ATTENTION SHAREHOLDERS:

VOTE FOR A DISCIPLINED PLAN THAT PUTS YOUR INTERESTS FIRST. TOGETHER WE WILL PERFECT THE LAND AND EXPAND STRATEGY NECESSARY TO GROW AUSTRALIS.

VOTE BLUE

- In order to ensure your **BLUE** proxy is counted at the Annual & Special Meeting of Shareholders, please ensure your **BLUE** proxy is received well in advance of the proxy cut-off of **Friday, November 13, 2020 at 11:30 a.m. [MST time]**.
- For more information or assistance voting your proxy, please contact the Company's proxy solicitor, **Gryphon Advisors Inc.** at **1-833-490-0586** or by email at **inquiries@gryphonadvisors.ca**
- For up to date information and ease of voting, all shareholders are encouraged to **visit www.ausa-corp.com and click on the "Vote Now" button to cast your vote**.

AUSTRALIS CAPITAL
A VISION FOR PROGRESS

YOUR VOTE IS IMPORTANT. ACT TODAY.

SHAREHOLDERS ARE URGED TO VOTE ONLY USING THE ENCLOSED BLUE PROXY OR VOTING INSTRUCTION FORM AND VOTE NO LATER THAN 11:30 AM (MOUNTAIN TIME) ON FRIDAY, NOVEMBER 13, 2020.

DISCARD ANY PROXY OR VOTING INSTRUCTION FORM PROVIDED BY THE DISSIDENTS.

VOTING METHOD	REGISTERED SHAREHOLDERS *If your shares are held in your name and represented by a physical certificate*	BENEFICIAL SHAREHOLDERS *If your shares are held with a broker, bank or other intermediary*
 **INTERNET**	To Vote Your Proxy Online please visit: https://login.odysseytrust.com/pxlogin and click on VOTE. You will require the CONTROL NUMBER printed with your address to the right. If you vote by Internet, do not mail this proxy.	Visit www.proxyvote.com and enter your 12-digit control number located on the enclosed **BLUE** voting instruction form.
 **TELEPHONE**	If you have any questions or require any assistance in executing your **BLUE** form of proxy, please call Gryphon Advisors Inc. at: North American Toll-Free Number: **1-833-490-0586**	**Canada:** **Call 1-800-474-7493** **United States:** **Call 1-800-454-8683** and provide your 12-digit control number located on the enclosed **BLUE** voting instruction form.
 **FACSIMILE**	Fax your **BLUE** form of proxy to **1-800-517-4553** in order to ensure that your vote is received before the deadline.	**Canada**: Fax your **BLUE** voting instruction form to **905-507-7793** or toll free to **1-866-623-5305** in order to ensure that your vote is received before the deadline. **United States:** **N/A**
 **MAIL**	Mail your **BLUE** form of proxy to Odyssey Trust Company Attn: **Proxy Department** **702-67 Yonge St.** **Toronto, ON M5E 1J8**	Mail your **BLUE** voting instruction form in the reply envelope provided.

GRYPHON ADVISORS INC.

If you have any questions or require any assistance in executing your **BLUE** proxy or voting instruction form, please call Gryphon Advisors Inc. at:

North American Toll-Free Number: 1-833-490-0586
Email: inquiries@gryphonadvisors.ca
North American Toll-Free Facsimile: 1-877-218-5372
Facsimile: 1-416-214-3224

For up to date information and assistance in voting please visit the website: www.ausa-corp.com.

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RECOMMENDATION TO AUSTRALIS SHAREHOLDERS

Vote Recommendations Vote FOR		Agenda Items
☑	**1.**	**Number of Directors.** To fix the number of directors to be elected at the Meeting at four (4) persons.
	2.	**Elect Nominees as Directors:**
☑		Richard Cutler (Management Nominee)
☑		Sameer Kumar (Management Nominee)
☑		Harry DeMott (Management Nominee)
☑		Roger Swainson (Management Nominee)
☑	**3.**	**Appointment of Auditors.** 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.
☑	**4.**	**Stock Option Plan.** To consider and, if deemed advisable, approve the Corporation's Stock Option Plan for continuance until the Corporation's next annual general meeting.
☑	**5.**	**Restricted Share Unit Plan.** To consider and, if deemed advisable, approve the Corporation's Restricted Share Unit Plan for continuance until the Corporation's next annual general meeting.
☑	**6.**	**Name Change.** 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.
☑	**7.**	**Continuation to British Columbia**. 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 set out in the accompanying Management Information Circular.
☑	**8.**	**By-law Amendment.** To consider and, if deemed advisable, pass an ordinary resolution authorizing the Corporation to amend By-Law No.1 of the Corporation pursuant to subsection 102(2) of the *Business Corporations Act* (Alberta) to provide that meetings of the shareholders may be held entirely virtually.
⊘		**MANAGEMENT ALSO RECOMMENDS THAT SHAREHOLDERS:**
		DISREGARD ANY PROXY MATERIALS RECEIVED FROM THE DISSIDENTS AND DO NOT VOTE FOR ANY OF THEIR NOMINEES.
		IF YOU ARE A BENEFICIAL SHAREHOLDER AND RECEIVE A VOTING INSTRUCTION FORM OR OTHER FORM OF PROXY FROM AN INTERMEDIARY, MANAGEMENT RECOMMENDS THAT YOU VOTE IN THE MANNER INDICATED ABOVE.
		For up to date information and assistance in voting please visit the website: www.ausa-corp.com.

LETTER TO SHAREHOLDERS

Dear Fellow Australis Shareholders,

You face a very important decision regarding your investment in Australis Capital Inc. ("**AUSA**" or the "**Company**"). Your Company has committed to becoming a leading US cannabis company with a strategic plan that will deliver sustainable and growing value to all shareholders through a targeted "Land and Expand" approach to leveraging its existing flagship brands and emerging technology.

In laying the groundwork for the execution of that plan, we have taken decisive action to provide a clean break from our past and to reorient the Company for success. That includes refreshing leadership at the management and board levels and adopting a posture aligned with realistic shareholder expectations. Over the coming months, AUSA will take further positive steps to prudently cut costs, return discipline to its investment philosophy and steward corporate resources to the betterment of all stakeholders.

There is much to be excited about as a shareholder of AUSA, with a revitalized board and management team, a laser focus on the US cannabis market and an executable strategy for achieving commercial success. But all of this is threatened by a dissident shareholder group led by Terry Booth ("**Terry**") and including Roger Sykes, Jason Dyck and others with deep connections to Aurora Cannabis Inc. ("**Aurora**") and its spectacular destruction of shareholder value, and Duke Fu from Green Therapeutics LLC ("**GT**") who is suing AUSA with a case of seller's remorse (collectively, the "**Dissidents**").

Interestingly, the Dissidents share our view that AUSA should be focused solely on the US cannabis market. They also share our view that AUSA should leverage its current brands in expanding further into that US cannabis market. We also both agree that perhaps the most interesting part of that market is a focus on cannabis brands that can be marketed in multiple states. With so many points of agreement, it's unfortunate that the Dissidents weren't prepared to work with AUSA in good faith to ensure the best interests of stakeholders were advanced and AUSA's limited capital resources were preserved for the advancement of our strategic plan. Instead, the Dissidents chose to instigate this costly and time-consuming proxy contest with the threefold objective of: (a) using AUSA as a platform to resurrect Terry's reputation from the ash heap of his disastrous mismanagement of Aurora; (b)potentially rolling in some of their private portfolio vehicles; and (c) facilitating Duke Fu's quixotic quest to undo a transaction that he simply does not like the outcome of, all to be supported by a cadre of hand-picked "yes" men Dissident directors.

You have a clear and obvious choice to make. Shareholders can (and should) vote **FOR** the Company's slate of qualified and experienced director nominees, including two new independent directors, using only the **BLUE** proxy. The alternative is to provide a Dissident slate of director nominees beholden to Terry the opportunity to destroy shareholder value, as they have before. The choice is obvious – vote **FOR** the Company's slate of director nominees today to protect and enhance the value of your investment in AUSA.

A REFRESHED BOARD ACTING IN THE INTERESTS OF THE COMPANY AND *ALL* SHAREHOLDERS

Since the recent formation of a special committee of the board of AUSA, consisting of Harry DeMott and Roger Swainson, AUSA has put its house in order:

- Responding to shareholder concerns, the proposed acquisition of Passport Technology Inc. ("**Passport**") was terminated;
- Scott Dowty, our former Chief Executive Officer, agreed to resign from management and the board;
- Affirmed AUSA's renewed focus on US cannabis;
- Harry DeMott, the Company director with the greatest knowledge of US cannabis and the public markets, was appointed CEO;
- John Dover, a Canadian director, agreed to step aside in favor of new US directors with more direct US cannabis experience;
- Along with Harry DeMott, additional US directors have been appointed with firsthand knowledge and experience in the US cannabis environment, none of whom have any association with Terry or Aurora; and

- The board has driven cost reductions with a renewed focus on capital preservation that will fund future opportunities in the US cannabis market.

A FOCUSSED AND DISCIPLINED VALUE CREATION PLAN

After careful thought and analysis, your Company has developed a strategic plan – *A Vision For Progress* – to drive sustainable value creation. **I urge you to read the full details of our plan in our proxy circular under *"A Thoughtful Value Creation Plan"* in the *"Reasons to Vote FOR the AUSA Director Nominees"* section of the proxy circular.** To briefly summarize, we plan to buy or build cannabis brands with good distribution, self-manufacturing and in-house sales, starting in the Western United States. We feel that the looser recreational rules as well as the wide social acceptance of cannabis in these states will allow AUSA to enter new markets in a cost-effective manner and build out profitable entities state by state.

The growth strategy embodied by our value creation plan will be subject to rigorous and consistent investment criteria to ensure long term value creation while minimizing risk. Those investment criteria include primarily:

- Businesses must have sustainable advantages (either alone or when partnered with AUSA);
- Businesses should be profitable – or very close to breakeven with a clear path to profitability;
- Acquisitions should be of a size and risk profile such that they do not imperil AUSA's long-term success;
- AUSA must have effective control over the brand;
- Where possible, AUSA will partner with existing brand owners by structuring acquisition and investment consideration with a significant equity component; and
- Ideally management would remain with the business, to be overseen by AUSA.

Upon acquiring or investing in new brands, we will operate them with a level of professionalism heretofore unseen in the cannabis business. This means:

- professional marketing materials;
- sales goals;
- product placement at retail;
- utilization of the most modern technology in the space to make sure that consumers ultimately prefer our brands to the competition;
- investing in manufacturing quality control to ensure that our brands are consistent from batch to batch, and from state to state; and
- reinvesting the cash flow from these brands back into the creation of new brands and technologies to improve the efficiency of distribution and the customer experience.

Stated succinctly, it means disciplined stewardship and operational excellence. These goals are measurable and more importantly attainable – this is focused action over words, and substance instead of hype.

THE DISSIDENTS SEEK CONTROL OF YOUR COMPANY AND HAVE A SELF-ENRICHMENT PLAN

With a refreshed management team and board of directors in place, a renewed focus on US cannabis, a clear value creation strategy and positive momentum, shareholders should ask: why are the Dissidents still contesting the election? Why would they force management to spend shareholder money fighting for control of the Company when the existing board and management is already doing, or has done, the very things the Dissidents profess to want to achieve?

The only logical answer is that the Dissidents' demands are actually just a smokescreen; a ruse to get the existing board to hand over control to the Dissidents without a takeover premium so they can gain control and execute the Aurora playbook again – imposing insider deals and pump and dump schemes on yet another unsuspecting shareholder base. The Dissidents are clearly under the effective control of Terry Booth, and given Terry's track record during his tenure at Aurora and his lasting legacy of write offs, there is significant risk to your investment in AUSA should any of the Dissident nominees be elected to your board of directors resulting in Terry gaining effective control of AUSA.

As we mail this circular Terry is for the moment no longer a Dissident nominee director, having been strategically removed from the Dissident slate at the very last moment possible at law to avoid the kind of scrutiny that the Dissidents no doubt anticipated AUSA would bring to bear. But make no mistake, it has been Terry Booth and his sycophant Roger Sykes that instigated the formation of the original "Concerned Shareholder" group and it is Terry Booth who continues to pull the strings, as evidenced by the fact that Terry Booth has principally handled all negotiations between the Dissidents and AUSA. In his place, Terry has pushed forward instead another puppet nominee whose primary qualification appears to be his involvement in failed or failing Canadian cannabis and CBD companies (one of which became a billion dollar write-off for Terry at Aurora and another of which is the subject of a fraud investigation by the Ontario Securities Commission, along with his former co-executives). Amazingly, that amounts to an upgrade in the eyes of the Dissidents. Shareholders should not be fooled by Terry's absence from the Dissident nominee slate; by virtue of applicable law, if Terry's puppet board of directors is elected at the meeting, they can immediately appoint him to the board without the hassle of having to consult with shareholders. If Terry can't get in through the front door, you can expect he would have no aversion to using the back door if it meant achieving his personal objectives.

From what has been disclosed of the Dissident plan, the immediate risk that AUSA shareholders will bear is clear. The Dissident plan sets out how they intend to make four acquisitions. They say little of any potential conflicts these acquisitions may come with, and if history is any judge, there will be numerous conflicts. In addition, they mention nothing about the potential pricing of these acquisitions. Overpaying for assets and diluting shareholders has been a hallmark of Aurora, so why would the architect of Aurora's value destruction do anything different this time around?

According to the Dissidents, these acquisition targets are supposedly in advanced stages of negotiation. However, what the Dissidents have omitted is any conversation around the financial health and stability of these assets, and any potential debt or equity ownership by the Dissident group. The only way the Dissidents could be in advanced negotiations with some of the companies is if they already own them and are negotiating with themselves regarding how much of AUSA's capital they are going to pay themselves.

How glaringly hypocritical for the Dissidents to have repeatedly slandered AUSA over its alleged self-dealing and conflict in respect of the terminated Passport acquisition only to try and camouflage their naked self-interest with a thin veneer of manufactured shareholder concern.

It should be noted that GT, which the Dissidents claim will be a cornerstone of their proposal, is rife with conflicts. GT continues to be in litigation with AUSA, seeking to rescind its original deal with AUSA in a severe case of seller's remorse. Such a rescission would cost AUSA about 20% of its equity value. With Duke Fu, founder, CEO and 49.5% shareholder of GT, and the only member of the Dissident slate who is a plausible CEO candidate for AUSA, the Dissident's slate is hugely conflicted with regard to GT, and shareholders need to think through how a Dissident board will resolve that legal dispute solely in the best interests of AUSA. The fact of the matter remains that the GT assets referenced in the Dissident's proposal already belong to AUSA and, absent Duke Fu securing a position on the AUSA board and the ability to influence the outcome of the current litigation, should remain so.

