes no obligation to update, revise or correct such forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities law. Therefore, there can be no assurance that forward-looking statements contained herein will prove to be accurate as actual results and future events could differ materially from those expected or estimated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Description of Business

ProStar Geocorp Inc. ("ProStar" or the "Company") is incorporated under the General Corporation Law (Delaware, USA) after converting from a Colorado Corporation on January 14, 2014. ProStar is a developer of Software-as-a-Service ("SaaS")-based solutions, providing patented Geospatial Intelligence Software designed to enhance the management and maintenance of the asset lifecycle for asset centric industries.

ProStar's head office is located at 760 Horizon Dr Suite 200, Grand Junction, CO 81506, USA and its registered and records office is located at 1209 Orange Street, Wilmington, DE 19801, County of New Castle. ProStar is not a reporting issuer in any jurisdiction in Canada.

ProStar recently entered into a definitive agreement with Doxa Energy Ltd. ("Doxa"), whereby Doxa will acquire all the issued and outstanding securities of the Company (the "Transaction"). Doxa is listed on the Toronto Stock Exchange Venture ("TSXV"), and upon completion of the proposed Transaction, it is anticipated that the Company will be listed as a Tier 2 technology issuer on the TSXV. Please refer to the Proposed Merger section below for additional information regarding the proposed transaction.

ProStar specializes in the development of precision mapping solutions and software designed to precisely capture, record, and provide visualization of utility and pipelines that are placed below the Earth's surface. ProStar's precision mapping solutions provide geospatial intelligence, location precision, and transparency. ProStar's cloud and mobile solutions are Transparent Earth and its native mobile application PointMan® both of which are deployed as SaaS. Transparent Earth is designed to improve the construction, maintenance and repair of underground infrastructure and to better protect the worker, the public and the environment. This unique and patented system integrates open standards, advances in GPS technology, cloud computing and mobile technology to provide a real time view of location data with precision. The result is that all phases of the asset management lifecycle from initial planning & engineering, through the construction and maintenance are enhanced. This conflated geospatial data view provides field workers with the information that they need during construction and maintenance activities, to avoid damage to assets as well as personal injury and pollution.

ProStar has several high-profile clients that include the Colorado Department of Transportation, Utah Department of Transportation, Gibson Energy and Kiewit Corporation, a Fortune 500 contractor based in Omaha, Nebraska and one of the largest construction and engineering organizations in North America.

Proposed Merger

The Company entered into a definitive merger agreement (the "Merger Agreement") dated May 22, 2019, as amended on February 11, 2020, May 29, 2020 and August 17, 2020 with Doxa Merger Corp., ("Doxa Subco") a wholly owned subsidiary of the Doxa Energy Limited ("Doxa"). The proposed transaction, pursuant to the merger agreement, will result in a reverse takeover of Doxa by ProStar in accordance with the policies of the TSX Venture Exchange. Upon completion of the transaction, it is anticipated that the combined venture will continue to carry on the business of ProStar and will be listed on the TSX-V as a Tier 2 technology issuer.

Under the terms of the Merger Agreement, immediately prior to the closing of the transaction, the outstanding common shares of Doxa will be consolidated on the basis of one new Doxa share for every 17 existing Doxa shares and certain ProStar notes payable totaling \$1,693,918 will be converted to Class B Preferred Shares.

The transaction will be completed by way of a merger under the laws of Delaware, whereby:

- Doxa Subco, a subsidiary created for the purposes of completing the transaction, will merge with and into ProStar, with ProStar surviving as a wholly owned subsidiary of Doxa.
- Each outstanding common share and preferred share of ProStar shall be converted into the right to receive four post-consolidation Doxa shares. Series C Preferred Shares and Series D Preferred Shares will also receive two post-consolidation Doxa share purchase warrants. Each warrant will entitle the holder to purchase, for a period of 24 months, one additional share at a price of \$0.56.
- Each common share of Doxa Subco shall be converted into one common share of the resulting issuer.
- Concurrently with closing of the transaction, Doxa is expected to change its name to Prostar Geocorp International Inc. or such other name as the parties may determine.

The Company has agreed to reimburse Doxa certain transaction and sustaining costs, which was subsequently amended as follows:

- 1) The Company paid Doxa for costs associated with the Transaction of \$57,869 on the following schedule:
 - a) \$30,000 to be paid on or before February 14, 2020 (paid);
 - b) \$27,869 to be paid on or before March 16, 2020 (paid).
- 2) The Company agreed to pay Doxa up to \$10,000 on execution of the August 17, 2020 amendment and \$10,000 on the first of each calendar month commencing September 1, 2020 to December 1, 2020 towards Doxa's annual filing requirements.

In connection with the transaction Doxa completed a non-brokered private placement, issuing 14,000,000 subscription receipts at a price of C\$0.40 for gross proceeds of \$5,600,000 (the "Financing"). Each subscription receipt will be sold at a price of C\$0.40 cents and will automatically convert immediately prior to the closing of the transaction into one post-consolidation Doxa unit. Each Doxa unit will consist of one Doxa common share and one-half of one transferable common share purchase warrant. Each whole warrant will entitle the holder to purchase, for a period of 24 months, one additional share at an exercise price of C\$0.60. The proceeds from the private placement will be held in escrow with Doxa pending the closing of the transaction. Doxa issued 7% broker warrants on certain subscriptions, totaling 878,937. Each broker warrant is exercisable at a price of CDN\$0.40 for a period of 2 years from the date of completion of the transaction.

Upon closing of the transaction, and immediately prior to the conversion of the subscription receipts, the resulting issuer will have:

- 1) An aggregate of 75,676,813 common shares issued and outstanding. The current shareholders of Doxa will hold 13,058,432 resulting issuer shares, representing approximately 17.3% of the outstanding resulting issuer shares; the current shareholders of ProStar will hold 62,618,380 resulting issuer shares, representing approximately 82.7% of the outstanding resulting issuer shares; and the shareholders.
- 2) An aggregate of 10,000,000 warrants outstanding. Each whole warrant will entitle the holder to purchase, for a period of 24 months, one additional share at an exercise price of C\$0.56.
- 3) An aggregated of 878,937 broker warrants. Each warrant will entitle the holder to purchase, for a period of 24 months, one additional share at an exercise price of \$0.40.

Pursuant to the terms of the merger agreement, completion of the transaction will be subject to a number of conditions, including, but not limited to, closing conditions customary to transactions of the nature of the transaction, including the completion of the consolidation, the completion of Doxa's debt settlement of related party debt and the sale of the Doxa's oil and gas interests, approvals of all regulatory bodies having jurisdiction in connection with the transaction, and approval of the TSX-V including the satisfaction of its initial listing requirements. There can be no assurance that the transaction will be completed as proposed or at all.

The Opportunity and the Market

North America is laced with a network of tens of millions of miles of buried infrastructure that are in danger of being damaged every time a ground-breaking activity occurs. Every year in the US alone, over 30 million excavations are performed. On average there is a subsurface utility damage event every sixty seconds of every workday. When these events occur, lights go out, traffic is disrupted, pollution is released into the atmosphere, hundreds of millions of dollars of repairs are required and unfortunately, injuries may occur.

The problem is that many of the underground corridors that hold the buried infrastructure are overcrowded and with more and more demands on the infrastructure to support an ever-growing population these underground corridors are becoming increasingly congested. Combine aging utilities, lack of accurate location data, fragmented processes, and increasing demands to expand the congested corridors in which they lie and you have a potential disaster on your hands every time any form of maintenance, repair or construction is performed. A vast amount of this infrastructure is over 50 years old, much is aging beyond repair and some are just abandoned. At the heart of the issue, is the fact that in many cases, the exact locations of below ground infrastructure is not known with any real certainty. If the location information was recorded - the information is usually in a GIS designed for storing, analyzing and reporting location data. GIS usage has been constrained to a select group of users by factors that include excessive cost, user complexity and lack of accessibility. The technology itself has also been prohibitive in providing location intelligence into enterprise business applications due to the existing client-server GIS systems offered by the major GIS solution providers. Recent catastrophic incidents affecting workers, the public and the environment confirm the need to use a more modern geospatial solution to improve current damage prevention and asset management practices.

ProStar has identified demand for a precision mapping solution that provides immediate and measurable benefits to the utility and pipeline sectors as well as the associated verticals. In order to successfully address the anticipated and growing demand, a model that addresses the current issues of the traditional systems including that of cost, complexity and accessibility is needed. The answers lay within the SaaS model and leveraging cloud and mobile technologies. As with online retail and banking, it is only natural that these same technologies be adopted as the dominant delivery methods for a precision mapping solution. The demand for open cloud and mobile computing is the factor that has created an enormous opportunity for ProStar and its natively cloud and mobile precision mapping solution offered as a SaaS. By using ProStar's precision mapping solutions, government agencies and private businesses will be able to improve the efficiency of their organizations without the financial and technical burdens of creating and maintaining internal systems. Ultimately, all processes will improve and the serious damage caused to the infrastructure, the environment and to the public during construction will be significantly reduced.

ProStar's SaaS platform, which consists of its flagship solutions Transparent Earth® and PointMan®, is commercially available and has commenced generating revenue. Further development and improvements are planned, which include the development and planned launch of its new application in the 4th quarter of 2020, PointMan® PRO, which will work globally and will operate on Android, and iOS platforms.

