

**FORM 51-102F3  
MATERIAL CHANGE REPORT  
UNDER NATIONAL INSTRUMENT 51-102**

**Item 1 Name and Address of Company**

Australis Capital Inc. (the “**Company**”)  
Suite 900, 510 Seymour Street  
Vancouver, British Columbia  
V6B 1V5

**Item 2 Date of Material Change**

October 26, 2018

**Item 3 News Release**

A News Release was disseminated via CNW and filed on SEDAR on October 26, 2018.

**Item 4 Summary of Material Change**

The Company announced that the Company has closed its previously announced non-brokered private placement of units of the Company for gross proceeds of \$30,000,000.

**Item 5 Full Description of Material Change**

**5.1 Full Description of Material Change**

The Company announced that the Company has closed its previously announced non-brokered private placement of units of the Company (the “**Units**”) for gross proceeds of \$30,000,000 (the “**Private Placement**”). In order to accommodate oversubscriptions, the Company also intends to increase the size of the Private Placement by an additional \$2,000,000 to be completed in a second tranche.

Pursuant to the Private Placement, Australis issued 14,778,325 Units at \$2.03 per Unit. Each Unit consisted of one common share in the capital of the Company (the “**Shares**”) and one-half of a common share purchase warrant (a “**Warrant**”). Each whole Warrant will entitle the holder to purchase one additional Share at a price of \$2.64 on or before October 25, 2020. The Company may accelerate the expiry of the Warrants in the event that for any ten consecutive trading days the daily volume weighted average trading price of the Shares is greater than \$3.43.

Canaccord Genuity Corp. acted as the Company’s exclusive financial advisor in connection with the Private Placement.

All securities issued in connection with the Private Placement are subject to a statutory hold period of four months plus a day in accordance with applicable securities legislation ending on February 26, 2019.

In connection with the Private Placement, the Company paid aggregate finder's fees of approximately \$558,200.

The net proceeds from the Offering will be used by the Company for investments that adhere to the Company's Investment Policy as described in its Prospectus dated August 14, 2018.

**5.2 Disclosure for Restructuring Transactions**

Not applicable.

**Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7 Omitted Information**

Not applicable.

**Item 8 Executive Officer**

Scott Dowty  
Chief Executive Officer  
702 817 2214  
scott@ausacap.com

**Item 9 Date of Report**

November 5, 2018.