Shareholders should pause to reflect on the depth of Duke Fu's disdain for AUSA shareholders and shareholder democracy in general in this process. Duke Fu has lent the strength of the significant number of shares that he received as consideration for his prior deal with AUSA to the Dissident campaign to unseat the current board, all while concurrently seeking a judicial decision that would overturn that transaction and have him return those very same shares to AUSA. If he were successful in his litigation he wouldn't own the very shares he purports to use to change the course of AUSA's corporate direction, showing a complete disregard for the interests of those shareholders who actually are and want to remain AUSA shareholders.

These conflicts in relation to Duke Fu, GT and the interlocking relationships among the Dissident director nominees go even deeper. Duke Fu has agreed to sell 75% of GT to Nutritional High International Inc. ("**Nutritional High**"), a troubled CSE-listed issuer in the midst of a restructuring process, which purports to develop and manufacture branded products in the cannabis industry. Nutritional High's board of directors includes Jason Dyck (a Dissident nominee director and former Aurora director) and Duke Fu, who sits on its scientific panel. Further, the Chairman of the Board of Nutritional High is attorney Adam Szweras, also a director of Aurora and counsel at Fogler Rubinoff LLP, legal advisors to the Dissidents. It's enough to make a shareholder's head spin. Given all of the interconnectedness, it would

not shock us to find that one of the Dissidents proposed transactions would be to clean up Nutritional High with AUSA's balance sheet.

Management's strategy in relation to GT has been to negotiate an arm's length win/win solution with GT and use that newly built relationship as a cornerstone for U.S. expansion. Currently, mediation is scheduled for November 2, 2020 in Nevada. The board, as always being focused on discharging its fiduciary duty, continues to be open to settling its differences with Duke Fu in his role as CEO of GT. With nine acres of improvable land in North Las Vegas with the right to assume, complete and expand the construction of a state-of-the-art 55,000 square foot cultivation and production facility and an existing suite of assets, AUSA has the opportunity to - but not the imperative to – use GT as its hub in Nevada. However, those negotiations have proven challenging, for while we have had many conversations with Duke about resolving our differences amicably, he remains fixated on rescinding the deal he originally cut with AUSA. Put simply, Duke would like AUSA to accept back roughly $1.5M in AUSA stock in exchange for $6M in assets, and then have AUSA immediately buy back those same assets, plus the assets he couldn't sell to another affiliated company, for almost $20M. Great deal for GT; terrible deal for AUSA and its shareholders. Seller's remorse isn't uncommon of course; but most sellers have the good sense to accept the consequences of their actions. Duke does not. Given how poorly he negotiated the original deal, and having seen his operational prowess (or lack thereof) post deal, one has to wonder about his qualifications to be a steward of shareholders' capital.

Furthermore, we are also very concerned with the Dissidents' capital allocation strategies and believe that they will pay more attention to the capital-intensive portion of the market (cannabis cultivation – particularly on the East Coast of the US where costs are highest), while eschewing scalable technology opportunities. The Dissidents' proposed acquisition targets support that concern insofar as they specifically identify cannabis cultivation opportunities and an intention to be "laser-focused" on the eastern US. The recent Dissident press release paid no attention to Cocoon Technologies, which we believe can be turned into a real value creator for AUSA. It is hard to talk about tech opportunities when your skill set lies predominantly in the contracting business.

The Dissident approach appears to be the Aurora playbook all over again. Buy everything you can. Press release everything in glowing terms. Exaggerate if necessary and then unload. The problem is, of course, that capital is never free and AUSA shareholders cannot and will not tolerate such misadventures and value destruction. As I said previously in a letter to the Dissidents, this is a time for serious people to come together to deliver a reasoned solution and clear path to value creation for all shareholders. The Dissidents do not meet that criteria.

VOTE FOR DISCIPLINED VALUE CREATION AND TO PROTECT YOUR COMPANY FROM THOSE WHO HAVE DESTROYED VALUE WHILE ENRICHING THEMSELVES IN THE PAST.

Let's get back to what distinguishes us from the Dissidents.

Our path to success – *A Vision For Progress* – is built on US cannabis market experience, discipline, and a tried and true approach. Land and expand. Invest in profitable businesses with a relentless focus on operations. We are building a team of people with deep knowledge and experience in the US cannabis market. A team that respects shareholder capital and is solely focused on increasing shareholder value for ALL shareholders, not a select few.

In contrast and based on their past actions, the Dissident path to success involves cronyism and self-dealing; attempting to pursue a US cannabis market expansion by narrowly focusing on opportunities that personally benefit Terry Booth more than they further AUSA's strategic ambitions, all under the watchful eyes of a slate of directors chosen to facilitate his aspirations.

This proxy contest is not only a referendum on where the Company will go, but also on Terry Booth – for make no mistake about it – shareholders are not being asked to vote for a slate of Dissident directors, they are being asked to vote on the legacy of Terry Booth. They are being asked to vote for directors willing to serve a man who was at the center of nearly unimaginable shareholder wealth destruction at Aurora; a recent write-down of C$1.6 Billion for the year ended June 30, 2020 and a full year net loss of C$3.3 Billion. A man who was the architect of many of the early woes at AUSA, and a man who did all of this while yelling and screaming at employees, partners and anyone else who dared get in his way. A man who will enrich himself by using your remaining capital.

It's up to you to protect the value of your investment in your Company by voting **FOR** the AUSA slate of director nominees. You are not just voting for a slate of directors at the upcoming meeting, but for a management team as well, since the Dissidents are attempting to replace the entire board of directors, your current management have determined that they will resign en masse rather than continue to labor under Terry Booth and his acolytes. While the Dissidents have not disclosed their management team, which is critical, given Terry's approach to board composition one can presume that any management team can be expected to answer first to Terry and pay only lip service to shareholders. In order to ensure your **BLUE** proxy is counted at the Annual & Special Meeting of Shareholders, please ensure your **BLUE** proxy is received well in advance of the proxy cut-off of Friday, November 13, 2020 at **11:30 a.m. Mountain Time.** For more information or assistance voting your proxy, please contact the Company's proxy solicitor, Gryphon Advisors Inc. at 1-833-490-0586 or by email at inquiries@gryphonadvisors.ca. Additionally, for up to date information and ease of voting shareholders are encouraged to visit www.ausa-corp.com and click on the "Vote Now" button to cast your vote.

The future of your investment in AUSA can be bright, but it's up to you to make it happen. Thank you for your careful consideration and continued support.

Respectfully and on behalf of the Board of Directors,

"*Harry DeMott*"

Harry DeMott

REASONS TO VOTE FOR THE AUSA DIRECTOR NOMINEES

1. BUILDING A BETTER BOARD

The refreshed Board comprises a group of dedicated individuals who bring strong records of success and unique skills and views to AUSA, including two new independent directors to complement our incumbent directors.

While the Board had been undertaking a diligent process of Board appraisal and refreshment on an ongoing basis, those efforts intensified with the events of the last several months, particularly in light of the challenges associated with the need for independence. The circumstances surrounding, and ultimate termination of, the transaction with Passport Technology Inc. and resultant reorientation of AUSA towards a prudent expansion of its presence in the US cannabis industry, catalyzed further refinements to the re-invigoration process. The Board had already been seeking to build upon its existing skills matrix, address its lack of diversity and its independence limitations through the addition of new directors; the recommitment to the US cannabis space necessitated that the Board also identify potential directors with deep roots, and a history of operational success, in US cannabis, or experience and expertise in areas that will be necessary for success in the future.

In view of the "start-up" nature of AUSA's business, that search was focused not on those directors with experience leading large cap public issuers with a vast organization to shoulder the burden of strategy implementation, but rather on those whose experiences reflected the ability to efficiently move a company from green shoots to significant growth and operational success. AUSA's value creation plan requires adept, entrepreneurial board members that thrive in a highly demanding environment and who are capable of providing operational level oversight of our executives without costly supports. AUSA requires directors who know the industry and know what it takes for AUSA to succeed; not directors who need to get up to speed.

In identifying new independent directors, the Board was also cognizant of wanting to avoid the sort of litany of pre-existing relationships and board interlocks that so compromise the Dissident nominees. AUSA pursued true independence, both legally and practically, to enhance the quality of board decision making for the benefit of all shareholders, not just a chosen few insiders.

We appreciate and share the frustrations of our shareholders with the challenges AUSA has faced since its inception. But we have now assembled the right Board, the right management team and the right plan to leverage AUSA's existing portfolio of assets in support of the Land and Expand strategy. It is for this reason that we are asking you to support our Board nominees; in order to ensure that our new CEO, Harry DeMott, has the strongest and most effective guidance available in executing on that strategy. We trust you will agree that our proposed directors, all of whom (excluding our CEO) are truly independent, have proven track records, a solid understanding of the US cannabis space and are trusted by other members of the US cannabis community, are best positioned to carry AUSA forward to commercial success and sustained growth in shareholder value.

While our new Board is well positioned to lead AUSA into the next chapter of its existence, the Board would ideally be complemented by a fifth director also with suitable and directly translatable US cannabis experience and expertise. In the circumstances of the current proxy contest and given our prior overtures to Duke Fu in respect of the prospect of his service on our Board, the Board made the strategic determination not to pursue a fifth nominee at this time. To the extent shareholders approve management's resolution to fix the number of directors to be elected at four (4) and elect your management's Board nominees, it is expected that further discussions will continue with Mr. Fu to resolve the current litigation between Green Therapeutics and AUSA. As to his potential appointment to the Board, while this seems increasingly unlikely, as fiduciaries the Board will continue to do what is right for shareholders. We remain focused on ensuring that the right nominees are elected or appointed to the Board; and not simply trying to fill a quota.

Highlights of the New Board

- 75% are independent. Only our Chief Executive Officer is not independent.
- 100% of our new Board members are independent.
- 100% have significant executive level experience.
- 75% have direct experience in the US cannabis industry; including:
    - extraction, growing, marketing, and technology;
    - 50% have worked in multiple US states;
- 75% have experience in brand launch and expansion.
- 25% are BIPOC (Black, Indigenous and People of Colour).

The Board has now been almost entirely replenished and refreshed from the Board originally installed by Aurora Cannabis Inc. ("**Aurora**"), bringing a new perspective to the advancement of AUSA's business. AUSA's Board has proactively effected the necessary changes to rebuild investor confidence and execute on its value creation plan.

New Independent Directors

Sameer Kumar – From November 2017 to July, 2020, Sameer was the President and Chief Operating Officer of VIOLA Brands, a lifestyle-based cannabis multi-state operator that was founded by former NBA player Al Harrington and is purposefully driven to increase minority ownership in the space. From his oversight of all aspects of the business, Sameer expanded VIOLA into five markets, drove operational and sales efficiencies, resulting in the doubling of production, a double digit increase in sales and an expansion of margins, propelling VIOLA to become one of the largest live resin concentrate brands in Colorado and Oregon, by market share. In July 2020, Sameer transitioned into an advisory role in order to allow him time to focus on other projects. Prior to joining VIOLA, Sameer developed and sold a gaming technology company which he ran out of Costa Rica, as well as served as an investor in a variety of start-ups including an Indian restaurant in his hometown of Pasadena, CA. Sameer holds an MBA from The Wharton School of the University of Pennsylvania 2011 and BA from The University of Southern California 2004**.**

Rick Cutler – Rick Cutler brings nearly 25 years of experience in general management, consumer marketing, and new product development to his position on the Board of Directors. With a track record of driving change, envisioning transformative results, and rejuvenating struggling brands, Mr. Cutler has consistently delivered results through a disciplined strategic and consumer focus, cross-functional leadership, servant leadership managerial style, and creative problem-solving. Mr. Cutler is currently the Vice-President of Corporate Development & Portfolio Analysis at Helen of Troy, a US$1.6 billion company with multiple lines of business, including several leadership brands, including Braun, Honeywell, PUR, Hydro Flask, and OXO. Mr. Cutler has worked there for more than ten years in multiple senior management roles, including General Manager, North America Personal Care. In his current position, Mr. Cutler has led and executed a number of significant corporate acquisitions and divestitures. Throughout his career, he has led brands that span several different categories and consumer segments – big vs. small, classic vs. new, female vs. male. Prior to his experiences at Helen of Troy, he worked in brand management at Clairol (now Procter & Gamble) and advertising at BBDO. Mr. Cutler earned his MBA from NYU's Stern School of Business and a BA from Denison University.

Incumbent Directors

Harry DeMott - Harry has over 30 years of experience in the U.S. investment community and is a long-time operator and investor in the cannabis, media, sports and entertainment industries. He is based in the suburbs of New York City and is the Executive Chairman of Proper, a data business for branded cannabis products, as well as a founding investor of Columbia Care, a leading multi-state operator. Harry serves on the advisory board of KinState and is an active investor in the cannabis space with further investments in Evolvd and Groundworks (holding company for Serra in Oregon). He is the co-founder of Raptor Ventures I LP, where he has been a General Partner since February 2011. In that capacity, Harry is a member of the Board of Directors of SecurityPoint Media and Ticket Evolution. He serves as

founder and managing partner for Hamerle Investments, a family investment company, focused on cannabis, music, and entertainment companies. Prior to co-founding Raptor Ventures, he served on the Board of Directors of Pandora Media, Inc. from 2006 through its IPO in 2011. Further back in his career, Harry was active in the investment business working as an equity research analyst at First Boston (now Credit Suisse) as well as starting a hedge fund, Gothic Capital, and working at two distressed debt funds, King Street Capital and Knighthead Capital. Harry has an MBA from NYU Stern School of Business (1991) and an undergraduate degree in Economics from Princeton University (1988).

Roger Swainson - Roger Swainson has been a founding partner at Swainson Miki Peskett LLP since its inception in August 2020. Previously, he was a partner in Brownlee LLP's business law group. Roger's practice focuses primarily on commercial lending and finance transactions, assisting lenders, mortgage brokers and mortgage servicers in structuring complex commercial loans and financings. His practice area also includes commercial real estate, advising buyers and sellers of commercial properties of all types, including office, industrial, retail and multi-residential. Roger has extensive experience in creating and developing all types of condominium projects, including phased and mixed-use developments, as well as in condominium governance and operation. He led the team that revised the Alberta Condominium Property Act and Regulations in 2002. Mr. Swainson graduated from the University of Alberta in 1983 with a law degree (LL.B.), and was called to the bar in Alberta (1984), Northwest Territories (1996) and Nunavut (2000). He joined Brownlee LLP in 1992.