ProStar's Solution

ProStar designed and developed an open geospatial solution to address these issues and reduce the risk of damage to these buried assets due to the lack of timely and precise information being available during maintenance and construction activities. Using unique and patented processes, ProStar's solution provides a unique view of subsurface infrastructure relative to the user's location resulting in real-time situational awareness and to a precision, which, until now, was unachievable. ProStar's solution leverages open data standards combined with cloud and mobile technologies, to deliver critical information into the hands of project personnel where and when it is most needed. When relevant geospatial information is delivered to the field in a timely manner, the risk of damage to buried assets often caused by construction and maintenance activities is significantly reduced.

The use of ProStar's solution significantly reduces the risks associated with damage currently plaguing the utility and pipeline industries and streamlines business processes throughout the enterprise and asset lifecycle. ProStar offers immediate cost savings, improves worker and public safety, and minimizes environmental risk all the while bringing added value, consistency, and time savings to the asset management and damage prevention processes. This challenge is not limited to the US market and in fact, the concerns in other parts of the world are far greater.

The real issue facing the industry is directly related to the quality of the data that is being provided and limitations on getting meaningful information into the hands of the field workers in a timely manner. These limitations arise from current GIS systems, imprecise data collection practices, disparate data standards, fragmented data management processes, and poor data distribution methods, all of which hinder attempts to prevent damage to subsurface utilities during construction activities.

Operating Activities and Plans

ProStar's SaaS platform, which consists of its flagship solutions Transparent Earth® and PointMan®, is commercially available and the Company has commenced generating revenue. Further development and improvements are planned, which include the development and launch of its new application in the 1st quarter of 2021, PointMan PRO®, which will work globally and will operate on Android, Windows and iOS platforms.

ProStar is actively targeting new clients, with a focus on key verticals while also looking to expand into new verticals. With the completion of the proposed merger and concurrent financing the Company plans to invest significantly in market awareness with a focus on sales growth.

Going Concern

The Company's financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as recorded in these audited financial statements. The Company's financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. At June 30, 2020, the Company had not achieved profitable operations, had accumulated a deficit of \$17,829,482 since inception and expects to incur further operating losses in the development of its business. The Company's ability to continue as a going concern is dependent upon the ability to develop its business units, develop marketable software, potentially find, acquire and develop various other business segments with growth potential, its ability to obtain the necessary financing to carry out this strategy, and to meet its corporate overhead needs and discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These matters indicate material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

Recent Events & Overall Performance

- a) Completed a non-brokered private placement and issued 1,500,000 Series D preferred units at a price of \$1.00 for gross proceeds of \$1,500,000. Each unit includes one Series D preferred share and one-half of one transferrable share purchase warrant. Upon completion of the proposed RTO (as described below), each whole warrant shall be converted into two warrants, with each warrant entitling the holder to acquire one post-consolidation Doxa share at a price of 140% of the Concurrent Financing for a period of 24 months from the closing date of the Concurrent Financing.
- b) As part of the US Government response to the COVID-19 global pandemic, certain businesses were eligible to apply for a Small Business Administration Payroll Protection Program Loan ("SBA PPP Loan"). The SBA PPP Loan amount was calculated based on 2019 payroll expenses. Borrowers can apply for loan forgiveness if evidenced that minimum of 75% of loan proceeds were used for qualified payroll expenses and up to 25% used for qualified office utilities mortgage / lease expenses. The Company applied for the SBA PPP loan and received \$267,400 in loan proceeds.
- c) Over the previous three years the Company has expanded from 8 employees to over twenty and in March, 2020 the Company opened a research and development office in Boulder, Colorado.

Subsequent Events

Subsequent to June 30, 2020, the Company:

- a) On July 8, 2020 the Company announced it had created a business partnership with Trimble to integrate the PointMan mobile app with the Trimble series of GPS/ GNSS receivers.

Summary of Quarterly Results and Fourth Quarter Results

Prior to becoming a reporting issuer, the Company did not prepare quarterly financial statements and, other than the Company's interim financial statements for the three months ended June 30, 2020 no quarterly financial information is available.

Discussion of Second Quarter Operations

Revenue

For the six-month period ended June 30, 2020, the Company generated \$619,669 in revenues (2019 - \$791,474) of which \$619,669 (2019 - \$591,430) related to revenue generated by operations and \$nil (2019 - \$200,044) related to grant income received. During the three-month period ended June 30, 2020 the Company generated revenues of \$319,936 (2019 - \$205,925), of which \$319,936 related to revenue generated by operations and \$nil (2019 - \$22,805) related to grant income received. During 2020 both the number of customers and the recurring revenue increased as the Company added a number of new clients to its SaaS platform.

Operating Expenses and Other Items

Operating expenses and other items with significant variances and balances include:

Consulting fees

Consulting fees for the six-month period ended June 30, 2020 were \$32,075 (2019 - \$60,000). Consulting fees for the three-month period ended June 30, 2020 were \$9,950 (2019 - \$60,000). Consulting fees are primarily used for contracts with some of the software developers and various initiatives. The decrease in consulting is off-set by the increase in product development where the team has grown.

Depreciation

Depreciation for the six-month period ended June 30, 2020 was \$29,832 (2019 - \$39,033). Depreciation for the three-month period ended June 30, 2020 was \$14,524 (2019 - \$17,883). The decrease was due to the timing of leases arrangements.

Information technology

Information technology was \$48,765 (2019 - \$258,660) during the six-month period ended June 30, 2020 and \$23,295 (2019 - \$158,541) during the three-month period ended June 30, 2020. The decrease was due to a focus on development during the period, cost cutting in this area and due to reduced costs resulting from COVID-19.

Sales and Marketing

Sales and Marketing was \$144,919 (2019 - \$292,248) during the six-month period ended June 30, 2020 and \$60,293 (2019 - \$162,200) during the three-month period ended June 30, 2020. The decrease in Sales and Marketing relates to changes in senior staff and the timing of such changes. Subsequent to period end Matthew Breman joined the ProStar team as VP of Marketing. Mr. Breman founded Cranium 360 and spent the last 15 years leading the full-service marketing and advertising agency. Mr. Breman will be responsible for managing critical marketing strategies for ProStar, including ProStar's cloud and mobile precision mapping solutions.

Product development

Product development was \$465,398 (2019 - \$257,016) during the six-month period ended June 30, 2020 and \$233,040 (2019 - \$158,541) during the three-month period ended June 30, 2020. The increase was due to the Company advancing the PointMan Pro mobile application, bringing forward the release date to quarter one, 2021. In addition, the Company continues to advance all of its SaaS platform.

Management fees

Management fees for the six-month period ended June 30, 2020 were \$196,347 (2019 - \$350,787) and \$89,347 (2019 - \$192,367) during the three-month period ended June 30, 2020. The decrease in management fees related to reductions in middle management as the Company moved focus to the development of its SaaS platform and the growth of sales.

PROSTAR GEOCORP, INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE SIX MONTHS ENDED JUNE 30, 2020

Professional fees

Professional fees for the six-month period ended June 30, 2020 were \$197,020 (2019 – \$229,810) and \$112,039 (2019 - \$130,895) during the three-month period ended June 30, 2020. Professional fees include audit and accounting fees and legal fees which decreased due to the delay of the proposed RTO to Q4 2020.

Share-based payments

Share-based payments for the six-month period ended June 30, 2020 were \$nil (2019 – \$138,316) and were \$nil (2019 - \$109,281) during the three-month period ended June 30, 2020. The expense relates primarily to stock options granted and vested during the prior period and are not expected to be comparable over time as the expense is dependent on the timing of grants and vesting schedules.

Travel

Travel expenses for the six-month period ended June 30, 2020 were \$48,044 (2019 – \$87,760) and for the three-month period ended June 30, 2020 were \$7,451 (2019 - \$46,798). The decrease in travel is a largely a result of travel restrictions due to COVID-19.

Liquidity and Capital Resources

During the six-month period ended June 30, 2020, the Company's operating activities had cash outflows of \$844,805 (2019 – \$1,128,789). The decrease in cash outflows related to the decreased loss for the period.

The Company's cash as at June 30, 2020 was \$172,380 (December 31, 2019 - \$130,137) and the Company's working capital deficiency was \$2,598,220 (December 31, 2019 – working capital deficiency \$2,601,364).

Financing Activities

During the six-month period ended June 30, 2020, the Company generated \$896,474 from financing activities (2019 – 2,031,400). A total of \$nil was generated from the issuance of preferred shares (2019 – \$2,841,000), \$639,980 from preferred shares received in advance (2019 - \$nil), and \$nil from the issuance of common shares (2019 – \$38,750). The Company repaid \$nil (2019 – \$848,350) of notes payable and made lease payments of \$10,906 (2019 - \$12,563).

Investing Activities

During the six-month period ended June 30, 2020, the Company's investing activities required \$9,426 (2019 - \$40,735) related to the acquisition and disposal of equipment.

