



**AUSTRALIS CAPITAL INC.**  
Suite 190, 376 East Warm Springs Road  
Las Vegas, NV 89119  
Telephone: 702-538-8400

## **NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

**TAKE NOTICE** that the annual general and special meeting (the “**Meeting**”) of shareholders of **Australis Capital Inc.** (the “**Corporation**”) will be held virtually-only via live audio webcast online at: <https://web.lumiagn.com/245085872>, on November 17, 2020, at 11:30 a.m. (Mountain Time), for the following purposes:

1. To receive and consider the financial statements of the Corporation for its fiscal year ended March 31, 2020, together with the auditor’s report thereon;
2. To fix the number of directors of the Corporation for the ensuing year at four (4) persons;
3. To elect the Board of Directors of the Corporation for the ensuing year;
4. To appoint Baker Tilly LLP, formerly known as Squar Milner LLP, as the auditor of the Corporation for the ensuing year and to authorize the Board of Directors to set the remuneration paid to the auditor;
5. To consider and, if deemed advisable, approve the continuation of the Corporation’s Stock Option Plan;
6. To consider and, if deemed advisable, approve the continuation of the Corporation’s Restricted Share Unit Plan;
7. To consider and, if deemed advisable, to pass, with or without variation, a special resolution, approving a change of name of the Corporation to “AUSA Corporation”, or such other name acceptable to the Board of Directors of the Corporation;
8. To consider, and if deemed advisable, to pass, with or without variation, a special resolution, approving the continuance of the Corporation out of the jurisdiction of Alberta under the *Business Corporations Act* (Alberta) and into the jurisdiction of British Columbia under the *Business Corporations Act* (British Columbia) and, in the process, adopt new Articles for the Corporation, as more particularly set out in the accompanying Information Circular;
9. To consider and, if deemed advisable, pass an ordinary resolution authorizing the Corporation to amend By-Law No.1 of the Corporation (the “**By-law**”) pursuant to subsection 102(2) of the *Business Corporations Act* (Alberta) to provide that meetings of the shareholders may be held entirely virtually (the “**Amendment**”); and
10. To consider any permitted amendment to or variation of any matter identified in this Notice and to transact such other business as may properly come before the Meeting or at any adjournment thereof.

The Management Information Circular contains further details of the matters to be considered at the Meeting.

**YOUR SUPPORT IS EXTREMELY IMPORTANT – VOTE ONLY YOUR BLUE PROXY OR BLUE VIF TODAY**

For questions or assistance, please contact AUSA’s strategic shareholder advisor and proxy solicitor, Gryphon, at 1-833-490-0586 toll-free in North America or by e-mail at [inquiries@gryphonadvisors.ca](mailto:inquiries@gryphonadvisors.ca)

To keep current with further developments and to vote your shares, visit [www.ausa-corp.com](http://www.ausa-corp.com)

No other matters are contemplated, however any permitted amendment to or variation of any matter identified in this Notice may properly be considered at the Meeting. The Meeting may also consider the transaction of such other business as may properly come before the Meeting or any adjournment thereof.

The Corporation has elected to use the notice-and-access provisions under National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 - *Continuous Disclosure Obligations* (“**Notice-and-Access Provisions**”) for this Meeting. Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators which reduce the volume of materials that must be physically mailed to shareholders by allowing the Corporation to post the Management Information Circular and any additional materials online. Shareholders will still receive this Notice of Meeting and a form of proxy and may choose to receive a hard copy of the Management Information Circular. The Corporation has also elected to use procedures known as “stratification” in relation to the Corporation’s use of Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of the Circular to some shareholders with a notice package. The Corporation has elected to provide a paper copy of the Management Information Circular to both registered and non-registered (beneficial) shareholders holding 1,000 or greater common shares of the Corporation as at the Record Date (as defined below). All other shareholders will receive the required documentation under the Notice-and-Access Provisions, which will not include a paper copy of the Management Information Circular.