	Harry DeMott	Sameer Kumar	Roger Swainson	Rick Cutler
CEO Experience	X	X		
US Cannabis Operational Experience	X	X		
US Cannabis Financing	X	X	X	
Start Up	X	X		X
Finance and M&A	X	X		X
Legal Experience			X	
Other Public Company Board	X			
Strategy Development	X	X		X
Real Estate	X		X	
Accounting/Financial literacy	X	X		X
Corporate Governance	X	X	X	X
Marketing	X			X

2. STRONG MANAGEMENT WITH RELEVANT INDUSTRY EXPERTISE

Over the past several months and under the direction of the Board, the Company has undertaken a series of changes to its senior management that have created a hungry, nimble organization with the industry and technical expertise to execute on the Company's dynamic new strategic plan.

The management team associated with the challenges of the past has been overhauled. Harry DeMott has been appointed Chief Executive Officer and brings over thirty years of success as an investor and operator in the cannabis

sector and related industries. He is also the key architect of AUSA's value creation plan – *A Vision For Progress* – outlined in detail below.

With Harry's appointment to the role of Chief Executive Officer, Cleve Tzung has been appointed AUSA's COO, which will allow him to leverage his over 20 years of experience in all facets of business development and transaction execution for the benefit of AUSA's Land and Expand strategy. Harry and Cleve will form a formidable one-two punch for strategy implementation and supercharge AUSA's business plan under the watchful eye of the reconstituted Board.

Over the past several months, AUSA has also made a number of other changes to the senior management team to optimize the leadership group and best position it to successfully execute the new strategic plan. Key changes/appointments include:

- **Alex Han** – Alex has been with AUSA since December 2018, when she served as AUSA's VP of Accounting. She has since been promoted successively to Chief Accounting Officer and now EVP and Chief Financial Officer. Alex brings considerable organizational knowledge and industry understanding to AUSA along with her over 15 years of public and corporate accounting experience.

- **Dan Norr** – Dan has been with AUSA since November 2018, is now the EVP and Chief Legal Officer. Dan brings considerable organizational knowledge and industry understanding to AUSA along with his 25 years of legal experience. Cannabis is one of the most highly regulated industries on earth, and Dan's encyclopedic knowledge of the US cannabis regulations will stand AUSA in good stead as we move forward.

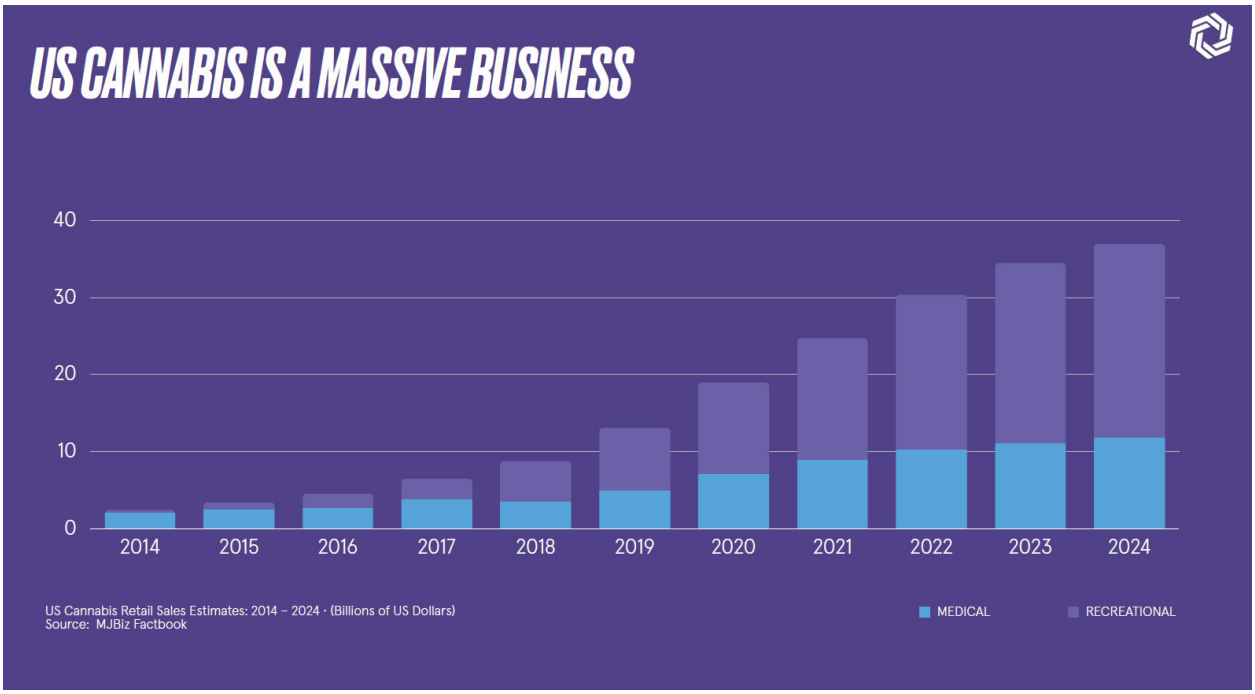
Long term success requires not only a dynamic and experienced Board, but also a management team that can execute on the Board's objectives. AUSA has that team. With a robust understanding of the Company and its history, and the expertise and experience to carry AUSA into the next phase of its existence, Harry and his senior management team are best positioned to ensure the future success of AUSA and protect the interests of all shareholders.

Harry has only recently been appointed as Chief Executive Officer and has quickly identified avenues for success and developed in collaboration with the Board, the Company's A *Vision For Progress* set forth below. Harry and his team ought to be afforded the opportunity to execute on that plan and prove to shareholders that their faith has been appropriately guarded and rewarded.

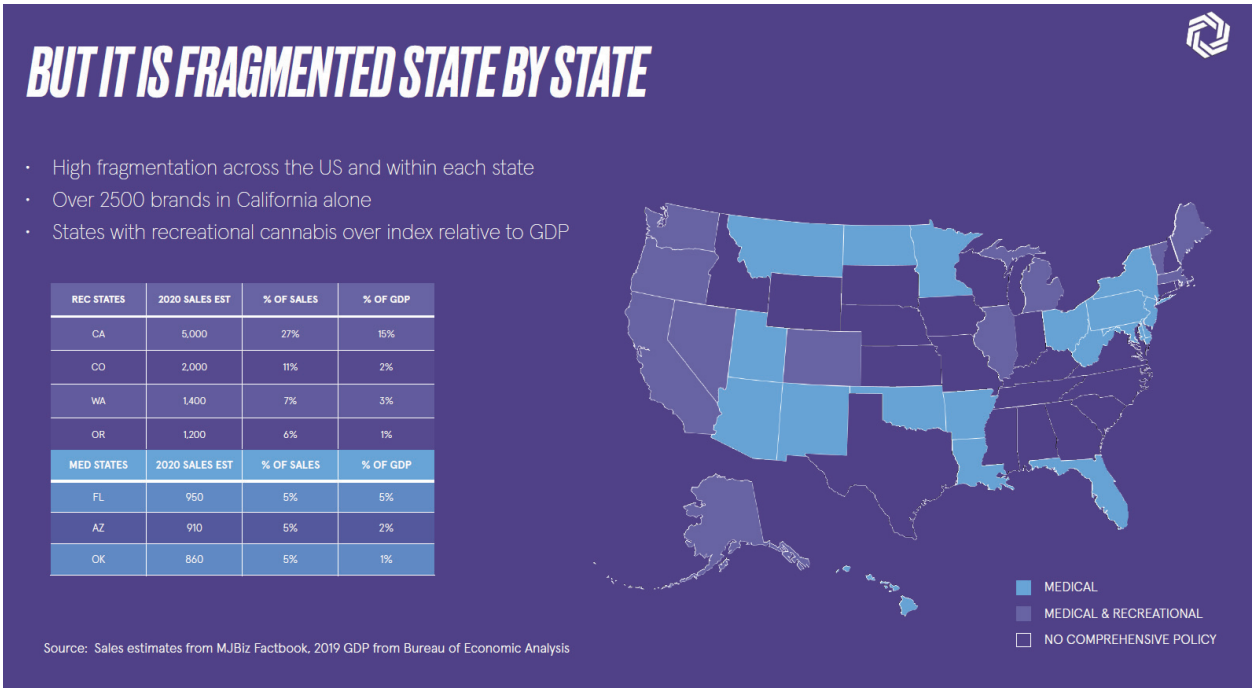
What AUSA needs now is the stability that can only be delivered by that perfect balance of institutional knowledge and expertise, with fresh ideas focused on increasing shareholder value. The refreshed Board and the new management team is that perfect balance.

3. A THOUGHTFUL VALUE CREATION PLAN

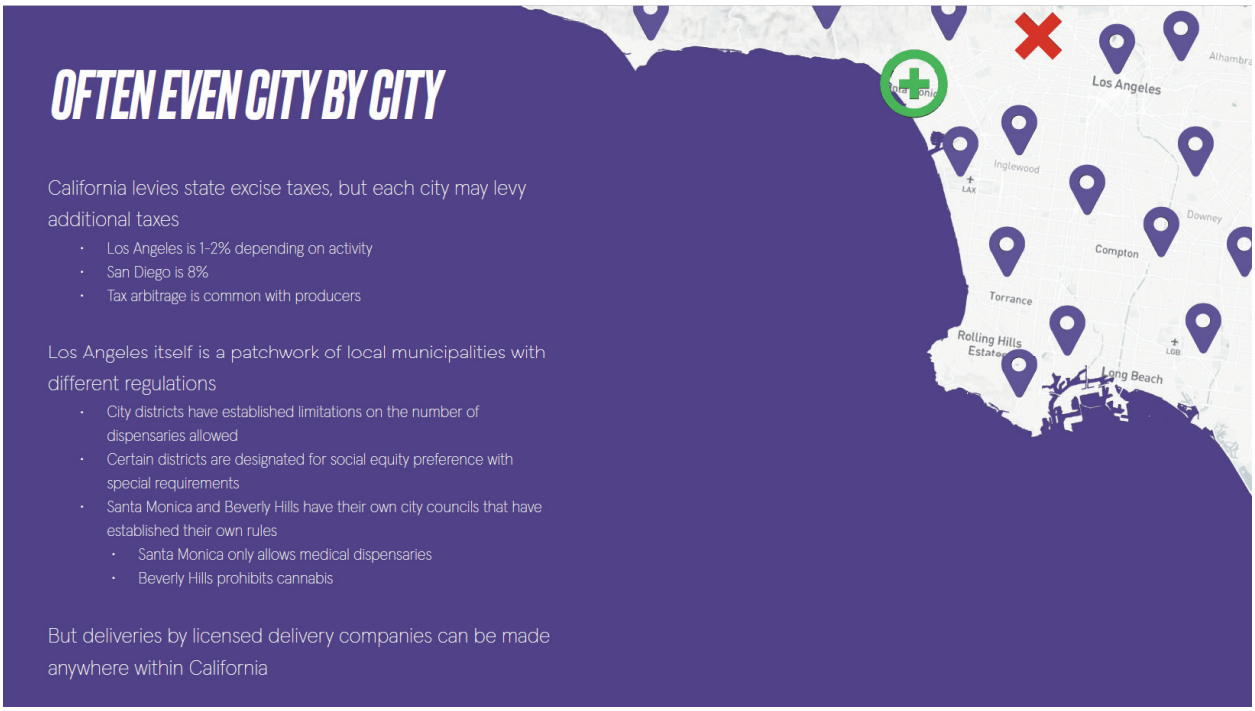
The reconstituted Board and leadership team has developed a disciplined and executable value creation plan. The Company's A *Vision For Progress* will be executed under the prudent guidance of a reconstituted Board, and the operational leadership of new CEO Harry DeMott.



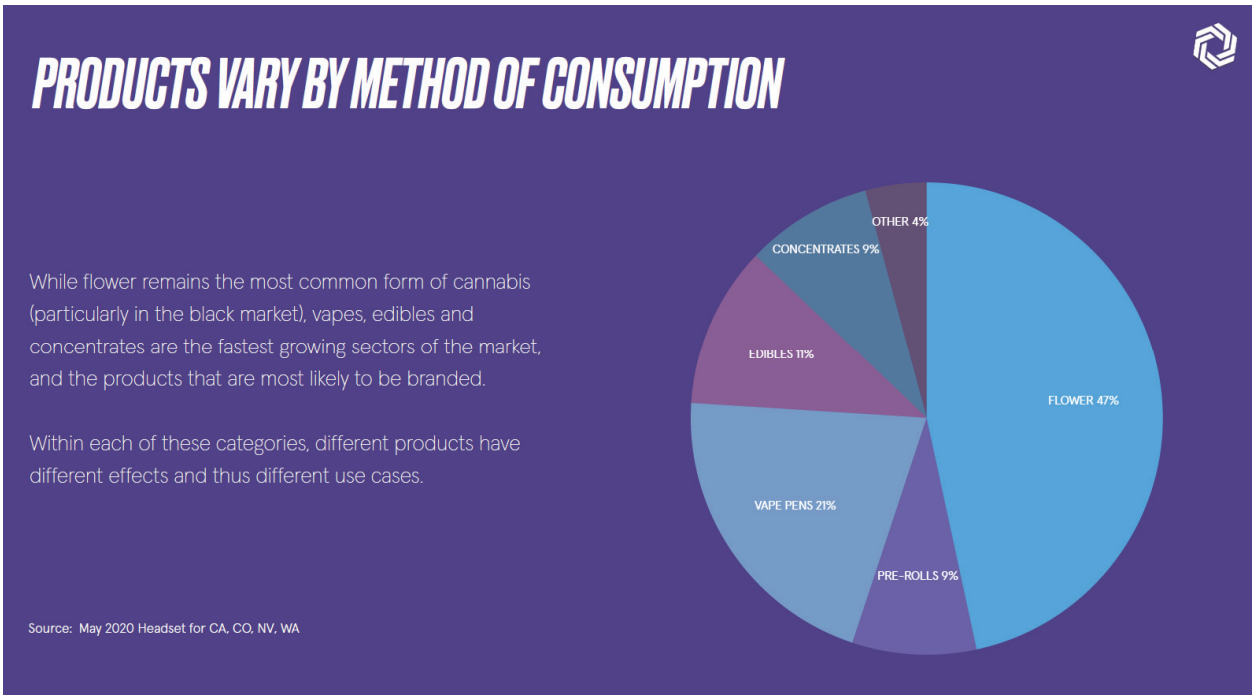
The US cannabis market is vast. We estimate that the overall market size is $60 billion and growing, with the legal market being the fastest growing piece. Cannabis has use cases that amount to a market at least 10x that size – from sleep to pain relief to pleasure - and that is every single year. One state – California – likely has more demand for cannabis (legal and illegal markets) than all of Canada – with a similar population.