Capital Structure

As at the date of this MD&A, the Company has 1,665,337 common shares, in addition the Company has the following preferred shares and warrants outstanding:

Designation of Security	Authorized	Outstanding as at the date of this MD&A
ProStar Common Shares	19,000,000	1,665,339
ProStar Series A Preferred Shares	6,300,000	6,166,666
ProStar Series B Preferred Shares	3,500,000	1,128,672
ProStar Series C Preferred Shares	3,500,000	3,500,000 ²
ProStar Warrants ¹	1,750,000	1,750,000
ProStar Series D Preferred Shares	1,500,000	1,500,000
ProStar Warrants ²	750,000	750,000

1. Represents 1,750,000 ProStar Warrants exercisable at a price of \$0.56 per share for two years from the Closing Date. On the Closing Date, each outstanding ProStar Warrant shall be converted into a warrant to acquire, on the same terms and conditions as were applicable to such Prostar Warrant, four (4) post-Consolidation Doxa Shares for each ProStar Series C Preferred Share covered by the Prostar Warrant at an exercise price of \$0.56 per share.
2. Represents 750,000 ProStar Warrants exercisable at a price of \$0.56 per share for two years from the Closing Date. On the Closing Date, each outstanding ProStar Warrant shall be converted into a warrant to acquire, on the same terms and conditions as were applicable to such Prostar Warrant, four (4) post-Consolidation Doxa Shares for each ProStar Series C Preferred Share covered by the Prostar Warrant at an exercise price of \$0.56 per share.

Please refer to the financial statements for a description of the rights and restrictions of the preferred shares.

Financial Instruments and Risk Management

Fair value of financial instruments

The Company measures the fair value of its financial instruments according to a fair value hierarchy based on the significance of observable inputs used to value the instrument as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – Unobservable inputs for the asset or liability.

The Company's financial instruments consist of accounts and other receivables, accounts payable and accrued liabilities, loans payable, and convertible note and are classified as amortized cost. The carrying values of these financial instruments approximate their fair values because of their nature and/or relatively short maturity dates or durations.

Cash is classified as being at fair value through profit or loss. The fair value of cash is measured in accordance with Level 1 of the fair value hierarchy.

Financial and capital risk management

The Company examines the various financial instruments and risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include market risk, foreign currency risk, interest rate risk, credit risk, and liquidity risk. These risks are reviewed and monitored by the Board of Directors.

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Discussions of risks associated with financial assets and liabilities are detailed below:

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the fair value or future cash flows of a financial instrument. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. At June 30, 2020 and 2019, the Company was not subject to significant market risk, except as noted below.

Foreign currency risk

The Company's current operations have limited foreign currency risk. The Company has engaged a number of vendors in relation to the Company's listing on the TSX-V. As such, the Company is exposed to some foreign currency risk. Fluctuations in the exchange rate between the Canadian dollar and US dollar may have an adverse effect on the Company's business and costs to proceed with preferred vendors. The Company may reduce its foreign currency risk as needed by substituting United States vendors as required. Foreign currency risk is considered low relative to the overall financial operating plan.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk mainly arises from changes in the interest rates on cash. Cash generates interest based on market interest rates. At June 30, 2020 and 2019, the Company was subject to interest rate risk with respect to its loans payable, some of which bear interest at a fixed rate and others are non-interest bearing, and convertible notes, which bear interest at a fixed rate.

Credit Risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations. The Company's maximum exposure to credit risk at the reporting date is the carrying value of cash and accounts and other receivables. The Company holds cash at a major US chartered bank in a chequing account.

The Company is exposed to credit risk on its trade accounts receivable. Trade receivables totaled \$41,126 at June 30, 2020 (December 31, 2019 - \$10,950), which the Company does not consider material.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk by maintaining adequate cash balances. If necessary, the Company may raise funds through the issuance of preferred shares, debt, or equity. The Company ensures that there is sufficient capital to meet its obligations by continuously monitoring and reviewing actual and forecasted cash flows and matching the maturity profile of financial assets to development, capital and operating needs. The maturities of notes payable are disclosed in note 9 of the financial statements. Subsequent to June 30, 2020 the Company closed the Preferred Series D share financing raising \$1,500,000. The Company continues to progress the Proposed Merger.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

PROSTAR GEOCORP, INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE SIX MONTHS ENDED JUNE 30, 2020

Related Party Transactions

During the six-month period ended June 30, the Company paid or accrued, to key management personnel, directors and their related companies:

	2020	2019
Chief Executive Officer	\$ 63,125	\$ 65,000
Chief Operating Officer	86,667	103,750
Treasurer	30,000	-
Total	\$ 179,792	\$ 168,750

Included in notes payable is \$1,676,302 (December 31, 2019 - \$1,655,044) due to directors and officers of the Company. Included in accounts payable is \$14,784 (December 31, 2019 - \$Nil) owing to an officer of the Company.

Proposed Transactions

Except as described in the Proposed Merger Section and elsewhere herein or in the Company's condensed interim financial statements at June 30, 2020, the Company had no material contractual obligations.

Significant accounting judgments, estimates, and assumptions

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. Please refer to the financial statement for a list of the significant judgments and estimates.

Risk Factors

The following are major risk factors management has identified which relate to the Company's business activities, including the proposed merger transaction. Such risk factors could materially affect the Company's future financial results and could cause events to differ materially from those described in forward-looking statements relating to the Company. Though the following are major risk factors identified by management, they do not comprise a definitive list of all risk factors related to the Company's business and operations. Other specific risk factors are discussed elsewhere in this MD&A.

Risks related to the proposed transaction:

Completion of the Merger

There are risks associated with the Merger including (i) market reaction to the Merger and the future trading price of the shares of the Resulting Issuer cannot be predicted; (ii) uncertainty as to whether the Merger will have a positive impact on the entities involved therein; and (iii) there is no assurance that required approvals will be received.

The completion of the Merger is subject to several conditions under the Merger Agreement. Please refer to the Filing Statement for additional information regarding the merger.

Market for Securities and Volatility of Share Price

There can be no assurance that an active trading market in the Resulting Issuer's securities will be established or sustained. The market price for the Resulting Issuer's securities could be subject to wide fluctuations. Factors such as government regulation, interest rates, share price movements of peer companies and competitors, announcements of quarterly variations in operating results, revenues and costs, and sentiments toward stocks as well as overall market movements, may have a significant adverse impact on the market price of the securities of the Resulting Issuer. The stock market has from time to time experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance of a particular company.

Speculative Nature of Investment Risk

An investment in the securities of the Company carries a high degree of risk and should be considered as a speculative investment.

Liquidity and Future Financing Risk

The Company will likely operate at a loss until its business becomes established and it may require additional financing in order to fund future operations and expansion plans. The Company's ability to secure any required financing to sustain operations and expansion plans will depend in part upon prevailing capital market conditions and business success. There can be no assurance that the Company will be successful in its efforts to secure any additional financing or additional financing on terms satisfactory to management. Moreover, future activities may require the Company to alter its capitalization significantly and, if additional financing is raised by issuance of additional shares of the Company from treasury, control may change and shareholders may suffer dilution. The inability of the Company to access sufficient capital for its operations could have a material adverse effect on the Company's financial condition and results of operations.

Risks Related to the Company's Business

Loss of Proprietary Information

ProStar's currently holds patents on the technology used in its operations and products and it also relies heavily on trade secrets, know-how, expertise, experience, and the marketing ability of its personnel to remain competitive. Although ProStar requires all employees, consultants, and third parties to agree to keep its proprietary information confidential, no assurance can be given that the steps taken by ProStar will be effective in deterring misappropriation of its technologies. Additionally, no assurance can be given that employees or consultants will not challenge the legitimacy or scope of their confidentiality obligations, or that third parties, in time, could not independently develop and deploy equivalent or superior technologies.

Competing Technologies

With respect to ProStar's software applications, several direct and indirect competitors are currently in the market with product offerings that could be considered at least partially competitive to ProStar's products. These potential competitors vary in size and could have greater technical and/or financial resources than the Company, to develop and market their products. The financial performance of ProStar may be adversely affected by such competition. Additionally, no assurances can be given that additional direct competitors to ProStar may not be formed or that ProStar may not lose some or all of its contracts with existing or future customers, thereby decreasing its ability to compete. Also, existing and future customers may have, or may develop, in-house solutions that could take the place of ProStar's software applications. Any adverse change in the business relationships with the ProStar's customers or partners could have a material adverse impact on the ProStar's software applications business and its future prospects.

Software Functionality

Defects in ProStar's software applications, delays in delivery, and failures or mistakes in the ProStar's software code could materially harm ProStar's business, including customer relationships and operating results.

Internet and System Infrastructure Functionality

The end customers of ProStar's software applications depend on internet service providers, Cloud service providers and ProStar's infrastructure for access to the software applications ProStar provides to its customers. These services are subject to service outages and delays due to system failures, stability or interruption. As a result, ProStar may not be able to meet a satisfactory level of service as agreed to with its customers, which could have a material adverse effect on ProStar's business, revenues, operating results and financial condition.

Information Technology Security

ProStar's software applications are dependent on its ability to protect its computer equipment and the information stored in its data centers against damage that may be caused by fire, power loss, telecommunication failures, unauthorized intrusion, computer viruses, disabling devices and other similar events. A failure in the Company's production systems or a disaster or other event affecting production systems or business operations, both internally and externally, could result in a disruption to ProStar's software services. Such a disruption could also impact ProStar's reputation and cause it to lose customers, revenue, face litigation, or necessitate customer service/repair work that would involve substantial costs and could ultimately have a material impact on ProStar.

ProStar's geospatial database has become a valuable asset to ProStar. While ProStar has invested in database management, information technology security, firewalls, offsite duplicate storage and periodic audits, there is a risk of a loss of data through unauthorized access or a customer violating the terms of ProStar's end user licensing agreements and distributing unauthorized copies of its data. ProStar has, and will continue to invest, in both legal resources to strengthen its licensing agreements with its customers and in overall information technology protection.