A copy of the Management Information Circular is posted for viewing and available on the Corporation’s website at [www.ausa-corp.com](http://www.ausa-corp.com). Any shareholder who wishes to receive a paper copy of the Management Information Circular should contact the Corporation at Suite 190, 376 E Warm Springs Road, Las Vegas, Nevada 89119, Toll Free: 1-800-898-0648 or Tel: 1-702-272-0728. A shareholder may also use the toll-free number noted above to obtain additional information about the Notice-and-Access Provisions.

Under Notice-and-Access Provisions, meeting related materials will be available for viewing for up to one year from the date of posting and a paper copy of the materials can be requested at any time during this period. In order to allow for reasonable time to be allotted for a shareholder to receive and review a paper copy of the Management Information Circular prior to the Proxy Deadline (as defined below), any shareholder wishing to request a paper copy of the Management Information Circular as described above, should ensure such request is received by 11:30 a.m. (Mountain Time) on October 30, 2020.

## **ATTENDING AND VOTING AT THE MEETING**

This year, in light of the challenges of social distancing requirements associated with the ongoing coronavirus (COVID-19) public health crisis (“**COVID-19**”), the Corporation has arranged to hold its Meeting in a virtual-only format whereby shareholders may attend and participate in the Meeting via live webcast. Consistent with our commitments to ensure the health and safety of our employees and shareholders, shareholders will not be able to physically attend the Meeting. All shareholders, regardless of their geographic location, will have an equal opportunity to participate at the Meeting and engage with the directors and management of the Corporation, as well as other shareholders. Any changes in the Meeting format, including the Meeting date and format, will be announced by the Corporation in a press release which will be filed under the Corporation’s SEDAR profile at [www.sedar.com](http://www.sedar.com) and on the Corporation’s website at [www.ausa-corp.com](http://www.ausa-corp.com).

The Board of Directors has fixed October 1, 2020 as the record date (the “**Record Date**”) for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described below will be entitled to vote or to have their common shares voted at the Meeting, except to the extent that the shareholder has transferred the ownership of any such common shares after the Record Date and the transferee produces a properly endorsed share certificate for or otherwise establishes ownership of any of the transferred common shares and makes a demand to the Corporation’s transfer agent and registrar, Odyssey Trust Company (“**Odyssey**”) no later than 10 days before the Meeting that the transferee’s name be included in the list of shareholders in respect thereof.

(ii)

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Registered shareholders and duly appointed proxyholders, including non-registered (beneficial) shareholders who have appointed themselves as proxyholders and registered their appointment with Odyssey as described below, will be able to attend, ask questions and vote at the Meeting online. In order to do so:

- Log in online at <https://web.lumiagm.com/245085872>;
- Click “I have a control number”;
- Enter your 12-digit control number from your **BLUE** form of proxy (for registered shareholders) or the 12-digit control number provided to you by Odyssey after registering your appointment (for duly appointed proxyholders); and
- Enter the password “ausa2020” (case sensitive).

Non-registered (beneficial) shareholders who have not duly appointed themselves as proxyholder will be able to attend the Meeting online as guests, but guests will not be able to vote or ask questions. Please see the accompanying Management Information Circular for details on attending the Meeting online.

Registered shareholders not planning or unable to attend the Meeting are requested to date, sign and return the accompanying **BLUE** form of proxy for use at the Meeting. If you are a non-registered (beneficial) shareholder, you must follow the instructions provided by your broker, securities dealer, bank, trust company or other similar intermediary in order to vote your shares. We encourage shareholders to vote in advance of the Meeting by proxy, to ensure their vote is represented.