But the market is incredibly complex. There is no federal regulation of cannabis, and taxation makes profitability difficult. Regulations are handed down state by state. Within states, regulations and taxes vary widely city to city.



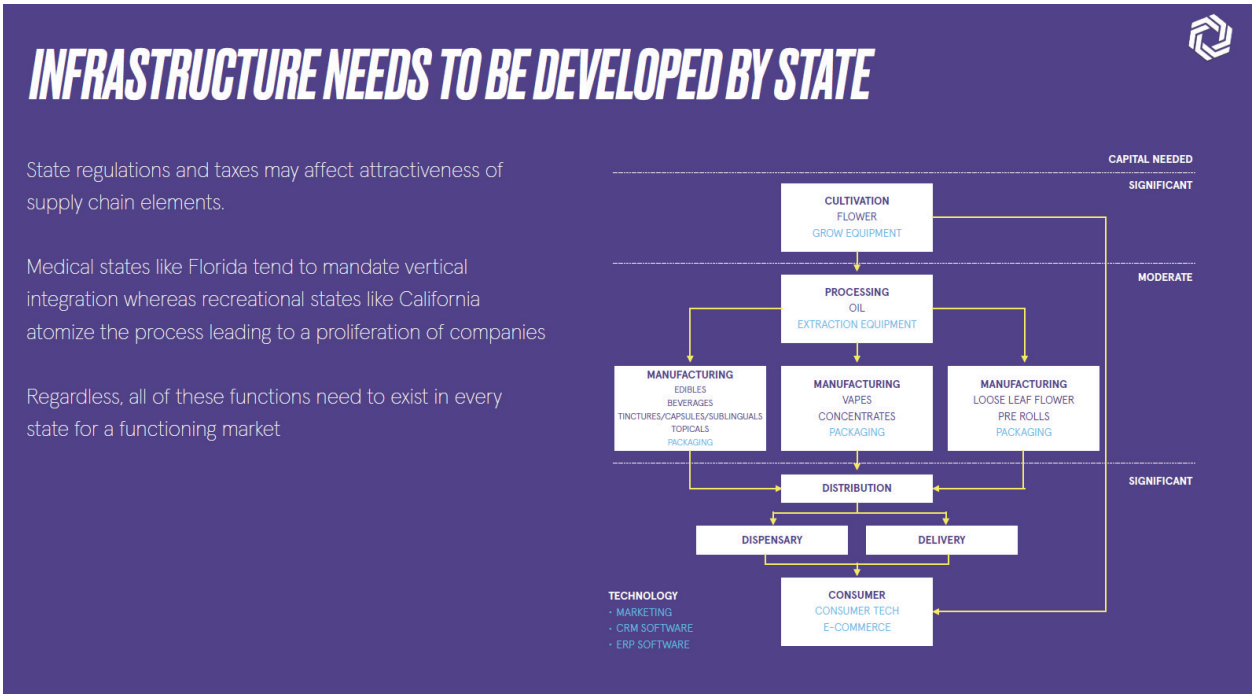
There are differences in regional taste and preference for products. Advertising is banned by Google and Facebook, and so cannabis in the US is a business that looks and acts like no other.



Within any given market there are really 3 key questions that need to be answered:

1. How do you like to consume cannabis (flower being the most prevalent)?
2. How do you want to feel? What are the effects desired?
3. Where are you physically located?

With so many variations in the genetics of the plant, and with so many different methods of consumption, the opportunities for different use are immeasurable. Add in the local restrictions, the regional variations in the business, the local retail or delivery scene, and one then starts to understand just how complex the logistics of the cannabis business are.



Within the cannabis industry, there are many opportunities, all of which need to be developed by state. AUSA can look at assets from the most capital-intensive side of the business – like grows, retail and delivery systems, all the way to highly scalable technology plays that are ancillary to the plant-touching part of the business.

Each one of these opportunities has its pros and cons – mainly to do with capital intensity and the degree to which a business, at scale, is protected from competition. In this way, cannabis acts like many other businesses where one strives to build a moat, or sustainable advantage.

Brands sit in the middle of this picture and have high returns if done correctly, and are also portable from state to state – and even more so if the brand is in manufactured form, as opposed to flower or pre-rolls. The ultimate brand is one that performs manufacturing and sales itself, and is thus in control of the two things that matter most to a brand (and potentially cost the most in terms of lost margin): quality control and distribution.

Technology is also an area that sits in the middle of the stack. A properly run technology company can span the entire world with software, adjusting only for state regulations and language differences. Cocoon Technology is such a piece of software.

These two areas are where we intend to initially focus at AUSA.

It is this control over your own fate that is so appealing to us as we look at the market overall.

The more integrated you are, and the more you control, and the more scale you have in each state, the better your margins likely will be. With higher margins and greater scale, company's cost of capital goes down, either in terms of a higher market cap, or in its ability to access capital markets efficiently.

AUSA is a small company with limited resources, so we must be both strategic and extremely disciplined in how we put those resources to work. Saying we are going to buy four companies, as the Dissidents have proposed, is certainly an easy thing to say, but we have to both pay for them (without using up all of our cash or significantly diluting our shareholders) and have the ability to operate them efficiently. As such, it is important that we avoid investing in capital intensive businesses at this stage in our lifecycle.

As we look for businesses to purchase or partner with, we will adhere to the following investment guidelines:

- Businesses must have sustainable advantages (either alone or when partnered with AUSA);
- Businesses should be profitable – or very close to breakeven with a clear path to profitability;
- Acquisitions should be of a size and risk profile such that they do not imperil AUSA's long-term success;
- AUSA must have effective control over the acquisition;
- Where possible, partnering with existing brand owners by structuring acquisition and investment consideration with a significant equity component; and
- Ideally management would remain with the business, to be overseen by AUSA.

We want to concentrate our focus in the largest and most cannabis friendly markets in the US. To start with, this means the Western United States. Between California, Nevada, Colorado, Washington and Oregon, we can build a successful business. There may be future opportunities opening up in nascent recreational markets like Michigan, Massachusetts, and others, but our focus on Western markets is key for the Company at this stage.

With a strategic plan focused in a specific area, the Western United States, we can give our management the opportunity to build-up a portfolio of brands and the reputation of AUSA before looking for expansion opportunities elsewhere in the United States. This is important to achieve balanced growth without spreading ourselves too thin. We have an advantage in these markets, with management and the Board having significant experience with the brands, retailers, and distribution systems in those states.

As we acquire brands in accordance with our investment criteria, we expect to operate them with a level of professionalism heretofore unseen in the cannabis business. This means:

- professional marketing materials;
- sales goals;
- product placement at retail;
- utilization of the most modern technology in the space to make sure that consumers ultimately prefer our brands to the competition;
- investing in manufacturing quality control to ensure that our brands are consistent from batch to batch, and from state to state; and
- reinvesting the cash flow from these brands back into the creation of new brands and technologies to improve the efficiency of distribution and the customer experience.

Stated succinctly, it means disciplined stewardship, and operational excellence. These goals are measurable and more importantly, attainable – this is focused action over words, and substance instead of hype.

More to the point, here's how it will work:

AUSA will establish a beachhead brand in a market, with access to biomass, manufacturing and internal sales. The brands that AUSA purchased from Green Therapeutics are a good example of this. By partnering with Green Therapeutics' management to improve sales and marketing, these brands have gained market share in Nevada, but still have room to grow with increased biomass, manufacturing and sales capacity, all of which we ultimately need to bring in-house. This is the "land" part of the equation.

From this beachhead, we should be able to expand our reach by growing horizontally – by creating new brands in Nevada (for example), or acquiring orphan brands constrained by outsourced manufacturing, outsourced sales drain, or subscale marketing. We can expand vertically by purchasing cultivation and manufacturing facilities. Finally, we can expand geographically, moving these brands into adjacent markets once we have established an initial position in the market. This is the "expand" part of the equation.

Taken together, this is the "Land and Expand" strategy.

In California alone we are tracking almost 1,000 brands – of which only perhaps the top 50 are truly viable at scale. That means over 900 potential brand targets. Add to this the many subscale companies listed on Canadian exchanges, or the illiquid portfolios of investments made by known equity investors, and there is a rich pool of assets for us to consider against our disciplined investment criteria.

To succeed in the long run, however, we still need an "unfair" advantage in either biomass or distribution (or ideally both) – and it is clear that for the more capital-intensive pieces of the puzzle, we need to partner – but with who?

We mentioned that AUSA needs to do deals of a specific size because the capital-intensive parts of the business were currently out of its reach. This is true – but there is a solution.

As a CEO, aside from providing strategic direction to the business and taking advice from the Board, your job is to allocate scarce resources: administrative capacity and financial capital. One must always be cognizant of and take advantage of dislocations in the marketplace that allow you to access more of these scarce resources.

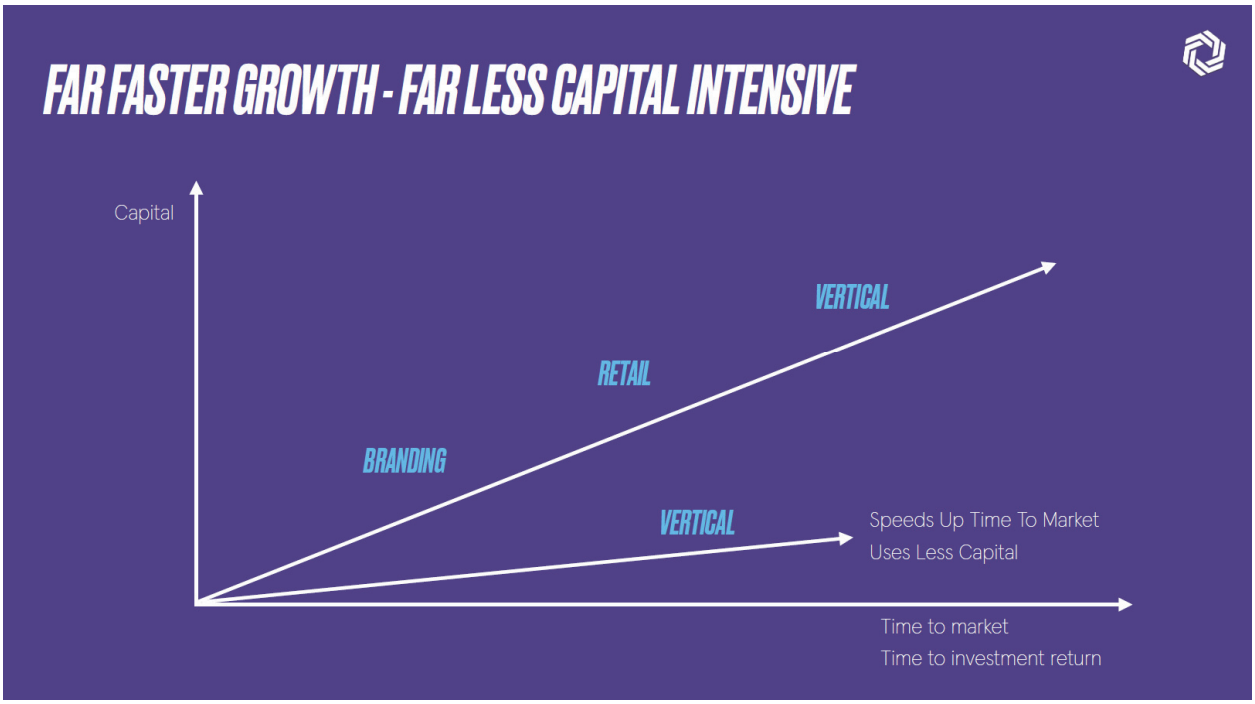
Right now one such dislocation is the Special Purpose Acquisition Company, or SPAC, market. These blank check companies have become increasingly popular as a way to purchase assets. As at the date of this circular, there is over $2B in cannabis focused SPACs looking for a home for their cash. What most lack is a strategic raison d'etre. We plan on approaching this market differently.

Most of the SPACs listed above are run and operated by financial sponsors looking for free equity in a deal. There is no coordination between assets – or overarching plan. SPACs, in this way, are not much different than publicly traded private equity businesses – with the carried interest being given to the manager upfront upon a qualifying transaction, as opposed to the formation of a capital pool. It is our view that AUSA can ACT AS THE SPONSOR of a SPAC – under common management. That way, when the SPAC goes out and buys a cultivation facility or a dispensary or delivery service, it is AUSA, and AUSA shareholders that accrue the carried interest. Given that most SPACs award a roughly 20% interest to the sponsor, if AUSA was able to pull off a $100M SPAC – it would accrue about $25M in sponsor equity in a publicly traded vehicle. Given that the current market cap of AUSA is less than this, it is a potential home run for shareholders.

With brands as the key pillar of AUSA, we can positively impact our business by having a steady supply of high-quality inputs (i.e. biomass) and guaranteed distribution (i.e. retail and delivery where available).

We plan to quickly launch a dual listed (Canada and the US) SPAC with the goal of raising $75M to $100M – with common management to AUSA. By having the SPAC entity go out and purchase capital intensive assets complimentary to the asset light plan of AUSA – both sides win. Brands get guaranteed low-cost high-quality inputs as well as distribution advantages – and the SPAC properties have guaranteed offtake deals for the biomass as well as advantageous deals with leading brands. AUSA shareholders get the benefit of the sponsor interest in the SPAC. Over time, and with changes in legislation in the US, and with the right financial structure for AUSA, it might make sense to merge these assets – but for now – the arbitrage is to keep them separate.

As mentioned, we talked about the advantages of being fully vertically integrated within a given state, and the benefits that can accrue to a company that has achieved this.



We see this SPAC strategy as a way to accelerate the growth of the AUSA brands and technology, without having to dilute shareholders. In fact, if we do this correctly, the shareholders of AUSA stand to benefit handsomely from the financial transaction, and the company will be able to get fully vertical in a far shorter period of time, and with far less capital (at least as far as the AUSA shareholders are concerned).

While we are working all of these brand side deals, financial engineering for the benefit of AUSA, and providing strategic sourcing and distribution for brands, we will also be continuing to work on our technology platform - Cocoon.