Global Positioning System Failure

Prostar's software relies on GPS technology for location data. GPS satellites have been available to the commercial market for many years. The continued unrestricted access to the signals produced by these GPS satellites are helpful in the collection of ProStar's IFSAR data. A loss of GPS would have such a global impact that it is believed that controlling authorities would almost certainly make another system available to GPS receivers in relatively short order.

If the market for analytics products and services fails to grow as we expect, or if businesses fail to adopt our platform, our business, operating results, and financial condition could be adversely affected.

Since 2016, nearly all of ProStar's revenue has come from sales of our subscription-based software platform. ProStar expects these sales to account for a large portion of ProStar's revenue for the foreseeable future. Although demand for GIS mapping products and services has grown in recent years, the market for GIS mapping products and services continues to evolve and the secular shift towards self-service GIS mapping may not be as significant as ProStar expects. ProStar cannot be sure that this market will continue to grow or, even if it does grow, that businesses will adopt our platform. The Company's future success will depend in large part on the Company's ability to further penetrate the existing market for GIS mapping software, as well as the continued growth and expansion of what ProStar believes to be an emerging market for GIS mapping software and services that are faster, easier to adopt, easier to use, and more focused on self-service capabilities. The Company's ability to further penetrate the business analytics market depends on a number of factors, including the cost, performance, and perceived value associated with ProStar's platform, as well as customers' willingness to adopt a different approach to GIS mapping and underground asset locating. ProStar has spent, and intends to keep spending, considerable resources to educate potential customers about GIS mapping software and services in general and our platform in particular. However, ProStar cannot be sure that these expenditures will help ProStar platform achieve any additional market acceptance. Furthermore, potential customers may have made significant investments in legacy GIS mapping software systems and may be unwilling to invest in new products and services. In addition, slower adoption of GIS data collection in the government, department of transportations and construction companies may impact the growth. If the market fails to grow or grows more slowly than ProStar currently expects or businesses fail to adopt ProStar's platform, the Company's business, operating results, and financial condition could be adversely affected.

We derive substantially all of our revenue from our software platform, and our future growth is dependent on its success.

Since 2016, nearly all ProStar's revenue has come from sales of our subscription-based software platform. ProStar expects these sales to account for a large portion of ProStar's revenue for the foreseeable future. As such, the continued growth in market demand for our platform is critical to the Company's continued success. ProStar recently began the development of a new product for ProStar's software platform, PointMan Pro (aka Transparent Earth Lite), but cannot be certain that it will generate significant revenue, if any. In addition, this product is designed to be used with ProStar's PointMan product and will not be sold independently. Accordingly, ProStar's business and financial results will continue to be substantially dependent on our single software platform.

If we are unable to attract new customers and expand sales to existing customers, both domestically and internationally, our revenue growth could be slower than we expect and our business may be harmed.

ProStar's future revenue growth depends in part upon increasing ProStar's customer base. ProStar's ability to achieve significant growth in revenue in the future will depend, in large part, upon the effectiveness of ProStar's marketing efforts, both domestically and internationally, and ProStar's ability to attract new customers. This may be particularly challenging where an organization has already invested substantial personnel and financial resources to integrate traditional GIS mapping software into its business, as

PROSTAR GEOCORP, INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE SIX MONTHS ENDED JUNE 30, 2020

such organization may be reluctant or unwilling to invest in new products and services. If the Company fails to attract new customers and maintain and expand those customer relationships, the Company revenue will grow more slowly than expected and the Company's business will be harmed.

If we are unable to develop and release product and service enhancements and new products and services to respond to rapid technological change in a timely and cost-effective manner, our business, operating results, and financial condition could be adversely affected.

The market for our platform is characterized by rapid technological change, frequent new product and service introductions and enhancements, changing customer demands, and evolving industry standards. The introduction of products and services embodying new technologies can quickly make existing products and services obsolete and unmarketable. GIS mapping software and services are inherently complex, and it can take a long time and require significant research and development expenditures to develop and test new or enhanced products and services. The success of any enhancements or improvements to our platform or any new products and services depends on several factors, including timely completion, competitive pricing, adequate quality testing, integration with existing technologies and our platform, and overall market acceptance. We cannot be sure that we will succeed in developing, marketing, and delivering on a timely and cost-effective basis enhancements or improvements to our platform or any new products and services that respond to technological change or new customer requirements, nor can we be sure that any enhancements or improvements to our platform or any new products and services will achieve market acceptance. Any new products that we develop may not be introduced in a timely or cost-effective manner, may contain errors or defects, or may not achieve the broad market acceptance necessary to generate sufficient revenue.

The competitive position of our software platform depends in part on its ability to operate with third-party products and services, and if we are not successful in maintaining and expanding the compatibility of our platform with such third-party products and services, our business, financial position, and operating results could be adversely impacted.

The competitive position of our software platform depends in part on its ability to operate with products and services of third parties, software services and infrastructure. As such, we must continuously modify and enhance our platform to adapt to changes in hardware, software, networking, browser, and database technologies. In the future, one or more technology companies may choose not to support the operation of their hardware, software, or infrastructure, or our platform may not support the capabilities needed to operate with such hardware, software, or infrastructure. In addition, to the extent that a third party were to develop software or services that compete with ours, that provider may choose not to support our platform. We intend to facilitate the compatibility of our software platform with various third-party hardware, software, and infrastructure by maintaining and expanding our business and technical relationships. If we are not successful in achieving this goal, our business, financial condition, and operating results could be adversely impacted.

Our revenue growth and ability to achieve and sustain profitability depends on being able to expand our direct sales force and increase the productivity of our sales force successfully.

To date, most of our revenue has been attributable to the efforts of our direct sales force in the United States. In order to increase our revenue and achieve and sustain profitability, we must increase the size of our direct sales force, both in the United States and internationally, to generate additional revenue from new and existing customers. We intend to substantially further increase our number of direct sales professionals. In addition, we also intend to work via channel partners such as GIS equipment manufacturers.

Management Experience and Dependence on Key Personnel

The Company's success is largely dependent on the performance of the proposed directors and officers. Certain members of the Company's management team have experience in the in the underground utility & energy industries, technology and software development industry, while others have experience in areas including financial management, corporate finance and sales and marketing. The experience of these individuals is a factor which will contribute to the Company's continued success and growth. The Company will initially be relying on its board members, as well as independent consultants and advisory board, for certain aspects of the Company's business. The amount of time and expertise expended on the Company's affairs by each of its management team, consultants, advisory board members and directors will vary according to the Company's needs. The Company does not intend to acquire any key man insurance policies and there is, therefore, a risk that the death or departure of any member of management, the Company's board, or any key employee or consultant, could have a material adverse effect on the Company's future. Investors who are not prepared to rely on the Company's management team should not invest in the Company's securities.

Limited Operating History

As a result of ProStar's limited operating history, its ability to forecast its future results of operations and plan for and model future growth is limited and subject to a number of uncertainties. ProStar has encountered and will continue to encounter risks and uncertainties frequently experienced by growing companies in rapidly changing industries, such as the risks and uncertainties described herein. ProStar may be unable to prepare accurate internal financial forecasts or replace anticipated revenue that it does not receive as a result of delays arising from these factors, and its results of operations in future reporting periods may be below the expectations of investors. If ProStar does not address these risks successfully, its results of operations could differ materially from its estimates and forecasts or the expectations of investors, causing its business to suffer and its stock price to decline.

Uncertainty of Additional Funding

Further development of ProStar applications will require additional capital and the Company will require funds to operate as a public company. There is no assurance that the Company will be successful in obtaining any required financing or that such financing will be available on terms acceptable to the Company's management. Any future financing may also be dilutive to the current shareholders of ProStar and the Company.

Negative Cash Flow

ProStar has a limited history of operations, cash flow or profitability. ProStar has had negative operating cash flow since its inception, and it will continue to have negative operating cash flow for the foreseeable future. No assurance can be given that the Company will ever attain positive cash flow or profitability or that additional funding will be available for operations.

Uninsured or Uninsurable Risks

The Company intends to insure its operations in accordance with technology industry practice. However, the Company may become subject to liability for hazards against which the Company cannot insure or against which the Company may elect not to insure because of high premium costs or for other reasons. The payment of any such liabilities would reduce or eliminate the funds available for operations. Payments of liabilities for which the Company does not carry insurance may have a material adverse effect on the Company's financial position.

Contractual Risk

The Company and ProStar are parties to various contracts and it is always possible that contracts to which they are parties will not be fully performed by other contracting parties.

Unforeseen Expenses

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

General Business Risks

Conflicts of Interest

Certain of the directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest.

Tax Risk

The Company is subject to various taxes including, but not limited to the following: income tax; goods and services tax; sales tax; and payroll tax. The Company's tax filings will be subject to audit by various taxation authorities. While the Company intends to base its tax filings and compliance on the advice of its tax advisors, there can be no assurance that its tax filing positions will never be challenged by a relevant taxation authority resulting in a greater than anticipated tax liability.

COVID 19

Since March 31, 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global markets have experienced significant volatility. The duration and enduring impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods. The Company has moved its personnel to remote working environments and has experienced minimal disruption to ongoing operations.

