

FORM 62-103F3

REQUIRED DISCLOSURE BY AN ELIGIBLE  
INSTITUTIONAL INVESTOR UNDER SECTION 4.5(d)

**Item 1 – Identity of the Eligible Institutional Investor**

1.1 State the name and address of the eligible institutional investor.

MM Asset Management Inc. (“**MM Asset**”)  
161 Bay Street  
Suite 2240  
Toronto, Ontario  
M5J 2S1

MMCAP International Inc. SPC (“**MMCAP**”) is an investment fund advised by MM Asset.

**Item 2 – Security and Reporting Issuer**

2.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

Auxly Cannabis Group Inc. (the “**Issuer**”)  
Suite 2500, Park Place  
666 Burrard Street  
Vancouver, BC  
V6C 2X8

This report relates to common shares (“**Shares**”) in the capital of the Issuer.

2.2 State the designation and number or principal amount of voting or equity securities of the reporting issuer in respect of which the report is being filed and the securityholding percentage of the eligible institutional investor in the class of securities.

As at the end of September 2019, MM Asset, on behalf of MMCAP, exercised control and direction over:

- a) \$67,900,000 principal amount of convertible debentures (the “**Debentures**”) of the Issuer maturing on January 18, 2020 (the “**Maturity Date**”). The Debentures are convertible at the option of the holder into Shares prior to the Maturity Date at a conversion price of \$1.55 per Share;
- b) 12,842,100 common share purchase warrants (the “**January Warrants**”), each January Warrant is exercisable for one Share at a price of \$1.80 prior to January 18, 2020; and
- c) 8,992,640 common share purchase warrants (the “**May Warrants**”), each May Warrant is exercisable for one Share at a price of \$1.85 prior to May 31, 2020,

representing approximately 9.76% of the Issuer's 606,672,075 outstanding Shares as reported by the Issuer in its Management's Discussion and Analysis of Financial Conditions and Results of Operations dated August 15, 2019, calculated on a partially diluted basis.

**Item 3 – Statement of Eligibility**

3.1 MM Asset is eligible to file reports under Part 4 of National Instrument 62-103.

**DATED** this 10<sup>th</sup> day of October, 2019.

**MM ASSET MANAGEMENT INC.**

By: /s/ Hillel Meltz  
Hillel Meltz, President