Driving Cocoon Forward

Recently, we installed our first few Cocoon Pod kiosks in Las Vegas at Thrive, a well-known dispensary. AUSA conceived and deployed Cocoon in under a year. To date the feedback from consumers purchasing through Cocoon, as well as Thrive's ownership, has been excellent. Consumers benefit by having a self-service option to view a dispensary's complete inventory, review product descriptions, choose their order, pay for the product selected and then pick up their order – sometimes before other customers even get to talk to a busy budtender. The dispensary benefits by having an alternative customer service option which can dramatically improve throughput and flow, thereby increasing the number of customers that can be served at peak times. The result is incremental dollars and improved customer satisfaction for much less than the cost of a single additional employee. While the simple ordering and cash handling benefits are enough to thrill our customers, AUSA continually improves the Cocoon software and pushes constant upgrades to the units. We expect that Cocoon will shortly be able to provide customized loyalty and rewards programs. Soon after that, we expect Cocoon will add a mobile app and a recommendation engine tied to a dispensary's customers, creating a valuable knowledge base for dispensary owners to base their promotions and inventory ordering, which can even be decoupled from the free-standing unit. For AUSA, this potential repository of consumer purchasing behavior will be invaluable to our brand development. As a non-plant touching technology, Cocoon can be deployed in dispensaries in other states with minimal regulatory burdens. This potential to use Cocoon as a cash-generating beachhead in targeted states prior to AUSA brand entry is very exciting and completely tangible.

4. AUSA HAS TRIED TO SETTLE WITH THE DISSIDENTS IN GOOD FAITH AND BEEN REJECTED

As noted in our press releases of August 20, 2020 and September 8, 2020, we have met in good faith with the Dissidents in an effort to end this misguided effort by a small number of conflicted and self-interested shareholders to take control of your Company. We had hoped that by accommodating the Dissident's realistic requests, we could avoid wasting AUSA's limited financial resources on an unnecessary proxy contest.

A few months ago, and in an attempt to settle the lawsuit between Green Therapeutics and AUSA, the company offered to appoint one of the Dissident nominees – Duke Fu – to the AUSA Board, recognizing the potential value

that Mr. Fu could bring given his years of cannabis experience and our mutual interest in advancing AUSA's development and utilization of its Nevada assets in furtherance of the Land and Expand strategy.

We were rejected.

Instead, while feigning outrage regarding your Board's purported self-interest, the Dissidents proposed wholesale replacement of your Board with a suite of Terry Booth's Aurora cronies. Although the Dissident demand was subsequently amended to a controlling representation on the Board, the impact on the independence of the Board's function and the inherent conflicts that it would create remain. Further, the prospect of giving a controlling position on the Board to a small collection of self-interested shareholders holding approximately 10% of the shares was simply unconscionable – particularly as the majority of these shares are held by Duke Fu – who is suing AUSA and massively conflicted.

In discharging its fiduciary duty to AUSA, the Board cannot in good conscience accept such proposals and has been forced to engage in this costly and time-consuming proxy contest rather than turn its attention to the further development and implementation of its new strategic plan.

While the Board remains cautiously optimistic that the Dissidents will engage in constructive negotiations with a view to resolving the dispute in advance of the Meeting, there can be no assurances that those will occur or a satisfactory result will be achieved. As such, we ask that our shareholders recognize the attempts by the Dissidents for what they are, a thinly veiled coup to facilitate the execution of a self-serving strategy by a new board of directors beholden to Terry Booth.

While our proposed Board will put independence at the forefront; the Dissident nominees can be expected to pay it lip service at best.

5. MASSIVE MANAGEMENT TURNOVER ENDANGERS THE COMPANY

If the Dissidents win the proxy battle and replace the Board, there is a real question as to who will manage the company. With the majority of Dissident nominees in Canada, and with a pandemic limiting travel, there needs to be a clear transition plan in place for AUSA.

The current executive team will not work under Terry or any of his yes men and will tender their resignations immediately if the Dissidents gain control. That means that come November 17, 2020, the Company could be without a CEO, a COO, a CFO and a General Counsel. Having closely witnessed Terry's conduct at Aurora, management feels that life is simply too short to work even a single day under Terry's yoke – whether he is on the board or not – and that their ability to achieve AUSA's strategic imperatives would be fatally impaired by his involvement. The Dissidents have proposed a slate of directors, but they have not named management, and while the Board ultimately counsels the CEO and provides oversight to the corporation, it is management that has to execute in the market. Shareholders should be far more concerned with who is actually running AUSA day to day, and just how conflicted that individual is relative to Terry's board. Of the Dissident nominees the only individual with CEO experience and a realistic potential to be capable of running AUSA, other than Terry Booth himself, would presumably be Duke Fu. The same Duke Fu that wants to rescind his prior transaction with AUSA to the significant financial detriment of AUSA and its shareholders. Obviously, the Dissident management choices are dire: either the man who built the house of cards at Aurora that resulted in a multi-billion dollar write-down and implosion of shareholder value or the man who wants to eviscerate AUSA to resurrect GT.

CONCLUSION

We believe we have a unique and very realistic plan to grow the value of AUSA. It depends on our ability to acquire and grow brands and technologies – skill sets that are evident in the management team as well as the reconstituted Board. We have the opportunity to do this against the backdrop of extreme opportunity in the US Cannabis market,

as well as with some financial engineering that we believe has the possibility of helping the company in a very material manner. Of course, execution against this plan is everything – and as we will demonstrate below, execution has not been the strong suit of the Dissidents. We plan on staying disciplined, staying nimble, and remaining focused on the larger vision – *A Vision For Progress*.

REASONS TO WITHHOLD FROM THE DISSIDENT DIRECTOR NOMINEES

1. THE DISSIDENT PLAN IS SELF-SERVING AND RISKY FOR SHAREHOLDERS

According to the Dissident's public disclosure, their vision for AUSA is two pronged. Firstly, they propose to maximize existing assets (including most notably our portfolio of Nevada brands) by using them as a launching pad to the Nevada cannabis market and beyond. Secondly, they propose four specific acquisition targets that they profess to be synergistic "capital light" and high margin and with respect to which they are already in "advanced negotiations." While the first aspect of their vision parallels aspects of our own and recognizes the inherent strategic value of our current complement of assets, it is with respect to the second aspect and the entities to which they are anticipated to recommend AUSA's limited capital be deployed that could be self-serving and risky.

It would not surprise us if some (or all) of the companies that the Dissidents intend to purchase are involved with Terry Booth or the other Dissidents personally. This could explain how the Dissidents are in advanced negotiations with some of the companies – they already own them and are negotiating with themselves regarding how much of AUSA's capital they are going to pay themselves for these companies. Shareholders should ask the Dissidents to come clean as to whether they plan to buy companies that help their personal balance sheets or AUSA?

The Dissidents list four potential acquisitions in their last press release, as well as mentioning Green Therapeutics.

With respect to Green Therapeutics, we expect that in order to gain control of Green Therapeutics, the Dissidents would have to settle Duke Fu's litigation with AUSA and likely purchase the remainder of the assets from GT. We have that expectation because management has negotiated with Duke regarding this exact transaction, and the price to shareholders for a company with little to no revenue or cash flow is simply too high. Should the Dissidents obtain control of AUSA, one can anticipate that the newly constituted Board, deeply conflicted with Duke Fu's involvement, might be significantly less likely to drive the same hard bargain for AUSA shareholders and resulting in the transaction being effected on less advantageous terms for AUSA.

With respect to the various potential acquisitions, the questions shareholders must ask themselves is just how conflicted is the Dissident board in relation to these assets? How much of AUSA's cash will be devoured buying up conflicted assets? How much dilution will AUSA's shareholders suffer? We expect you'll agree that the answers are clear: Likely too many conflicting interests and too high a price to be paid for a dog's breakfast of acquisition candidates.

In previous incarnations of the Dissident slate, there was always the likelihood that Terry Booth would become CEO – after all, he has been the puppet master behind the curtain pulling the strings on this charade from the beginning. But with Terry off the slate, the next most likely candidate to run the business is Duke Fu. This puts Duke in the position of owing a fiduciary duty to both GT (where he and his family are majority holders) and AUSA, who he is suing, seeking to undo a deal gone bad for him and remove about 20% of AUSA asset value. This is an untenable conflict that cannot be resolved by his continued involvement with both entities. While Duke may be willing to sacrifice his fiduciary obligations at the altar of self-interest, shareholders should be wary of giving him the opportunity.

It would be disappointing but unsurprising if the Dissident plan turns out to be built on the very thing that the Dissidents accused Scott Dowty of, which is conducting a number of related party transactions in their best interests rather than the best interests of all shareholders.

2. TERRY BOOTH'S TRACK RECORD OF VALUE DESTRUCTION AT AURORA AND ELSEWHERE

This proxy contest is as much a referendum on where the Company will go as it is a referendum on Terry Booth as – make no mistake about it – shareholders are not being asked to vote for a slate of Dissident directors, they are being asked to vote for the close associates of Terry Booth and his legacy. Shareholders are being asked to vote for a slate

of directors willing to take direction from a man who was at the center of nearly unimaginable shareholder wealth destruction at Aurora; a write-down of C$1.6 Billion for the year ended June 30, 2020 and a full year net loss of C$3.3 Billion. A man who was the architect of many of the early woes at AUSA, and a man who did all of this while yelling and screaming at employees, partners and anyone else who dared get in his way. This is also a man who has demonstrated an ability to enrich himself by using shareholder capital.

One needs only look at the smoking crater that is Aurora to know everything you need to about Mr. Booth's track record. Built with deal after deal, press release after press release, and with no apparent regard for shareholders' money, we believe that Aurora has now incinerated more capital than any company in the history of cannabis.

But don't take our word for it. Those who have followed Aurora through its expansive growth and inevitable implosion well appreciate the impact of Mr. Booth's strategy.

- "By our count this is the third timeline Aurora has given for positive EBITDA, and they have just (2Q'20) posted the worst EBITDA loss in company history,"

  "To believe their guidance, you have to assume Aurora didn't take prior efforts seriously, but are now appropriately committed AND the task is achievable. We aren't convinced."[1]

  "We believe this optimism, particularly around growth and profitability created an organization with a bloated cost structure and a capital structure with burdensome convertibles and a heavily diluted equity base"

- "Industry-wide management changes are a telling sign that the industry has matured some (though not fast enough), and gotten competitive enough, that **founder-led strategies aren't going to cut it in a capital constrained backdrop**,"[2]

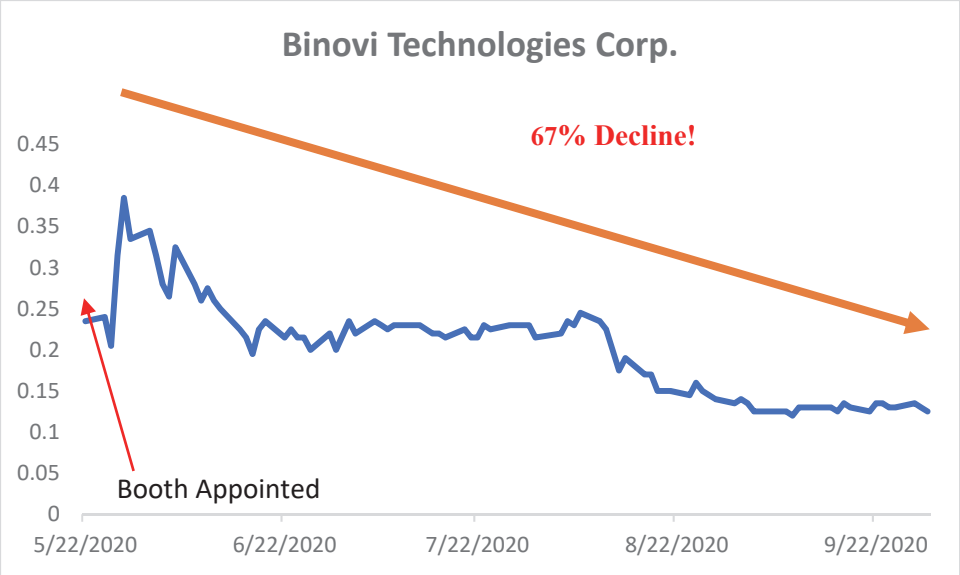
Mr. Booth's track record in the cannabis industry is alarming and should be of material concern to AUSA shareholders.

[1] Aurora analyst Bill Kirk of MKM Partners LLC, as quoted in Barron's, February 14, 2020.

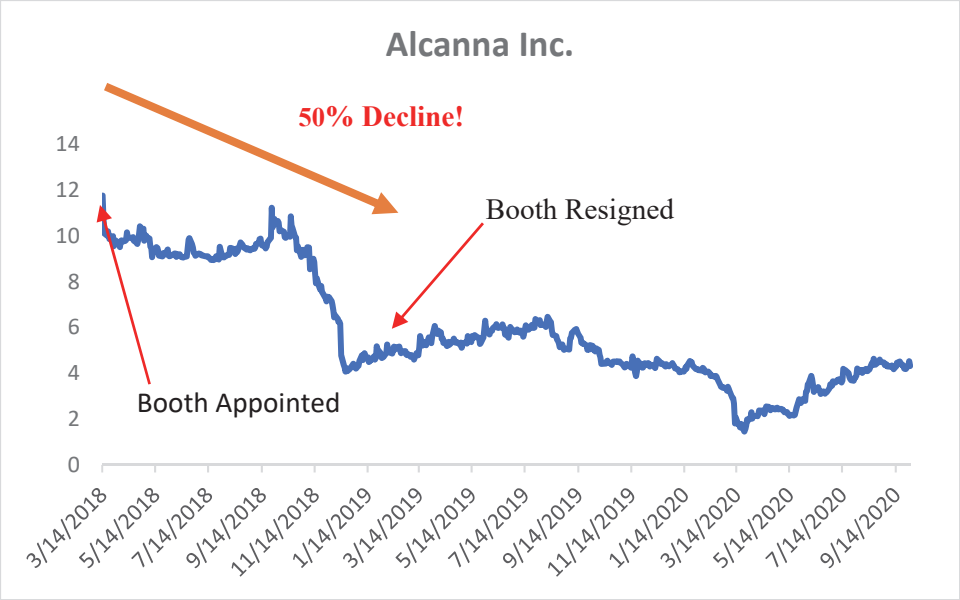
[2] Aurora analyst Vivien Azer, Managing Director and senior research analyst specializing in the cannabis sector of Cowen & Co., as quoted in Business Insider, February 7, 2020.

Of course, Mr. Booth's ability to lose shareholders money isn't limited to the cannabis space in which he is a self-professed expert, but extends to every other public entity in which he has played a management or board role.

For instance, Mr. Booth was installed as the Executive Chairman at Binovi Technologies Corp. (a small TSX Venture Exchange technology company) ("**Binovi**") in late May of this year. Recognizing the trajectory that Aurora's stock followed during Mr. Booth's tenure as CEO, it should come as no surprise that within days of Mr. Booth's appointment as Executive Chairman on May 21, 2020, Binovi's share price briefly climbed to its highest ever price of $0.386 per share before plummeting over the course of the next several months to its closing price on September 30, 2020 of $0.125 per share, a loss of over 67%. Binovi's stock continues under Mr. Booth's tenure to hover at or around its lowest price ever.