SCHEDULE "E"

PRO FORMA FINANCIAL STATEMENTS OF THE RESULTING ISSUER (UNAUDITED)

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

ProStar Holdings Inc.
(Formerly Doxa Energy Ltd).

Pro-Forma Consolidated Financial Statements (Unaudited)
Expressed in U.S. Dollars, except where specified otherwise

June 30, 2020

ProStar Holdings Inc. (formerly Doxa Energy Ltd.)
Pro-Forma Consolidated Statement of Financial Position (unaudited)
June 30, 2020
(Expressed in U.S. Dollars)

	Doxa Energy Ltd.	ProStar Geocorp Inc.	Pro-Forma Adjustments	Notes	Pro-Forma Consolidated
ASSETS					
Current assets					
Cash	\$ 2,870	\$ 172,380	\$ (658,048)	3c	\$ 4,029,570
			810,020	3d	
			(175,000)	3g	
			3,877,348	3h	
Accounts and other receivables	40,107	41,126	(38,572)	3a	42,661
Assets held for sale	1,889,108	-	(1,889,108)	3f	-
	1,932,085	213,506	1,926,640		4,072,231
Equipment	-	140,420	-		140,420
Total assets	\$ 1,932,085	\$ 353,926	\$ 1,926,640		\$ 4,212,651
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Accounts payable and accrued liabilities	\$ 3,584	\$ 245,435	\$ (38,572)	3a	\$ 210,447
Deferred revenue	-	195,500	-		195,500
Lease liabilities	-	18,825	-		18,825
Loans payable	2,707,498	-	(2,707,498)	3b	-
Notes payable	-	2,351,966	(2,351,966)	3c	-
Liabilities held for sale	1,889,108	-	(1,889,108)	3f	-
	4,600,190	2,811,726	(6,987,144)		424,772
Lease liabilities	-	62,324	-		62,324
Loans payable	-	267,400	-		267,400
Derivative liability	-	-	837,315	3d	1,615,740
			778,425	3h	
Preferred shares	-	12,337,005	1,669,589	3c	-
			1,500,000	3d	
			(837,315)	3d	
			(14,669,279)	3d	
Preferred shares received in advance	-	689,980	(689,980)	3d	-
	4,600,190	16,168,435	(18,398,389)		2,370,236
Shareholders' Equity					
Share Capital	8,695,994	1,635,813	(11,421,183)	3a	22,494,842
			3,178,327	3a	
			2,725,189	3b	
			14,669,279	3d	
			(87,500)	3g	
			3,098,923	3h	
Reserves	-	379,160	729,659	3e	1,108,819
Accumulated Other Comprehensive Income	792,325	-	(792,325)	3a	-
Deficit	(12,156,424)	(17,829,482)	(3,178,327)	3a	(21,761,246)
			12,213,508	3a	
			(17,691)	3b	
			24,329	3c	
			(729,659)	3e	
			(87,500)	3g	
	(2,668,105)	(15,814,509)	20,325,029		1,842,415
Total Liabilities and Shareholders' Equity	\$ 1,932,085	\$ 353,926	\$ 1,926,640		\$ 4,212,651

The accompany notes are an integral part of these unaudited pro-forma consolidated financial statements.

ProStar Holdings Inc. (formerly Doxa Energy Ltd.)
Pro-Forma Consolidated Statement of Loss and Comprehensive Loss (unaudited)
For the year ended December 31, 2019
(Expressed in U.S. Dollars)

	Doxa Energy Ltd.	ProStar Geocorp Inc.	Pro-Forma Adjustments	Notes	Pro-Forma Consolidated
Revenue					
Sales	\$ -	\$ 1,287,784	\$ -		\$ 1,287,784
Grant income	-	200,044	-		200,044
	-	1,487,828	-		1,487,828
Cost of sales					
	-	(196,798)	-		(196,798)
Gross margin	-	1,291,030	-		1,291,030
Expenses					
Management	-	506,620	-		506,620
Information technology	-	482,111	-		482,111
Product development	-	628,811	-		628,811
Sales and marketing	618	439,523	-		440,141
Consulting	-	206,577	-		206,577
Depreciation	-	83,136	-		83,136
Insurance	5,374	15,996	-		21,370
Office & miscellaneous	-	115,359	-		115,359
Professional fees	16,167	450,581	-		466,748
Rent	-	92,333	-		92,333
Salaries and wages	-	140,319	-		140,319
Share-based payments	-	147,454	1,047,136	3e	1,194,590
Software support	-	68,428	-		68,428
Filing fees and shareholder services	10,620	-	-		10,620
Travel	-	187,031	-		187,031
	32,793	3,564,279	1,047,136		4,644,208
Operating loss	(32,793)	(2,273,249)	(1,047,136)		(3,353,178)
Other items					
Financing costs	(88,750)	(67,998)	-		(156,748)
Listing fee	-	-	(3,178,327)	3a	(3,265,827)
			(87,500)	3g	
Gain on settlement of debt	-	-	24,329	3c	24,329
Loss on disposal of asset	-	(3,042)	-		(3,042)
Income from discontinued operations	40,001	-	-		40,001
Loss for the year	(81,542)	(2,344,289)	(4,288,634)		(6,714,465)
Other comprehensive loss					
Exchange difference on translating foreign operations	(134,752)	-	-		(134,752)
Loss and comprehensive loss for the year	\$ (216,294)	\$ (2,344,289)	\$ (4,288,634)		\$ (6,849,217)

The accompany notes are an integral part of these unaudited pro-forma consolidated financial statements

ProStar Holdings Inc. (formerly Doxa Energy Ltd.)
Pro-Forma Consolidated Statement of Income (Loss) and Comprehensive Income (Loss) (unaudited)
For the year six month period ended June 30, 2020
(Expressed in U.S. Dollars)

	Doxa Energy Ltd.	ProStar Geocorp Inc.	Pro-Forma Adjustments	Notes	Pro-Forma Consolidated
Revenue					
Sales	\$ -	\$ 619,669	\$ -		\$ 619,669
	-	619,669	-		619,669
Cost of sales	-	(73,134)	-		(73,134)
Gross margin	-	546,535	-		546,535
Expenses					
Management	-	196,347	-		196,347
Information technology	-	48,765	-		48,765
Product development	-	465,398	-		465,398
Sales and marketing	264	144,919	-		145,183
Consulting	-	32,075	-		32,075
Depreciation	-	29,832	-		29,832
Insurance	5,407	33,624	-		39,031
Office & miscellaneous	-	46,123	-		46,123
Professional fees	(22,141)	197,020	-		174,879
Rent	-	57,664	-		57,664
Salaries and wages	-	90,896	-		90,896
Share-based payments	-	-	729,659	3e	729,659
Software support	-	18,183	-		18,183
Filing fees and shareholder services	5,610	-	-		5,610
Travel	-	48,044	-		48,044
	10,860	(1,408,890)	(729,659)		(2,127,689)
Operating income (loss)	10,860	(862,355)	(729,659)		(1,581,154)
Other items					
Financing costs	(96)	(37,630)	-		(37,726)
Listing fee	-	-	(3,178,327)	3a	(3,265,827)
			(87,500)	3g	
Loss on settlement of debt	-	-	24,329	3c	24,329
Gain on disposal of asset	-	1,416	-		1,416
Income from discontinued operations	24,998	-	-		24,998
Income (loss) for the period	35,762	(898,569)	(3,971,157)		(4,833,964)
Other comprehensive income					
Exchange difference on translating foreign operations	132,156	-	-		132,156
Income (loss) and comprehensive income (loss) for the period	\$ 167,918	\$ (898,569)	\$ (3,971,157)		\$ (4,701,808)

The accompany notes are an integral part of these unaudited pro-forma consolidated financial statements

1. PROPOSED ARRANGEMENT

The accompanying unaudited pro-forma consolidated financial statements of ProStar Holdings Inc. (formerly Doxa Energy Ltd) ("Doxa" or the "Company") have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") from information derived from the financial statements of Doxa and the financial statements of ProStar Geocorp Inc. ("ProStar") using the same accounting policies as described in ProStar's annual financial statements together with other information available to the Company. The unaudited pro-forma consolidated financial statements have been prepared for inclusion in the Joint Information Circular in conjunction with the merger of Doxa, Doxa Merger Corp. (newly incorporated wholly owned subsidiary of Doxa) ("Doxa Subco") and ProStar. For the purposes of these financial statements the Company has assumed the United States dollar will be the functional currency of the Company and its subsidiaries.

Doxa with Doxa Subco, entered into a definitive merger agreement (the "Merger Agreement") with ProStar on May 22, 2019 as amended on February 11, 2020, May 29, 2020, August 17, 2020 and September 30, 2020. The proposed transaction, pursuant to the Merger Agreement, will result in a reverse takeover of Doxa by ProStar in accordance with the policies of the TSX Venture Exchange. Upon completion of the transaction, it is anticipated that the combined venture will continue to carry on the business of ProStar and will be listed on the TSX-V as a Tier 2 technology issuer. Although the transaction will result in a legal combination of Doxa and ProStar to form the resulting issuer (the "Resulting Issuer"), from an accounting perspective, the transaction is considered to be a reverse takeover. See "Pro-Forma Assumptions and Adjustments" below. For financial reporting purposes, the Resulting Issuer is considered a continuation of ProStar, the legal subsidiary, except with regard to authorized and issued share capital, which is that of Doxa, the legal parent.

