

**REPORT UNDER NATIONAL INSTRUMENT 62-103
EARLY WARNING REPORT**

The following information is filed pursuant to the provisions listed above under the applicable securities legislation:

1. The name and address of the offeror.

Dr. Bernard C. Sherman (“**Dr. Sherman**”)
50 Old Colony Road
Toronto, Ontario
M2L 2K1

2. The designation and number or principal amount of securities and the offeror’s securityholding 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 the news release, and whether it was ownership or control that was acquired in those circumstances.

Citabar Limited Partnership, which is indirectly beneficially owned by Dr. Sherman, converted on February 25, 2015 \$168,430.41 of debt that it held in Augustine into 3,368,608 treasury common shares of Augustine at a price of \$0.05 per share, representing approximately 5.0% of the outstanding common shares of Augustine, together with warrants to purchase 3,368,608 additional treasury common shares representing in total approximately 5.0% of the outstanding common shares at a price of \$0.05 per share until February 25, 2019.

3. The designation and number or principal amount of securities and the offeror’s securityholding percentage in the class of securities immediately after the transaction or occurrence giving rise to obligation to file the news release.

As a result of the debt conversion, Dr. Sherman indirectly beneficially owns 7,318,608 common shares of Augustine and warrants to purchase an additional 3,368,608 common shares, representing in total approximately 15.2% of the shares of Augustine that would be outstanding assuming exercise of the warrants.

4. The designation and number or principal amount of securities and the percentage of outstanding securities of the class of securities referred to in paragraph 3 over which:

(i) the offeror, either alone or together with any joint actors, have ownership and control.

See item 3 above.

(ii) 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.

Not applicable.

- (iii) the offeror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Not applicable.

- 5. The name of the market in which the transaction or occurrence that gave rise to the news release took place.**

Not applicable.

- 6. The value, in Canadian dollars, of any consideration offered per security if the offeror acquired ownership of a security in the transaction or occurrence giving rise to the obligation to file a news release.**

See item 3 above.

- 7. The purpose of the offeror and any joint actors in effecting the transaction or occurrence that gave rise to the news release, including any future intention to acquire ownership of, or control over, additional securities of the reporting issuer.**

The common shares of Augustine were acquired for investment purposes. Dr. Sherman may in the future depending on circumstances, including market or other conditions, make further purchases, or disposals, of common shares or securities convertible or exchangeable into common shares.

- 8. The general nature and material terms 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 giving rise to the news release, including agreements with respect to the acquisition, holding, disposition or voting of any of the securities.**

Not applicable.

- 9. The names of any joint actors in connection with the disclosure required by Appendix E to National Instrument 62-103.**

Sherfam Inc.

- 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, in Canadian dollars of the consideration paid by the offeror.**

See item 3 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 or Part 4 of National Instrument 62-103 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 the reliance.**

The securities were issued from treasury pursuant to an exemption under National Instrument 45-106.

[Remainder of Page Left Intentionally Blank]

DATED March 5, 2015.

Per: "Bernard Sherman"
Name: Bernard Sherman