Terry Booth's evident knack for value destruction and chaos isn't limited to Aurora or Binovi. Following an investment by Aurora into Alcanna Inc. (formerly Liquor Stores N.A. Ltd.) ("**Alcanna**") in 2018, Mr. Booth was elected to the board of directors on May 9, 2018, where he served for only one year and until Alcanna's next annual meeting when he did not stand for re-election. During that period, Alcanna suffered its single largest share price drop in its corporate history, falling from $10.75 to $4.10 (62%) in a matter of two months and settling at $5.31 at the end of Mr. Booth's tenure, a terrible aggregate loss of over 50%.



As is made abundantly clear by Mr. Booth's long history of losing money for the shareholders he has been entrusted to protect, his spectacular implosion at Aurora wasn't a singular occurrence, but rather is just one sad chapter in a long depressing story that shareholders should be forewarned against allowing to be perpetuated at AUSA.

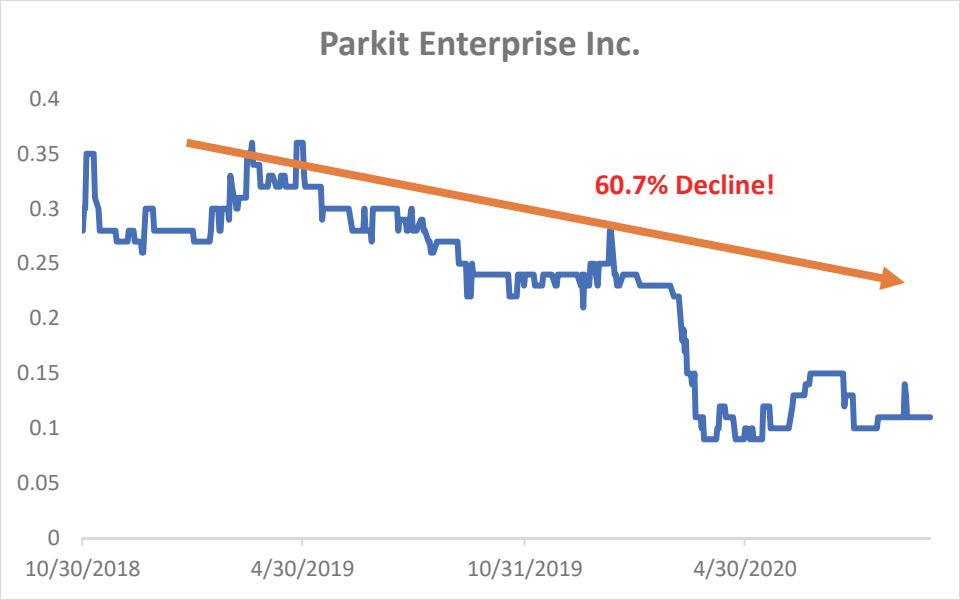
Another critical point to be considered by shareholders is individual demeanor. The US market is a very different animal than the Canadian market. Particularly in the Western United States where cannabis culture really took root. It has a far longer heritage, and the players in the market need to feel comfortable with their counterparties in deals. They are far less driven by financial incentives in many cases, and more by respect for their partner in a deal. To say that Mr. Booth and the dissident director nominees are mismatched with the market would be a huge understatement.

Unless you can win over partners, customers, clients, merger candidates and other constituencies, it is extremely difficult to get anything done. In addition, the US is a locals only market. Participants tend not to want to hear about anything other than their own market. Telling stories of how great Aurora was at the peak of free money will not win over many people.

3. OTHER DISSIDENT NOMINEES' TRACK RECORDS OF VALUE DESTRUCTION

- **Duke Fu & Jason Dyck** – Mr. Fu sits on Nutritional High International Inc.'s ("**Nutritional High**") (EAT) scientific panel while Dr. Dyck sits on its board of directors. Since both joined Nutritional High and its affiliates in June 2020, its share price has dropped from $0.03 to $0.0125 (as at September 30, 2020), a decrease of over 50%.

- **Avi Geller** – Mr. Geller is the interim CEO of Parkit Enterprise Inc., a TSX-V company that has lost significant value over the last year, trading from a high of $0.28 down to a low of $0.085 in the last 52 weeks. Avi's track record at Parkit does not suggest he would be able to add value as an AUSA director.



4. TERRY BOOTH'S NOMINEES ARE AT BEST "YES" MEN AND AT WORST COMPLICIT IN TERRY'S VALUE DESTRUCTION

Roger Sykes & Jason Dyck both have long ties to Terry Booth. Roger worked for Terry since before the founding of Aurora, and Jason was a key member of Terry's inner circle when it came to cannabis. These executives should certainly be held partially accountable for the failure of Aurora – and while they were not the primary authors of value

destruction, they certainly helped light the matches. Their track record in the cannabis industry is questionable and tainted.

Jason went on to become a director at Nutritional High, a company with limited financial stability. With a market cap of about C$5 million, and the recent sale of its primary asset (Calyx) in California, this company seems to be teetering on the verge of insolvency. For the past year or so, Nutritional High has been in contract to purchase the assets of Green Therapeutics that are not owned by AUSA, but has been unable to consummate the sale due to a lack of capital. Interestingly, Green Therapeutics is owned and run by Duke Fu.

Duke Fu is the current CEO of Green Therapeutics, which has an ongoing lawsuit with AUSA. It is hard to see how this represents anything other than a massive conflict of interest between him and AUSA. Who will he represent, AUSA or Green Therapeutics?

To summarize, he orchestrated the sale of certain Green Therapeutics' assets to AUSA when AUSA stock was roughly $1 per share, netting him about $11M in stock. For this, AUSA received 3 premium brands, a valuable piece of land and some potential licenses. With the stock down, Duke now has a severe case of seller's remorse and would like to rescind the original deal, transferring all the assets back to Green Therapeutics at the cost of over $4M to AUSA shareholders. Rather than accept the consequence of a binding transaction, Duke has taken to the courts and frankly endangered the operations of AUSA by muddying the title to a piece of land that the Company could sell for cash to invest in alternate operating assets. As a result, and in an obvious attempt to benefit his litigation and salvage his stalled transaction with Nutritional High, he has hitched his wagon to Terry Booth's Dissident train. But in reality, he is simply being used by Terry and the other Dissidents because he happens to be an aggrieved major shareholder. While Duke has the potential to be the best of the Dissident candidates, with real US cannabis experience, and the experience of building and selling a business, these conflicts would have to be cleared up before AUSA could ever nominate Duke to the Board.

Avi Geller has no discernable cannabis experience. During his run as the interim CEO of the small cap company Parkit Enterprise, the stock has been in free fall. It looks to be a disastrous run as interim CEO. We suspect that Avi, a small and micro capo stock trader, is likely a shareholder of note in one of the interlocking companies that will be bought up using AUSA as the vehicle.

Hanoz Kapadia does not possess public board experience, and while he has some cannabis experience, it is in regional Canadian retail – which does not translate in any way into US cannabis experience, His main experience is in accounting and tax and seems like a potentially valuable board addition. His skills, however valuable, are not critically needed given the current situation at AUSA**.** Over time, as AUSA shifts into operational mode, such skills could be required, and we would be happy to talk to Hanoz at the appropriate time – assuming that his knowledge of accounting extends to US GAAP rules as well.

John Esteireiro is the last person to be nominated on the Dissident slate, having only shown up at the legal deadline for nominees, and is perhaps the most instructive member of the slate when it comes to the dangers that AUSA faces from the Dissidents. John Esteireiro has had a seemingly successful career in the financial markets working at a number of well-known Canadian institutions. In that capacity he was part of teams that underwrote deals for many cannabis companies, including Aurora and Medreleaf Corp.– the acquisition of which by Aurora may go down as one of the single greatest value destroying acts in cannabis history.

But it is when you dig deeper that you see the cracks starting to appear. While not listed anywhere on the Dissident's background information submitted to AUSA pursuant to our advance notice policy, John Esteireiro was the COO of Canadian Cannabis Corp. ("**CCC**"), an early stage cannabis cultivation and distribution company, from shortly after its formation in January of 2014 until he resigned in August of 2015. According to a Statement of Allegations from the Ontario Securities Commission (the "**OSC**"), during this period of time, CCC and John Esteireiro's partners in the venture (Benjamin Ward, Peter Strang and Silvio Serrano) raised over $12M from the public on the back of misleading statements and ostensibly to be used to develop and operate the business. Instead, the OSC has alleged that among

other things, more than $3M of the money was siphoned off and loaned to a company owned by Serrano, with not even an attempt to be repaid. While John Esteireiro is not currently implicated in the allegations, the OSC matter is ongoing, with a confidential hearing to be conducted starting almost immediately after the AUSA shareholder meeting, on November 20, 2020. Given John Esteireiro's close association with CCC during the relevant period, one might expect that he will be called to participate in the proceedings.

It gets worse. A quick Google search (www.theglobeandmail.com/news/national/how-the-mob-controls-marijuana-and-why-it-is-impossible-to-expelthem/article36024206/) reveals that one of those former partners in CCC, Silvio Serrano, is reported to have deep family ties to the Canadian Mafia, with members of his family having been charged with and convicted of numerous crimes, including trafficking of cocaine. The news clipping from which we learned of these troubling circumstances also queries the connections between John Esteireiro himself and Silvio's Serrano's father, noting that during police surveillance of Silvio Serrano's father they identified phone contact with John Esteireiro, as well as three other CCC executives and for which no plausible explanation was offered. It seems like a fair question: Why indeed would the COO and the other executives at CCC be engaging in telephone conversations with the convicted drug trafficker father of one of his business partners?

Given his position as COO of CCC during this period, one has to wonder whether John Esteireiro was aware of these matters, or simply naïve. Either way, it is not a good look for a potential director of a public company to be mentioned in the same breath as securities regulatory investigations for alleged fraud and potential criminal activity.

5. MATERIAL CONFLICTS WITH THE OTHER DISSIDENT DIRECTOR NOMINEES

The Dissidents want to create a Board with a majority of Canadian directors who are not necessarily well known in the Western US cannabis business (except perhaps as a cautionary tale), whereas we have true locals operating in the space. Cannabis in the US is tribal, it is relationship driven, and it takes time to build credibility. The Dissidents believe that if they simply show up, they will be successful – we believe that we need to work hard every day executing on operations. In fact, as part of the shareholder vote, we will be asking shareholders to redomicile the corporation from Alberta to British Columbia to remove the 25% Canadian content rules for the board. Doing so will allow us to attract even more unconflicted US directors to help build shareholder value.

This last comment on conflicts really gets to the heart of the difference in our slates:

- **Terry Booth & Jason Dyck - A**s highlighted above, both Terry Booth and Jason Dyck are former Aurora executives. Their track records of spectacular value destruction at Aurora speaks for itself and does not suggest that they would bring stability nor shareholder-centric stewardship to AUSA's board. Their longstanding relationship, which spans many years and multiple organizations, can be anticipated to be a much more significant driver of board decision-making than the decidedly less personally rewarding obligation to prudently steward corporate assets.

  By way of example, Jason Dyck's loyalty to Terry Booth was most recently rewarded in June, 2020 when, shortly after Terry Booth having been appointed the Executive Chairman of Binovi, Jason Dyck was announced as having been appointed to Binovi's Scientific Advisory Committee. It clearly pays to have friends of influence and it certainly leaves the impression that the value of that relationship continues to pay itself forward with the proposal that Jason Dyck be an "independent" director of AUSA. One can surely speculate as to the relative values of his independence on the board of directors of AUSA as compared to his loyalty to Terry.

- **Duke Fu** – Duke Fu is the current CEO of Green Therapeutics, which has an ongoing lawsuit with AUSA seeking to overturn the transaction entirely and return its AUSA shares. This is a material conflict of interest as it would be impossible for Duke to exercise his fiduciary duty to act in the best interests of AUSA and its shareholders at the same time as he continues to litigate against AUSA, seeking to rescind its original deal

with AUSA. Rescinding the deal would cost AUSA about 20% of its asset base at a minimum his last proposal to management to buy his remaining assets might cost AUSA shareholders as much as 40%.

It is important to keep in mind, of course, that while the lawsuit is in preliminary stages, in management's view the probability of such a negative outcome and the related loss exposure is minimal. No provision in AUSA's financial statements has been recognized as of June 30, 2020.

Nonetheless, shareholders should pause to reflect on the depth of Duke Fu's disdain for AUSA shareholders and shareholder democracy in general in this process. Duke Fu has lent the strength of the significant number of shares that he received as consideration for his prior deal with AUSA to the Dissident campaign to unseat the current board, all while concurrently seeking a judicial decision that would overturn that transaction and have him return those very same shares to AUSA. If he were successful in his litigation he wouldn't own the very shares he purports to use to change the course of AUSA's corporate direction, showing a complete disregard for the interests of those shareholders who actually are and want to remain AUSA shareholders.

- **Duke Fu & Jason Dyck & Adam Szweras** – Of equal concern is that Duke Fu has previously agreed to sell 75% of Green Therapeutics to Nutritional High, a troubled CSE-listed issuer in the midst of a restructuring process, which purports to develop and manufacture branded products in the cannabis industry. Nutritional High's board of directors includes Jason Dyck (a Dissident nominee director and former Aurora director) and Duke Fu, who sits on its scientific panel. Further, the Chairman of the Board of Nutritional High is attorney Adam Szweras, also a director of Aurora and counsel at Fogler Rubinoff LLP, legal advisors to the Dissidents.

- **John Esteireiro –** While it is unclear whether John Esteireiro was simply blissfully unaware at CCC as to the alleged fraud being undertaken or was naïve in his dealings with some shady partners, the facts will shortly play out in the OSC process. In addition, and given that John Esteireiro was owed $1.15M by CCC, payment of which was contingent on getting the company financed, it is almost certain that this failed deal will be newsworthy in the near future, and not in a positive manner.

6. COVID-19 IMPLICATIONS ON THE DISSIDENT DIRECTOR NOMINEES

With the exceptions of Duke Fu and Avi Geller, all nominees on the Dissident slate are Canadian citizens. While the borders are certainly open, they are open with pretty severe restrictions in terms of quarantine. We do not believe that being geographically restricted from management, particularly at a time when deals need to be done, and the board is likely at its most active makes any sense at all. Trapped in Canada and confined to Zoom oversight, the Dissident board would, we believe, be far less effective than having board members directly in the markets – and in many cases knowing and understanding the counterparties and partners AUSA is seeking to forge ties with. We all hope this passes soon, and we are free to travel freely again, but until it does, electing a remote board is reckless.