Under the terms of the Merger Agreement immediately prior to the closing of the transaction, the outstanding common shares of Doxa will be consolidated on the basis of one new Doxa share for every 17 existing Doxa shares. All share amounts have been restated to reflect the consolidation. The transaction will be completed by way of a merger under the laws of Delaware, whereby:

- Doxa Subco, a subsidiary created for the purposes of completing the transaction, will merge with and into ProStar, with ProStar surviving as a wholly owned subsidiary of Doxa.
- Each outstanding share of ProStar shall be converted into four post-consolidation Doxa shares.
- Concurrently with closing of the transaction, Doxa is expected to change its name to ProStar Holdings Inc., or such other name as the parties may determine.

In connection with the transaction Doxa completed a non-brokered private placement, issuing 14,000,000 subscription receipts at a price of CDN\$0.40 (USD\$0.2993), for raise gross proceeds of CDN\$5,600,000 (USD\$4,190,362) (the "Financing"). Each subscription receipt will automatically convert immediately prior to the closing of the transaction into one post-consolidation Doxa unit. Each Doxa unit will consist of one Doxa common share and one-half of one transferable common share purchase warrant. Each whole warrant will entitle the holder to purchase, for a period of 24 months, one additional share at an exercise price of CDN\$0.60 (USD\$0.449). The proceeds from the private placement will be deposited into escrow with Doxa pending the closing of the transaction.

Upon closing of the transaction, and immediately prior to the conversion of the subscription receipts, the resulting issuer will have an aggregate of 75,676,813 common shares issued and outstanding. The current shareholders of Doxa will hold 13,058,433 resulting issuer shares, representing approximately 17.3% of the outstanding resulting issuer shares; the current shareholders of ProStar will hold 62,618,380 resulting issuer shares, representing approximately 82.7% of the outstanding resulting issuer shares; and the shareholders. In addition, the resulting issuer will have an aggregate of 10,000,000 warrants outstanding. Each whole warrant will entitle the holder to purchase, for a period of 24 months, one additional share at an exercise price of CDN\$0.56.

1. PROPOSED ARRANGEMENT *(cont'd...)*

Pursuant to the terms of the merger agreement, completion of the transaction will be subject to a number of conditions, including, but not limited to, closing conditions customary to transactions of the nature of the transaction, including the completion of the consolidation, the completion of Doxa's debt settlement of related party debt and the sale of the Doxa's oil and gas interests, approvals of all regulatory bodies having jurisdiction in connection with the transaction, and approval of the TSX-V including the satisfaction of its initial listing requirements. There can be no assurance that the transaction will be completed as proposed or at all.

2. BASIS OF PRESENTATION

The accompanying unaudited pro-forma consolidated financial statements have been prepared by management to give effect to the acquisitions. In the opinion of management, the unaudited pro-forma consolidated financial statements include all adjustments necessary for the fair presentation of the transactions as described in Note 3 and in accordance with IFRS.

The unaudited pro-forma consolidated financial statements have been prepared for illustrative purposes only and may not be indicative of the financial position and results of operations that would have occurred if the transactions had taken place on the dates indicated or of the financial position or operating results which may be obtained in the future. The unaudited pro-forma consolidated financial statements are not a forecast or projection of future results. The actual financial statements and results of Doxa for any period following June 30, 2020 will likely vary from the amounts set forth in the unaudited pro-forma consolidated financial statements and such variation may be material.

The unaudited pro-forma consolidated financial statements should be read in conjunction with:

- a) Doxa's audited consolidated financial statements as at December 31, 2019 and for the year then ended;
- b) Doxa's condensed interim consolidated financial statements as at June 30, 2020, and for the six months then ended;
- c) Prostar's audited consolidated financial statements as at December 31, 2019 and for the year then ended;
- d) Prostar's condensed interim consolidated financial statements as at June 30, 2020, and for the six months then ended; and
- e) the additional information set out in Note 3.

The unaudited pro-forma consolidated statement of financial position has been prepared as if the acquisitions described in Note 3 had occurred on June 30, 2020. The unaudited pro-forma consolidated statement of comprehensive loss for the 12 months ended December 31, 2019 has been prepared as if the acquisitions described in Note 3 had occurred on January 1, 2019 and the unaudited pro-forma consolidated statement of income (loss) and comprehensive income (loss) for the 6 months ended June 30, 2020 has been prepared as if the acquisitions described in Note 3 had occurred on January 1, 2020.

3. PRO-FORMA ASSUMPTIONS AND ADJUSTMENTS

The unaudited pro-forma consolidated financial statements incorporate pro-forma assumptions and adjustments which gives effect to the amalgamation of Doxa and ProStar as follows:

(a) Reverse acquisition accounting

In accordance with reverse acquisition accounting:

- i. The assets and liabilities of ProStar are included in the unaudited pro-forma consolidated financial position at their historic value.
- ii. The net assets of Doxa are included at fair value, assumed to be equal to their carrying value at June 30, 2020.
- iii. Share capital, reserves, accumulated other comprehensive loss and deficit of Doxa are eliminated.

3. PRO-FORMA ASSUMPTIONS AND ADJUSTMENTS

The fair value of the 13,058,433 shares issued to acquire Doxa was based on the expected closing of the concurrent financing of Doxa of 14,000,000 post consolidation units at a price of CDN\$0.40 (USD \$0.29). Each unit comprised one share and one-half of one warrant. The fair value of each share included in the unit was estimated to be CDN\$0.34 (USD - \$0.2464). The preliminary allocation of estimated consideration transferred is subject to change and is summarized as follows:

Purchase Price	
13,058,433 shares at \$0.2464	\$ 3,217,720
Less: Net assets of Doxa	
Cash	(2,870)
Accounts and other receivables	(40,107)
Accounts payable and accrued liabilities	3,584
Listing costs expensed	\$ 3,178,327

Doxa's existing share capital (\$8,695,994), deficit (\$12,156,424), accumulated other comprehensive income (\$792,325) and related pro-forma adjustments (3a and 3b) will be removed. Included in accounts receivable was \$38,572 due from ProStar to Doxa.

(b) Settlement of Doxa loans payable

On May 22, 2019, the Company entered into debt settlement agreements with Armada Investments Ltd. and Harvco, LLC., to settle the principal amounts of the loans being CDN\$1,700,000 to Armada Investments Ltd. and CDN\$500,000 to Harvco, LLC., for common shares of the Company. All accrued and unpaid interest on the loans will be forgiven. A breakdown of the loans and debt post-consolidation shares issuable is as follows:

	Debt Principal	Shares issuable
Armada Investments Ltd.	CDN\$ 1,700,000	8,546,055
Harvco LLC	CDN\$ 500,000	2,513,546
	CDN\$ 2,200,000	11,059,601

The fair value of the 11,059,601 shares to settle the debt was based on the concurrent financing of Doxa of 14,000,000 units at a price of CDN\$0.40 (USD \$0.29). Each unit comprised one share and one-half of one warrant. The fair value of each share included in the unit was estimated to be CDN\$0.34 (USD - \$0.25).

Fair value of common shares: 11,059,601 at \$0.2464	\$ 2,725,189
Balance of debt extinguished	(2,707,498)
Loss on settlement of debt	\$ 17,691

The loss on the debt comprises a total loss on the settlement of the principal of \$1,110,866 offset by forgiven accrued interest of \$1,093,175.

3. PRO-FORMA ASSUMPTIONS AND ADJUSTMENTS *(cont'd...)*

(c) Settlement of ProStar notes payable

ProStar has entered into an agreement to settle \$1,693,918 of its notes payable through the issuance of 1,693,918 Class B Preferred shares. The fair value of the 1,693,918 shares issued was based on the expected closing of the concurrent financing of Doxa of 10,000,000 units at a price of CDN\$0.40 (USD \$0.29). Each unit comprised one share and one-half of one warrant. The fair value of each share included in the unit was estimated to be CDN\$0.34 (USD - \$0.2464), which before the four to one share split is thereby expected to be \$0.9856 per share for a total of \$1,669,589. The difference of \$24,329 has been recognized as a gain on the settlement of the debt.

It has been assumed that the balance of the notes payable, totalling \$658,048, will be settled via cash payment on closing.

(d) Completion and Conversion of ProStar Class A, B, C and D Preferred Shares

Subsequent to June 30, 2020 ProStar Completed a non-brokered private placement and issued 1,500,000 Class D preferred units at a price of \$1.00 for gross proceeds of \$1,500,000, of which \$689,980 was received during the period ended June 30, 2020 and \$810,020 was received subsequent to the period ended June 30, 2020.

Each of the Class, A, B, C and D Preferred Shares are convertible into a ProStar Common Share on a 1:1 basis. In accordance with the merger agreement, each ProStar Preferred Shares will be converted into four Doxa common shares. Immediately prior to the conversion and upon completion of the transactions described in notes 3b, 3c, 3e the following ProStar preferred shares will be converted to Doxa Common shares as illustrated below:

	Preferred Shares	Doxa Common Shares
Class A Preferred Shares	6,166,666	24,666,664
Class B Preferred Shares	2,822,590	11,290,360
Class C Preferred Shares	3,500,000	14,000,000
Class D Preferred Shares	1,500,000	6,000,000
	13,989,256	55,957,024

Upon completion of the conversion a total of \$14,669,279, recognized as ProStar's preferred share liabilities, will be transferred to share capital.

