

EARLY WARNING REPORT

Made Pursuant To
Multilateral Instrument 62-104 – *Take-Over Bids and Issuer Bids* and
National Instrument 62-103 – *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*

RELATING TO THE ACQUISITION OF SECURITIES IN THE CAPITAL OF
DEER HORN CAPITAL INC.

The undersigned hereby certifies:

1. Name and address of the offeror:

JoAnn McCaig
#5 – 310 6th Street NW
Calgary, Alberta T2N 1R9

2. The designation and number or principal amount of securities and the offeror's security holding percentage in the class of securities of which the offeror acquired ownership or control in the transaction or occurrence giving rise to the obligation to file this Report, and whether it was ownership or control that was acquired in those circumstances:

JoAnn McCaig (“**Ms. McCaig**”) acquired ownership and control of 2,700,000 units (the “**Units**”) of Deer Horn Capital Inc. (the “**Issuer**”) pursuant to a non-brokered private placement (the “**Placement**”). Each Unit is comprised of one common share in the capital of the Issuer (the “**Shares**”) and one common share purchase warrant (the “**Warrants**”). Each Warrant entitles Ms. McCaig to purchase an additional Share at a price of \$0.10/Share until January 11, 2018.

The 2,700,000 Shares represent approximately 7.29% of the issued and outstanding shares of the Issuer as at January 11, 2016.

3. The designation and number or principal amount of securities and the offeror's security holding percentage in the class of securities immediately after the transaction or occurrence:

Prior to the Placement, Ms. McCaig owned and controlled an aggregate of 1,333,334 Shares and 666,667 Warrants of the Issuer.

Upon completion of the Placement, Ms. McCaig now has ownership and control over an aggregate of 4,033,334 Shares of the Issuer representing approximately 10.9% of the issued and outstanding Shares of the Issuer on a non-diluted basis.

On a partially diluted basis (assuming the exercise of all 3,366,667 Warrants of the Issuer held by Ms. McCaig), Ms. McCaig would have ownership and control over approximately 18.6% of the issued Shares of the Issuer.

4. Designation and number or principal amount of securities and the percentage of outstanding securities of the class of securities referred to in item (3) above, over which:

- a. The offeror, either alone or together with any joint actors, has ownership and control;

Refer to paragraphs 2 and 3 above.

- b. The offeror, either alone or together with any joint actors, has ownership but control is held by other persons or companies other than the offeror or any joint actor; and**

Not applicable.

- c. The offeror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Not applicable.

5. Name of the market in which the transaction or occurrence took place:

The Issuer's Shares trade on the Canadian Securities Exchange.

6. Value, in Canadian dollars, of any consideration offered per security if the offeror acquired ownership of a security in the transaction of occurrence:

The 2,700,000 Units were purchased from the Issuer at a price of \$0.06/Unit for a total of \$162,000.

7. The purpose of the offeror and any joint actors in effecting the transaction or occurrence, including any future intention to acquire ownership of, or control over, additional securities of the reporting issuer:

The Units were acquired by Ms. McCaig for investment purposes and these security holdings will be evaluated by Ms. McCaig and the investment increased or decreased from time to time at her discretion.

8. The general nature and the material term of any agreement, other than lending arrangements, with respect to securities of the reporting issuer entered into by the offeror, or any joint actor, and the issuer of the securities or any other entity in connection with the transaction or occurrence, including agreements with respect to the acquisition, holding, disposition or voting of any of the securities:

A subscription agreement was entered into between the Issuer and Ms. McCaig setting out the price for the purchase of the Units and other general terms customary for transactions of this nature.

9. The names of any joint actors in connection with the disclosure required herein:

Not applicable.

10. In the case of a transaction or occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, the nature and value of the consideration paid by the offeror:

Refer to paragraph 6 above.

11. If applicable, a description of any change in any material fact set out in a previous report by the entity under the early warning requirements in respect of the reporting issuer's securities:

Not applicable.

12. If applicable, a description of the exemption from securities legislation being relied on by the offeror and the facts supporting that reliance:

Not applicable.

Dated: January 11, 2016

"JoAnn McCaig"

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