7. WHO IS REALLY IN CHARGE? AND WHAT WILL FOLLOW?

Since management first heard from the "Concerned Shareholders" group after the announcement of the Passport acquisition by AUSA, there has been a swirling group of interested individuals conspiring to take control of AUSA, not with shareholder interests in mind, but with their very specific self-interest in mind. At first this group was purportedly spearheaded by Roger Sykes, a long-time consigliere of Terry Booth and Duke Fu. They publicly demanded a wholesale change in the Board, while privately willing to concede to a mere majority of the board, and initially disclaimed all involvement of Terry Booth.

Consistent with those initial public indications, on August 7, 2020 the Dissidents put forth a proposed five member board consisting of Duke Fu, Jason Dyck, Hanoz Kapadia, Avi Geller and Paul Vandenbosch. At this point the ruse was still well maintained and Terry Booth's behind the scenes involvement was hidden from view.

However, miraculously, by August 13, 2020, and after some contentious personal phone calls, the real puppet master arrived on scene for the first time, with the addition of Terry Booth to the slate. In further talks, the Dissidents offered up a variety of modified slates with Terry, Jason, Dissident attorney Adam Szweras, a Duke Fu investor and even John Esteireiro as the cast, but always including Terry.

Finally, with the deadline for final advance notice submissions approaching, and with more and more bad news coming out of Aurora, Terry Booth and his advisors must have thought better of his nomination, knowing full well that his track record would be eviscerated and bowed out of the ring, retreating once again to the shadows.

But he still has his hands on the strings. And if shareholders support his Dissident slate of nominees, we have every expectation that the new Board of Dissident nominees will use whatever legal mechanisms are at their disposal to appoint Terry Booth to the Board. Conveniently, AUSA's bylaws contain a standard provision which provides for the appointment of up to an additional 1/3 of directors between meetings and without any shareholder approval, affording Terry Booth a very efficient mechanism to join the Board through the back door rather than walking in through the front.

How consistent that would be with Terry Booth's conduct throughout.

Terry will have thereby achieved his purpose without having entered the ring, and will have his chosen directors there to do his bidding to the detriment of AUSA. Remember, outside of Duke Fu, who is part of the Dissidents for a very personal reason in relation to GT and its past transaction with AUSA and most certainly being used for it, Terry and his cronies have far more to gain doing inside deals with other companies than they do by moving AUSA stock in the right direction.

CONCLUSION

It should be obvious that the Dissident slate is a massively conflicted group of Terry Booth acolytes who seem to share a common skill: losing shareholders' money. To vote to hand the company over to Booth and his share price arsonists is an act of self-immolation – and we doubt any of our shareholders are inclined to burn themselves and their investment.

By contrast, a vote for the Management slate is a vote for a disciplined approach to the US cannabis market. It is a vote to support the company's Land and Expand strategy with historically successful investors in the US cannabis space, and an independent board who will act in the best interest of ALL shareholders.

Since AUSA was spun out of Aurora, the company has jumped from strategy to strategy and the share price has suffered. It is time to bring a steady hand to the company. Management will bring transparency to the company, will follow through on what it says, and will remain consistent in its strategy and in its devotion to creating shareholder value for ALL.

Terry and his cronies had their time back when capital was free, and anything associated with cannabis went straight up. It is time to send them packing once and for all. It is time to **VOTE BLUE**.

YOUR VOTE IS IMPORTANT. ACT TODAY.

SHAREHOLDERS ARE URGED TO VOTE ONLY USING THE ENCLOSED BLUE PROXY OR VOTING INSTRUCTION FORM AND VOTE NO LATER THAN 11:30 AM (MOUNTAIN TIME) ON FRIDAY, NOVEMBER 13, 2020.

DISCARD ANY PROXY OR VOTING INSTRUCTION FORM PROVIDED BY THE DISSIDENTS.

VOTING METHOD	REGISTERED SHAREHOLDERS *If your shares are held in your name and represented by a physical certificate*	BENEFICIAL SHAREHOLDERS *If your shares are held with a broker, bank or other intermediary*
 **INTERNET**	To Vote Your Proxy Online please visit: https://login.odysseytrust.com/pxlogin and click on VOTE. You will require the CONTROL NUMBER printed with your address to the right. If you vote by Internet, do not mail this proxy.	Visit www.proxyvote.com and enter your 12-digit control number located on the enclosed **BLUE** voting instruction form.
 **TELEPHONE**	If you have any questions or require any assistance in executing your **BLUE** form of proxy, please call Gryphon Advisors Inc. at: North American Toll-Free Number: **1-833-490-0586**	**Canada:** **Call 1-800-474-7493** **United States:** **Call 1-800-454-8683** and provide your 12-digit control number located on the enclosed **BLUE** voting instruction form.
 **FACSIMILE**	Fax your **BLUE** form of proxy to **1-800-517-4553** in order to ensure that your vote is received before the deadline.	**Canada**: Fax your **BLUE** voting instruction form to **905-507-7793** or toll free to **1-866-623-5305** in order to ensure that your vote is received before the deadline. **United States:** **N/A**
 **MAIL**	Mail your **BLUE** form of proxy to Odyssey Trust Company Attn: **Proxy Department** **702-67 Yonge St.** **Toronto, ON M5E 1J8**	Mail your **BLUE** voting instruction form in the reply envelope provided.

GRYPHON ADVISORS INC.

If you have any questions or require any assistance in executing your **BLUE** proxy or voting instruction form, please call Gryphon Advisors Inc. at:

North American Toll-Free Number: 1-833-490-0586
Email: inquiries@gryphonadvisors.ca
North American Toll-Free Facsimile: 1-877-218-5372
Facsimile: 1-416-214-3224

For up to date information and assistance in voting please visit the website: www.ausa-corp.com.

YOUR VOTE IS IMPORTANT. ACT TODAY.

SHAREHOLDERS ARE URGED TO VOTE ONLY USING THE ENCLOSED BLUE PROXY OR VOTING INSTRUCTION FORM AND VOTE NO LATER THAN 11:30 AM (MOUNTAIN TIME) ON FRIDAY, NOVEMBER 13, 2020.

RECOMMENDATION TO AUSTRALIS SHAREHOLDERS

Vote Recommendations Vote FOR		Agenda Items
☑	**1.**	**Number of Directors.** To fix the number of directors to be elected at the Meeting at four (4) persons.
	2.	**Elect Nominees as Directors:**
☑		Richard Cutler (Management Nominee)
☑		Sameer Kumar (Management Nominee)
☑		Harry DeMott (Management Nominee)
☑		Roger Swainson (Management Nominee)
☑	**3.**	**Appointment of Auditors.** 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.
☑	**4.**	**Stock Option Plan.** To consider and, if deemed advisable, approve the Corporation's Stock Option Plan for continuance until the Corporation's next annual general meeting.
☑	**5.**	**Restricted Share Unit Plan.** To consider and, if deemed advisable, approve the Corporation's Restricted Share Unit Plan for continuance until the Corporation's next annual general meeting.
☑	**6.**	**Name Change.** 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.
☑	**7.**	**Continuation to British Columbia**. 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 set out in the accompanying Management Information Circular.
☑	**8.**	**By-law Amendment.** To consider and, if deemed advisable, pass an ordinary resolution authorizing the Corporation to amend By-Law No.1 of the Corporation pursuant to subsection 102(2) of the *Business Corporations Act* (Alberta) to provide that meetings of the shareholders may be held entirely virtually.
⊘		**MANAGEMENT ALSO RECOMMENDS THAT SHAREHOLDERS:**
		DISREGARD ANY PROXY MATERIALS RECEIVED FROM THE DISSIDENTS AND DO NOT VOTE FOR ANY OF THEIR NOMINEES.
		IF YOU ARE A BENEFICIAL SHAREHOLDER AND RECEIVE A VOTING INSTRUCTION FORM OR OTHER FORM OF PROXY FROM AN INTERMEDIARY, MANAGEMENT RECOMMENDS THAT YOU VOTE IN THE MANNER INDICATED ABOVE.
		For up to date information and assistance in voting please visit the website: www.ausa-corp.com.

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.lumiagm.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.

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. 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 and on the Corporation's website at 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.

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 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 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.

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.

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

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AUSTRALIS CAPITAL INC.
Suite 190, 376 East Warm Springs Road

Las Vegas, NV 89119
Telephone: 702-538-8400

MANAGEMENT PROXY CIRCULAR

(as at October 6, 2020, except as otherwise indicated)

This Management Proxy Circular (the "Circular" or the "Management Information Circular") is furnished in connection with the solicitation of BLUE proxies by the management of Australis Capital Inc. (the "Corporation" or "Australis") for use at the annual general and special meeting (the "Meeting") of its shareholders to be held on November 17, 2020, at the time and place and for the purposes set forth in the accompanying Notice of the Meeting.

In this Circular, references to the "**Corporation**", "**Australis**", "**we**" and "**our**" refer to Australis Capital Inc. "**Common Shares**" means common shares without par value in the capital of the Corporation. "**Beneficial Shareholders**" means shareholders who do not hold Common Shares in their own name and "**intermediaries**" refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders. "**Registered Shareholder**" means a shareholder who holds Common Shares in its own name and is registered on the share register of the Corporation as of the Record Date.

REPORTING CURRENCY AND FINANCIAL INFORMATION

Except as otherwise indicated in this Management Information Circular, references to "Canadian dollars", "C$" and "$" are to the currency of Canada and references to "U.S. dollars", "US$" or "USD" are to the currency of the United States.

All financial statements and financial data derived therefrom included in this Management Information Circular pertaining to Australis has been prepared in accordance with International Financial Reporting Standards ("**IFRS**").

FORWARD-LOOKING STATEMENTS

This Circular and its schedules, including the documents incorporated by reference, contains "forward-looking information" within the meaning of applicable securities laws concerning the business, operations and financial performance and condition of the Corporation. Statements containing forward-looking information may include, but are not limited to, statements with respect to the value of the Common Shares and estimated transaction costs.

Generally, statements containing forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", "will" or "will be taken", "occur" or "be achieved" or the negative connotation of each. Statements containing forward-looking information are based on the opinions and estimates of the Board as of the date such statements are made, and they are subject to known and unknown risks, uncertainties and other factors.

Information in this Circular is made as of the date of this Circular, unless otherwise indicated and except for information contained in documents incorporated herein by reference, which is given as at the respective dates stated therein, and, accordingly, are subject to change after such date. There may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that statements containing forward-looking

information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. Forward-looking information is provided for the purpose of providing information about management's current expectations and plans and allowing investors and others to get a better understanding of the Corporation's operating environment. The Corporation does not undertake to update any forward-looking information that is incorporated herein, except in accordance with applicable securities laws.

NOTICE REGARDING INFORMATION

No person is authorized to give any information or make any representation not contained or incorporated by reference into this Management Information Circular and, if given or made, such information or representation should not be relied upon as having been authorized. This Management Information Circular does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation of an offer or proxy solicitation. Neither delivery of this Management Information Circular nor any distribution of Common Shares referred to in this Management Information Circular will, under any circumstances, create an implication that there has been no change in the information set forth herein since the date of this Management Information Circular.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of **BLUE** proxies (each, a "**Proxy**") will be primarily by mail, subject to the use of Notice-and-Access Provisions (as defined below) in relation to the delivery of the Circular, but Proxies may be solicited personally or by telephone by directors, officers and regular employees of the Corporation. The Corporation has also engaged Gryphon Advisors Inc. as soliciting agent for the Corporation to solicit **BLUE** Proxies for the Meeting for a fee of $155,000, exclusive of taxes. The Corporation will reimburse Gryphon Advisors Inc. for its reasonable fees and disbursements in this regard. The Corporation will bear all costs of this solicitation. The Corporation has arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and the Corporation may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

Notice-and-Access

Notice-and-Access means provisions ("**Notice-and-Access Provisions**") concerning the delivery of Proxy-related materials to shareholders found in section 9.1.1 of National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**"), in the case of registered shareholders, and section 2.7.1 of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), in the case of Beneficial Shareholders, which allow an issuer to deliver an information circular forming part of Proxy-related materials to shareholders via certain specified electronic means provided that the conditions of NI 51-102 and NI 54-101 are met.

Notice-and-Access Provisions are a mechanism which allows reporting issuers other than investment funds to choose to deliver Proxy-related materials to registered holders and beneficial owners of securities by posting such materials on a non-SEDAR website (usually the reporting issuer's website and sometimes the transfer agent's website) rather than delivering such materials by mail. Notice-and-Access Provisions can be used to deliver materials for both special and general meetings. Reporting issuers may still choose to continue to deliver such materials by mail, and beneficial owners are entitled to request delivery of a paper copy of the information circular at the reporting issuer's expense.

The use of Notice-and-Access Provisions reduces paper waste and mailing costs to the issuer. In order for the Corporation to utilize Notice-and-Access Provisions to deliver Proxy-related materials by posting an information circular (and if applicable, other materials) electronically on a website that is not SEDAR, the Corporation must send a notice to shareholders, including Beneficial Shareholders, indicating that the Proxy-related materials have been posted and explaining how a shareholder can access them or obtain from the Corporation, a paper copy of those

materials. This Management Information Circular has been posted in full on the Corporation's website at www.ausa-corp.com and is also available for viewing under the Corporation's SEDAR profile at www.sedar.com.

In order to use Notice-and-Access Provisions, a reporting issuer must set the record date for notice of the meeting to be on a date that is at least 40 days prior to the meeting in order to ensure there is sufficient time for the materials to be posted on the applicable website and other materials to be delivered to shareholders. The requirements of that notice, which require the Corporation to provide basic information about the Meeting and the matters to be voted on, explain how a shareholder can obtain a paper copy of the Management Information Circular and any related financial statements and Management Discussion and Analysis ("**MD&A**"), and explain the Notice-and-Access Provisions process, have been built into the Notice of Meeting. The Notice of Meeting has been delivered to shareholders by the Corporation, along with the applicable voting document (a form of Proxy in the case of registered shareholders or a voting instruction form in the case of Beneficial Holders).

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 its information circular with the notice to be provided to shareholders with a notice package. The Corporation has elected to provide a paper copy of the Circular to both Registered and 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 Circular.

The Management Information Circular is available for viewing via the Corporation's website at www.ausa-corp.com. Any shareholder who wishes to obtain a paper copy of the Management Information Circular should contact the Corporation at Suite 190, 376 East Warm Springs Road, Las Vegas, NV 89119, or call 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. In order to ensure that a paper copy of the Management Information Circular can be delivered to a requesting shareholder in time for such shareholder to review the Management Information Circular and return a Proxy or voting instruction form prior to the Proxy Deadline, it is strongly suggested that a shareholder ensure their request is received by the Corporation no later than October 30, 2020.