The Class C and Class D Preferred Shares were part of a unit, with each unit comprising one Class C or one Class D Preferred share of Prostar and one-half of one transferrable Prostar Share Purchase Warrant. Each whole Prostar warrant entitling the holder thereof to purchase one Doxa Share for a period of 24 months from the Closing Date at a price of 140% (CDN\$0.54) of the concurrent financing as described in section 3(h).

The fair value of the warrants was determined to be \$588,808 for the Class C warrants and \$249,307 for the Class D warrants. The fair value was determined using Black-Scholes to perform a valuation of the warrants using the following assumptions: expected life of 2 years, annualized volatility of 100%, risk free interest rate of 1.37%, and zero expected dividend yield. The warrants are denominated in Canadian dollars and are classified and accounted for as a derivative liability at fair value with changes in fair value included in profit or loss. The remaining value of \$2,911,992 for series C and \$1,250,693 for series D was allocated to preferred shares.

3. PRO-FORMA ASSUMPTIONS AND ADJUSTMENTS (cont'd...)

(e) Share based compensation

Stock options

Concurrent to the closing of the transaction, the Company intends to grant 7,000,000 stock options to directors, officers and employees of the Company. The options will vest over a period of two years, are exercisable at a price of CDN\$0.40, and have a term of 5 years.

The fair value of the stock-options was determined by using Black-Scholes to perform a valuation of the options using the following assumptions: expected life of 5 years, annualized volatility of 100%, risk free interest rate of 1.55%, and zero expected dividend yield. Total share-based payments recognized in the Unaudited pro-forma consolidated statement of income (loss) and comprehensive income (loss) for incentive option granted and vested the year ended December 31, 2019 was \$1,047,136 and for the 6 month period ended June 30, 2020 was \$729,659.

(f) Doxa Assets Held for Sale

Prior to the closing of the transaction, the Company is to dispose of its wholly owned subsidiary, Doxa Energy US, Inc (“Doxa USA”). Management determined the operations for Doxa USA meet the definitions of assets held for sale and discontinued operations in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. Consequently, assets and liabilities of Doxa USA were classified as a disposal group. Revenue and expenses relating to the discontinuation of Doxa USA have been classified separately from the Company's continuing operations to income from discontinued operations as a single line in the Unaudited pro-forma consolidated statement of income (loss) and comprehensive income (loss).

(g) Transaction costs

Estimated remaining transaction costs associated with the transaction are \$175,000, of which 50% have been recorded as listing fees and 50% have been recorded as share issuance costs.

(h) Financing

The Company completed a non-brokered subscription receipts financing issuing 14,000,000 subscription receipts at a price of CDN\$0.40 (USD - \$0.29) per share for gross proceeds of CDN\$5,600,000 (USD \$4,190,362). Each subscription receipt will convert into one unit comprising one share and one-half of one warrant, with each whole warrant entitling the holder to purchase one common share at a price of CDN\$0.60 for a period for 24 months. The proceeds from the private placement have been deposited into escrow with Doxa pending the closing of the transaction.

The fair value of the warrants was determined to be \$672,483 by using Black-Scholes to perform a valuation of the warrants using the following assumptions: expected life of 2 years, annualized volatility of 100%, risk free interest rate of 0.28%, and zero expected dividend yield. The warrants are denominated in Canadian dollars and are classified and accounted for as a derivative liability at fair value with changes in fair value included in profit or loss. The remaining value of \$3,517,879 was allocated to common shares.

The Company estimates it will incur share issuance costs of \$418,956, of which \$105,942 relates to the fair value of agent's warrants issued as described below. The Company issued 7% broker warrants on certain subscriptions, totalling 878,937. Each warrant will be exercisable at a price of CDN\$0.40 for a period of 2 years from the date of completion of the transaction. The fair value of the warrants was determined to be \$105,942, by using Black-Scholes to perform a valuation of the warrants using the following assumptions: expected life of 2 years, annualized volatility of 100%, risk free interest rate of 0.28%, and zero expected dividend yield. The warrants are denominated in Canadian dollars and are classified and accounted for as a derivative liability at fair value with changes in fair value included in profit or loss.

4. COMMON STOCK AND RESERVES

Authorized: Unlimited common shares without par value

Issued:

	Share Capital		
	Number of Shares	Amount	Reserves
Capital stock of Doxa at June 30, 2020*	1,998,832	\$ 8,695,994	\$ -
Shares issued to settle loans payable (Note 3b)	11,059,601	2,725,189	-
Remove share capital of Doxa (Note 3a)	-	(11,421,183)	-
Capital stock and reserves of ProStar at June 30, 2020	-	1,635,813	379,160
ProStar Preferred Share conversion (Note 3d)	-	14,669,279	-
Shares issued to shareholders of ProStar (Note 3a)	62,618,380	3,178,327	-
Concurrent financing (Note 3h)	14,000,000	3,517,879	-
Share-issuance costs (Note 3f and 3g)	-	(506,456)	-
Share-based compensation (Note 3e)	-	-	729,659
	89,676,813	\$ 22,494,842	\$ 1,108,819

* Post-consolidation

Stock Options

The following stock options will be outstanding on completion of the proposed transaction:

Exercise Price	Options Outstanding			Options Exercisable	
	Number of Shares Issuable on Exercise	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price	Number of Shares Issuable on Exercise	Weighted Average Exercise Price
CDN\$0.40	7,000,000	5 years	CDN\$0.40	2,333,333	CDN\$0.40

Warrants

The following warrants will be outstanding on completion of the proposed transaction:

Exercise Price	Warrants Outstanding			Warrants Exercisable	
	Number of Shares Issuable on Exercise	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price	Number of Shares Issuable on Exercise	Weighted Average Exercise Price
CDN\$0.56	10,000,000	2 years		10,000,000	
CDN\$0.60	7,000,000	2 years		7,000,000	
CDN\$0.40	878,937	2 years		878,937	
CDN\$0.57	17,878,937	2 years	CDN\$0.57	17,878,937	CDN\$0.57

5. PRO-FORMA EFFECTIVE INCOME TAX RATE

The pro-forma effective income tax rate that will be applicable to the consolidated operations of Prostar is 26%.

SCHEDULE "F"
DISSENT PROVISIONS

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

PART 8 DIVISION 2 OF THE BCBCA

DISSENT PROVISIONS

Section 237 - Definitions and application

(1) In this Division:

"**dissenter**" means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

"**notice shares**" means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

"**payout value**" means,

- (a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,
- (b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2) (c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement,
- (c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order, or
- (d) in the case of a dissent in respect of a community contribution company, the value of the notice shares set out in the regulations,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

- (a) the court orders otherwise, or
- (b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1) (g), the court orders otherwise or the resolution provides otherwise.

Section 238 - Right to dissent

(1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

- (a) under section 260, in respect of a resolution to alter the articles
 - (i) to alter restrictions on the powers of the Company or on the business the Company is permitted to carry on, or
 - (ii) without limiting subparagraph (i), in the case of a community contribution company, to alter any of the Company's community purposes within the meaning of section 51.91;

- (b) under section 272, in respect of a resolution to adopt an amalgamation agreement;
 - (c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;
 - (d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;
 - (e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the Company's undertaking;
 - (f) under section 309, in respect of a resolution to authorize the continuation of the Company into a jurisdiction other than British Columbia;
 - (g) in respect of any other resolution, if dissent is authorized by the resolution;
 - (h) in respect of any court order that permits dissent.
- (2) A shareholder wishing to dissent must
- (a) prepare a separate notice of dissent under section 242 for
 - (i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and
 - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,
 - (b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and
 - (c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.
- (3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must
- (a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and
 - (b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

Section 239 - Waiver of right to dissent

- (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.
- (2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must
- (a) provide to the Company a separate waiver for
 - (i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and

- (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and
 - (b) identify in each waiver the person on whose behalf the waiver is made.
- (3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to
 - (a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and
 - (b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.
- (4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

Section 240 - Notice of resolution

- (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the Company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,
 - (a) a copy of the proposed resolution, and
 - (b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.
- (2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the Company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,
 - (a) a copy of the proposed resolution, and
 - (b) a statement advising of the right to send a notice of dissent.
- (3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the Company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the Company complying with subsection (2), the Company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,
 - (a) a copy of the resolution,

- (b) a statement advising of the right to send a notice of dissent, and
 - (c) if the resolution has passed, notification of that fact and the date on which it was passed.
- (4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

Section 241 - Notice of court orders

If a court order provides for a right of dissent, the Company must, not later than 14 days after the date on which the Company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

- (a) a copy of the entered order, and
- (b) a statement advising of the right to send a notice of dissent.

Section 242 - Notice of dissent

- (1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) must,
- (a) if the Company has complied with section 240 (1) or (2), send written notice of dissent to the Company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,
 - (b) if the Company has complied with section 240 (3), send written notice of dissent to the Company not more than 14 days after receiving the records referred to in that section, or
 - (c) if the Company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the Company not more than 14 days after the later of
 - (i) the date on which the shareholder learns that the resolution was passed, and
 - (ii) the date on which the shareholder learns that the shareholder is entitled to dissent.
- (2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (g) must send written notice of dissent to the Company
- (a) on or before the date specified by the resolution or in the statement referred to in section 240 (2) (b) or (3) (b) as the last date by which notice of dissent must be sent, or
 - (b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.
- (3) A shareholder intending to dissent under section 238 (1) (h) in respect of a court order that permits dissent must send written notice of dissent to the Company
- (a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or
 - (b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.