If you are appointing a proxyholder other than the persons listed on the **BLUE** proxy, **YOU MUST** return your proxy to Odyssey **AND** register your proxyholder by contacting Odyssey at [australis@odysseytrust.com](mailto:australis@odysseytrust.com) before the proxy cut-off, and provide Odyssey with the required information for your proxyholder, so that Odyssey may provide the proxyholder with a control number. This control number will allow your proxyholder to log in to and vote at the Meeting online. **WITHOUT A CONTROL NUMBER, YOUR PROXYHOLDER WILL NOT BE ABLE TO VOTE OR ASK QUESTIONS AT THE MEETING. THEY WILL ONLY BE ABLE TO ATTEND THE MEETING ONLINE AS A GUEST.**

To be valid, the **BLUE** form of proxy or **BLUE** voting instruction form must be received by Odyssey no later than 11:30 a.m. (Mountain Time) on November 13, 2020 (or at least 48 hours, excluding weekends and holidays, prior to any reconvened Meeting in the event of any adjournment or postponement of the Meeting): (i) by mail in the enclosed postage prepaid envelope; (ii) by internet at <https://login.odysseytrust.com/pxlogin>; or (iii) by delivery in person to 702-67 Yonge St., Toronto ON M5E 1J8. Notwithstanding the foregoing, the chair of the Meeting has the discretion to accept proxies received after such deadline. The time limit for deposit of proxies may be waived or extended by the chair of the Meeting at his or her discretion, without notice.

If you are a non-registered (beneficial) shareholder located in the United States and wish to vote at the Meeting or, if permitted, appoint a third-party proxyholder, you must obtain a valid legal proxy from your intermediary. Follow the instructions from your intermediary included with the legal proxy form and the voting information form sent to you, or contact your intermediary to request a legal proxy form or a legal proxy if you have not received one. After obtaining a valid legal proxy from your intermediary, you must then submit such legal proxy to Odyssey. Requests for registration from non-registered (beneficial) shareholders located in the United States that wish to vote at the Meeting or, if permitted, appoint a third-party proxyholder must be sent by e-mail or by courier to: [australis@odysseytrust.com](mailto:australis@odysseytrust.com) or Odyssey Trust Company Attn: Proxy Department, 702-67 Yonge St., Toronto, ON M5E 1J8 and received no later than the voting deadline on November 13, 2020 at 11:30 a.m. (Mountain Time) or at least 48 hours, excluding weekends and holidays, prior to any reconvened Meeting in the event of any adjournment or postponement of the Meeting.

(iii)

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The proxyholder has discretion under the accompanying **BLUE** form of proxy or voting instruction form with respect to any amendments or variations of the matters of business to be acted on at the Meeting or any other matters properly brought before the Meeting, in each instance, to the extent permitted by law. As of the date hereof, management of the Corporation knows of no amendments, variations or other matters to come before the Meeting other than the matters set forth in this Notice. Shareholders that are planning on returning the accompanying **BLUE** form of proxy or voting instruction form are encouraged to review the Management Information Circular carefully before submitting the form of proxy or voting instruction form. The Management Information Circular explains the voting process in more detail. If you have any questions or require assistance with voting your proxy, please contact the Corporation's strategic shareholder advisor and proxy solicitation agent, Gryphon Advisors Inc., at 1-833-490-0586 toll-free in North America or by e-mail at [inquiries@gryphonadvisors.ca](mailto:inquiries@gryphonadvisors.ca).

**Please note that Terry Booth, Lola Ventures, Roger Sykes, 1703469 Alberta Ltd., Duke Fu, Green Therapeutics LLC and Jason Dyck (collectively, the "Dissidents") have stated their intention to nominate six nominees for election as directors at the Meeting. You may therefore receive solicitation materials from the Dissidents, including a different colour and form of proxy, together with a request that you date, sign and return such proxy to their proxy solicitation agent for use at the Meeting. Regardless of whether you receive such materials from the Dissidents, shareholders are advised to use only the **BLUE** proxy to support the Corporation at the Meeting. Should you elect to vote on any alternative proxy provided by the Dissidents, you may change your vote at any time by voting again on the **BLUE** proxy, which will cancel the earlier vote. There can be no assurance that the Dissidents will even deliver solicitation materials, so you are advised to ensure that your vote is counted at the Meeting by voting on the **BLUE** proxy.**

**DATED** at Las Vegas, Nevada, October 6, 2020.

**BY ORDER OF THE BOARD OF DIRECTORS OF THE CORPORATION**

*"Harry DeMott"*

**Harry DeMott**  
Chief Executive Officer

(iv)

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