- (4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:
- (a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the Company as beneficial owner, a statement to that effect;
 - (b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the Company as beneficial owner, a statement to that effect and
 - (i) the names of the registered owners of those other shares,
 - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
 - (iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;
 - (c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and
 - (i) the name and address of the beneficial owner, and
 - (ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.
- (5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

Section 243 - Notice of intention to proceed

- (1) A company that receives a notice of dissent under section 242 from a dissenter must,
- (a) if the Company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of
 - (i) the date on which the Company forms the intention to proceed, and
 - (ii) the date on which the notice of dissent was received, or
 - (b) if the Company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.
- (2) A notice sent under subsection (1) (a) or (b) of this section must
- (a) be dated not earlier than the date on which the notice is sent,
 - (b) state that the Company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and

- (c) advise the dissenter of the manner in which dissent is to be completed under section 244.

Section 244 - Completion of dissent

- (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the Company or its transfer agent for the notice shares, within one month after the date of the notice,
- (a) a written statement that the dissenter requires the Company to purchase all of the notice shares,
 - (b) the certificates, if any, representing the notice shares, and
 - (c) if section 242 (4) (c) applies, a written statement that complies with subsection (2) of this section.
- (2) The written statement referred to in subsection (1) (c) must
- (a) be signed by the beneficial owner on whose behalf dissent is being exercised, and
 - (b) set out whether or not the beneficial owner is the beneficial owner of other shares of the Company and, if so, set out
 - (i) the names of the registered owners of those other shares,
 - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
 - (iii) that dissent is being exercised in respect of all of those other shares.
- (3) After the dissenter has complied with subsection (1),
- (a) the dissenter is deemed to have sold to the Company the notice shares, and
 - (b) the Company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.
- (4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.
- (5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.
- (6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

Section 245 - Payment for notice shares

- (1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the Company must
 - (a) promptly pay that amount to the dissenter, or
 - (b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the Company is unable lawfully to pay dissenters for their shares.
- (2) A dissenter who has not entered into an agreement with the Company under subsection (1) or the Company may apply to the court and the court may
 - (a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the Company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,
 - (b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the Company under subsection (1), who has complied with section 244 (1), and
 - (c) make consequential orders and give directions it considers appropriate.
- (3) Promptly after a determination of the payout value for notice shares has been made under subsection (2) (a) of this section, the Company must
 - (a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the Company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or
 - (b) if subsection (5) applies, promptly send a notice to the dissenter that the Company is unable lawfully to pay dissenters for their shares.
- (4) If a dissenter receives a notice under subsection (1) (b) or (3) (b),
 - (a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the Company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or
 - (b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the Company, to be paid as soon as the Company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the Company but in priority to its shareholders.
- (5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that
 - (a) the Company is insolvent, or
 - (b) the payment would render the Company insolvent.

Section 246 - Loss of right to dissent

The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

- (a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;
- (b) the resolution in respect of which the notice of dissent was sent does not pass;
- (c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;
- (d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;
- (e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;
- (f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;
- (g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;
- (h) the notice of dissent is withdrawn with the written consent of the Company;
- (i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

Section 247 - Shareholders entitled to return of shares and rights

If, under section 244 (4) or (5), 245 (4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

- (a) the Company must return to the dissenter each of the applicable share certificates, if any, sent under section 244 (1) (b) or, if those share certificates are unavailable, replacements for those share certificates,
- (b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and
- (c) the dissenter must return any money that the Company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.

SCHEDULE "G"

AUDIT COMMITTEE CHARTER OF THE COMPANY

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

Audit Committee Charter

The audit committee's charter is set out below:

1.0 Purpose of the Committee

1.1 The Audit Committee represents the Board in discharging its responsibility relating to the accounting, reporting and financial practices of the Company and its subsidiaries, and has general responsibility for oversight of internal controls, accounting and auditing activities and legal compliance of the Company and its subsidiaries.

2.0 Members of the Committee

2.1 The Audit Committee shall consist of no less than three Directors a majority of whom shall be "independent" as defined under National Instrument 52-110, while the Company is in the developmental stage of its business. The members of the Committee shall be selected annually by the Board and shall serve at the pleasure of the Board.

2.2 At least one Member of the Audit Committee must be "financially literate" as defined under National Instrument 52-110, having sufficient accounting or related financial management expertise to read and understand a set of financial statements, including the related notes, that present a breadth and level of complexity of the accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

3.0 Meeting Requirements

3.1 The Committee will, where possible, meet on a regular basis at least once every quarter, and will hold special meetings as it deems necessary or appropriate in its judgment. Meetings may be held in person or telephonically, and shall be at such times and places as the Committee determines. Without meeting, the Committee may act by unanimous written consent of all members which shall constitute a meeting for the purposes of this charter.

3.2 A majority of the members of the Committee shall constitute a quorum.

4.0 Duties and Responsibilities

The Audit Committee's function is one of oversight only and shall not relieve the Company's management of its responsibilities for preparing financial statements which accurately and fairly present the Company's financial results and conditions or the responsibilities of the external auditors relating to the audit or review of financial statements. Specifically, the Audit Committee will:

- (a) have the authority with respect to the appointment, retention or discharge of the independent public accountants as auditors of the Company (the "auditors") who perform the annual audit in accordance with applicable securities laws, and who shall be ultimately accountable to the Board through the Audit Committee;
- (b) review with the auditors the scope of the audit and the results of the annual audit examination by the auditors, including any reports of the auditors prepared in connection with the annual audit;

- (c) review information, including written statements from the auditors, concerning any relationships between the auditors and the Company or any other relationships that may adversely affect the independence of the auditors and assess the independence of the auditors;
- (d) review and discuss with management and the auditors the Company's audited financial statements and accompanying Management's Discussion and Analysis of Financial Conditions ("MD&A"), including a discussion with the auditors of their judgments as to the quality of the Company's accounting principles and report on them to the Board;
- (e) review and discuss with management the Company's interim financial statements and interim MD&A and report on them to the Board;
- (f) pre-approve all auditing services and non-audit services provided to the Company by the auditors to the extent and in the manner required by applicable law or regulation. In no circumstances shall the auditors provide any non-audit services to the Company that are prohibited by applicable law or regulation;
- (g) evaluate the external auditor's performance for the preceding fiscal year, reviewing their fees and making recommendations to the Board;
- (h) periodically review the adequacy of the Company's internal controls and ensure that such internal controls are effective;
- (i) review changes in the accounting policies of the Company and accounting and financial reporting proposals that are provided by the auditors that may have a significant impact on the Company's financial reports, and report on them to the Board;
- (j) oversee and annually review the Company's Code of Business Conduct and Ethics;
- (k) approve material contracts where the Board of Directors determines that it has a conflict;
- (l) establish procedures for the receipt, retention and treatment of complaints received by the Company regarding the audit or other accounting matters;
- (m) where unanimously considered necessary by the Audit Committee, engage independent counsel and/or other advisors at the Company's expense to advise on material issues affecting the Company which the Audit Committee considers are not appropriate for the full Board;
- (n) satisfy itself that management has put into place procedures that facilitate compliance with the provisions of applicable securities laws and regulation relating to insider trading, continuous disclosure and financial reporting;
- (o) review and monitor all related party transactions which may be entered into by the Company;
and
- (p) periodically review the adequacy of its charter and recommending any changes thereto to the Board.

5.0 Miscellaneous

5.1 Nothing contained in this Charter is intended to extend applicable standards of liability under statutory or regulatory requirements for the directors of the Company or members of the Committee. The purposes and responsibilities outlined in this Charter are meant to serve as guidelines rather than as inflexible rules and the Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities

CERTIFICATE OF THE COMPANY

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities of the Company assuming completion of the Transaction.

November 16, 2020

"John D. Harvison"

John D. Harvison
Chief Executive Officer

"Mark Bronson"

Mark Bronson
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

"Paul McKenzie"

Paul McKenzie
Director

"Daniel Frederiksen"

Daniel Frederiksen
Director

CERTIFICATE OF PROSTAR GEOCORP, INC.

The foregoing, as it relates to ProStar Geocorp, Inc., constitutes full, true and plan disclosure of all material facts relating to the securities of ProStar Geocorp, Inc.

November 16, 2020

"Page Tucker"
Page Tucker
Chief Executive Officer

"Jonathan Richards"
Jonathan Richards
Treasurer

ON BEHALF OF THE BOARD OF DIRECTORS

"Herbert McKim"
Herbert McKim
Director

"Patricia Tucker"
Patricia Tucker
Director

ACKNOWLEDGMENT PERSONAL INFORMATION

"Personal Information" means any information about an identifiable individual, and includes information contained in any items in the foregoing Circular that are analogous to Items 4.2, 11, 13.1, 16, 18.2, 19.2, 24, 25, 27, 32.3, 33, 34, 35, 36, 37, 38, 39, 41 and 42 of Form 3D1 – Information Required in an Information Circular for a Reverse Takeover or Change of Business.

The undersigned hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

- (a) the disclosure of Personal Information by the undersigned to the Exchange (as defined in Appendix 6B) pursuant to the Form 3D1 – Information Required in an Information Circular for a Reverse Takeover or Change of Business; and
- (b) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in Appendix 6B or as otherwise identified by the Exchange, from time to time.

Dated: November 16, 2020

DOXA ENERGY LTD.

Per: *"John D. Harvison"*

Authorized Signatory