In accordance with the requirements of NI 54-101, the Corporation distributes copies of the Notice of Meeting, this Management Information Circular and the form of Proxy (collectively, the "**Meeting Materials**") to Intermediaries for onward distribution to Beneficial Shareholders. The Corporation does not send Meeting Materials directly to Beneficial Shareholders. Intermediaries are required to forward the Meeting Materials to all Beneficial Shareholders for whom they hold Common Shares unless such Beneficial Shareholders have waived the right to receive them.

Appointment of Proxyholders

The individuals named in the accompanying **BLUE** form of Proxy are officers and/or directors of the Corporation. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or Corporation other than either of the persons designated in the BLUE Proxy, who need not be a shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the BLUE Proxy or by completing and delivering another suitable form of Proxy.**

Voting by Proxyholder

The persons named in the **BLUE** Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The **BLUE** Proxy confers discretionary authority on the persons named therein with respect to:

(a) each matter or group of matters identified therein for which a choice is not specified;

(b) any amendment to or variation of any matter identified therein; and

(c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the BLUE Proxy, the management appointee acting as a proxyholder will vote in favour of each matter identified on the BLUE Proxy and for the nominees of management for directors and auditors as identified in the BLUE Proxy.

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.

Registered Shareholders

You are a Registered Shareholder if the Common Shares you own are registered in your name and appear on a Common Share certificate as of the Record Date.

If you are a Registered Shareholder, you are able to vote on the items of business set out in this Management Information Circular virtually at the Meeting, or, if you are unable to attend the virtual Meeting, by completing and submitting the accompanying **BLUE** form of Proxy in advance of the Meeting.

If you wish to attend and vote at the Meeting, you can log in online as set out below:

- 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; and
- Enter the password "**ausa2020**" (case sensitive).

Once you log in to the virtual Meeting and you accept the terms and conditions, you may (but are not obliged to) revoke any and all previously submitted proxies by voting by ballot on the matters put forth at the Meeting. If you attend the Meeting but do not vote by ballot, your previously submitted proxy will remain valid.

If you do not wish to attend the Meeting, you may either complete and submit the accompanying **BLUE** form of Proxy in advance of the Meeting per the instructions therein or you may authorize another person – called a proxyholder – to attend the Meeting and represent your Common Shares for you. This person does not have to be a shareholder. This is called voting by Proxy. You may either tell your proxyholder how you want to vote, or let them choose for you.

If you are appointing a proxyholder other than the representatives of management of the Corporation whose names are printed on the **BLUE** form of Proxy, **YOU MUST** return your Proxy to Odyssey **AND** register your proxyholder by contacting Odyssey at 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 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.

Please note that voting by Proxy is a distinct and separate procedure for voting as compared to voting electronically through the online virtual meeting platform.

Registered Shareholders may also elect to vote electronically by Proxy in respect of any matter to be acted upon at the Meeting. Votes cast electronically are in all respects equivalent to, and will be treated in the exact same manner as, votes cast via a paper form of Proxy. To vote electronically, interested Registered Shareholders are asked to go to the website shown on the **BLUE** form of Proxy and follow the instructions provided. Please note that each Registered Shareholder exercising the electronic voting option will need to refer to the control number indicated on their Proxy form to identify them in the electronic voting system. Registered Shareholders should also refer to the instructions on the Proxy form for information regarding the deadline for voting shares electronically.

Beneficial Shareholders

You are a Beneficial Shareholder if the Common Shares you own are registered in the name of an intermediary such as your broker, an agent or nominee of that broker or another intermediary. Most shareholders are Beneficial Shareholders. If your Common Shares are listed in an account statement provided to you by a broker, then in almost all cases those Common Shares will not be registered in your name on the records of the Corporation. Such Common Shares will more likely be registered under the names of intermediaries. In Canada the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms), and in the United States, under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depositary for many United States brokerage firms and custodian banks).

There are two kinds of Beneficial Shareholders: Objecting Beneficial Owners ("**OBOs**") who object to their name being disclosed to the issuers of securities they own; or Non-Objecting Beneficial Owners ("**NOBOs**") who do not object to the issuers of the securities they own knowing who they are. The Proxy solicitation materials relating to the Meeting are being mailed to all registered holders and all NOBOs. Broadridge Financial Solutions, Inc. ("**Broadridge**") will complete the mailing to all NOBO holders. As a result, NOBOs can expect to receive a scannable Voting Instruction Form ("**VIF**") from Broadridge. The VIF is to be completed and returned to Broadridge as set out in the instructions provided on the VIF. Broadridge will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by the VIFs they receive.

If you are a Beneficial Shareholder, you will receive a voting instruction form from your intermediary, which will relate to those Common Shares that are held on your behalf. Depending upon the number of Common Shares that you beneficially own, and based on the stratification procedures adopted by the Corporation, you will receive all required documentation under the Notice-and-Access Provisions and may or may not also receive a paper copy of the Management Information Circular. Your intermediary is required by Canadian securities laws to seek voting instructions from you as a Beneficial Shareholder in advance of the Meeting.

These securityholder materials are being sent to both Registered and Beneficial Shareholders of the Corporation utilizing the Notice-and-Access Provisions. If you are a Beneficial Shareholder, and the Corporation or its agent sent

these materials directly to you, your name, address and information about your holdings of securities, were obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

If you wish to vote online at the Meeting, you may only do so as a duly appointed proxyholder for the registered intermediary holder. Beneficial Shareholders who have not duly appointed themselves as proxyholders may attend the Meeting as guests. Guests will be able to listen to the Meeting online, but will not be able to vote or ask questions at the Meeting. This is because our transfer agent, Odyssey, does not have a record of the Corporation's Beneficial Shareholders, and as a result, will have no knowledge of your shareholdings or entitlement to vote, unless you exercise your right to appoint yourself or someone other than the persons listed on the **BLUE** Proxy, as proxyholder. If you wish to do this, you must follow the instructions of your intermediary on how to vote your Common Shares by Proxy.

If you do not wish to attend the online Meeting, you can instruct your intermediary as to how you want your Common Shares to be voted at the Meeting by completing the voting instruction form provided by your intermediary and returning your voting instruction form as instructed by your intermediary. You should carefully follow the voting instructions provided by your intermediary in order to ensure that your Common Shares are voted at the Meeting. The control number printed on the **BLUE** voting information form can be used for internet and telephone voting purposes by the Proxy cut-off; however, that control number will not be valid for online voting at the Meeting.

Remember that your intermediary must receive your voting instruction form in sufficient time for your intermediary to act on it.

If you are appointing a proxyholder (which does not need to be a shareholder) other than the representatives of management of the Corporation whose names are printed on the **BLUE** voting information form, **YOU MUST** register your proxyholder by contacting Odyssey at 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**.

Attending and Voting at the Meeting

Out of an abundance of caution and due to the uncertain public health impact of the global COVID-19 pandemic and in consideration of the health and safety of our shareholders, colleagues and the broader community, this year's meeting will be held in a virtual meeting format only. Registered Shareholders and duly appointed proxyholders, including Beneficial Shareholders who have duly appointed themselves as proxyholders and registered their appointment with Odyssey as described below, 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 and on the Corporation's website at www.ausa-corp.com.

How to Attend the Meeting

Registered Shareholders and duly appointed proxyholders, including Beneficial Shareholders who have duly appointed themselves as proxyholders and registered their appointment with Odyssey as described below, will be able to attend, ask questions and vote online by ballot at the appropriate times during the Meeting. To join the Meeting:

- 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

provided to you by Odyssey after registering your appointment (for duly appointed proxyholders); and

- Enter the password "**ausa2020**" (case sensitive).

Once you log in to the virtual Meeting and you accept the terms and conditions, you may (but are not obliged to) revoke any and all previously submitted proxies by voting by ballot on the matters put forth at the Meeting. If you attend the Meeting but do not vote by ballot, your previously submitted proxy will remain valid.

To find your control number:

- Registered Common Shareholders: The control number is located on the **BLUE** form of Proxy you received.

- Duly appointed proxyholders: Odyssey will provide the proxyholder with a control number after the Proxy voting deadline has passed and the proxyholder has been duly appointed **AND** registered as described in "Voting by Proxy" below.

Guests, including Beneficial Shareholders who have not duly appointed themselves as proxyholder, can listen to the Meeting. Guests are not able to vote or ask questions at the Meeting.

To join the Meeting as a guest:

- Log in online at https://web.lumiagm.com/245085872;

- Click "I am a guest";

- Enter your full name and email address.

If you attend the Meeting online, it is important that you remain connected to the internet for the duration of the Meeting in order to vote when balloting commences. It is your responsibility to ensure that you remain connected. Online check-in will begin one hour prior to the meeting on November 17, 2020, at 10:30 (Mountain Time). The Meeting will begin promptly at 11:30 a.m. (Mountain Time) on November 17, 2020, unless otherwise adjourned or postponed. You should allow ample time for the online check-in procedures. For any technical difficulties or trouble accessing the virtual-only Meeting, please go to: http://go.lumiglobal.com/faq.

Voting by Proxy

Whether or not you plan to attend the Meeting online, Shareholders still vote by submitting their Proxy in advance of the Meeting by one of the methods described in this Management Information Circular and the accompanying **BLUE** form of Proxy or **BLUE** voting information form. Voting by Proxy means you are giving the persons or person named in your **BLUE** form of Proxy the authority to attend the Meeting and vote your Shares for you. The enclosed **BLUE** form of Proxy names Harry DeMott, Chief Executive Officer, or failing him, Daniel Norr, Executive Vice President and Chief Legal Officer, as your proxyholder. You have the right to appoint another person or company to be your proxyholder other than Harry DeMott or Daniel Norr as set out on the **BLUE** form of Proxy. To do so, fill in that person's name in the blank space located near the top of the enclosed **BLUE** form of Proxy and cross out the names of Harry DeMott and Daniel Norr. If you return the attached **BLUE** form of Proxy to Odyssey, and have left the line for the proxyholder's name blank, then Harry DeMott or Daniel Norr will automatically become your proxyholder.

Votes cast by Proxy are in all respects equivalent to, and will be treated in the exact same manner as, votes cast in real-time at the virtual Meeting.

Shareholders who wish to appoint someone other than Harry DeMott or Daniel Norr as their proxyholder to attend the Meeting as their Proxy and vote their Common Shares, including Beneficial Shareholders who wish to appoint

themselves as proxyholder, **MUST** submit their form of Proxy or voting instruction form, as applicable, appointing that person as proxyholder, **AND** register that proxyholder online, as described below. Registering your proxyholder is an additional step that must be completed **AFTER** you have submitted your form of Proxy or voting instruction form. Failure to register the proxyholder will result in the proxyholder not receiving a control number that will act as their online sign-in credentials and is required for them to vote at the meeting. **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 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 Beneficial Shareholder, return your voting instruction form as instructed by your intermediary. Remember that your intermediary must receive your voting instruction form in sufficient time for your intermediary to act on it. You should carefully follow the voting instructions provided by your intermediary in order to ensure that your Shares are voted at the Meeting.

Notice to Shareholders in the United States

The solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of the *Business Corporations Act* (Alberta) (the "**Alberta Act**"), and securities laws of the provinces of Canada. The proxy solicitation rules under the United States Securities Exchange Act of 1934, as amended, are not applicable to the Corporation or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

Canadian public companies are required to prepare financial statements in accordance with IFRS. Accordingly, the financial statements and related notes included herein for Australis have been prepared in accordance with IFRS and are subject to auditing and auditor independence standards in Canada, and thus are not comparable to financial statements and related notes of United States companies prepared in accordance with United States generally accepted accounting principles and the related rules and regulations of the Securities and Exchange Commission.

The enforcement by shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Corporation is incorporated under the Alberta Act, certain of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

Revocation of Proxies

Registered Shareholders

If you want to revoke your Proxy after you have signed and delivered it to Odyssey, but prior to it being acted upon, you may do so by any one of the following methods:

- Delivering another properly executed **BLUE** form of Proxy bearing a later date and delivering it as set out above under the heading "Voting By Proxy" above; or

- By clearly indicating in writing that you want to revoke your Proxy and delivering this written document to the Corporation's legal counsel, McMillan LLP, at 1500 Royal Centre, 1055 West Georgia Street, P. O. Box 11117, Vancouver, British Columbia, V6E 4N7 (attention: Mark Neighbor), at any time up to and including the last business day preceding the day of the Meeting (or a reconvened Meeting in the event of an adjournment of the Meeting) at which the form of Proxy is to be used; or

- By clearly indicating in writing that you want to revoke your Proxy and delivering this written document to the Chair of the Meeting prior to the commencement of the Meeting (or a reconvened Meeting in the event of an adjournment of the Meeting); or

- By logging in to the Meeting online using control number and accepting the terms and conditions (see "Voting Information – Attending and Voting at the Meeting"); or

- By any other manner permitted by law.

If you revoke your Proxy and do not replace it with another form of Proxy that is deposited with Odyssey on or before the deadline of 11:30 a.m. (Mountain Time) on November 13, 2020, you may still vote your Common Shares at the Meeting provided you are a Registered Shareholder whose name appeared on the shareholders' register of the Corporation as at the Record Date and have a valid control number for purposes of logging in to the online Meeting.

Beneficial Shareholders

If you have already sent your completed **BLUE** voting instruction form or **BLUE** form of Proxy to your intermediary and you want to revoke your voting instruction form or Proxy, or want to vote in real time at the Meeting, contact your intermediary to determine whether this is possible and the exact procedures to follow.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Board 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 above will be entitled to vote or to have their Common Shares voted at the Meeting, except to the extent that:

(a) the shareholder has transferred the ownership of any such Common Shares after the Record Date; and

(b) 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 Odyssey no later than 10 days before the Meeting that the transferee's name be included in the list of shareholders in respect thereof.

The Common Shares of the Corporation are listed for trading on the Canadian Securities Exchange (the "**CSE**") and on the OTCQB Venture Market (the "**OTCQB**"), which is operated by the OTC Markets Group Inc. The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of Preferred Shares. As of October 1, 2020, there were 176,199,062 Common Shares issued and outstanding, each carrying the right to vote. There are no Preferred Shares issued and outstanding. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares or the Preferred Shares.

To the knowledge of the directors and executive officers of the Corporation, there are no persons who beneficially own, directly or indirectly, or exercise control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Corporation as at October 1, 2020.

VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein with the exception of the special resolution approving the Corporation's change of name to AUSA Corporation and the special resolution approving the Corporation's continuance into the jurisdiction of British Columbia, each of which requires a special majority of not less than two-thirds of the votes cast by eligible Shareholders present in person or by Proxy who vote in respect of that resolution at the Meeting.

If there are more nominees for election as directors than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled all such nominees will be declared elected or appointed by acclamation.

ELECTION OF DIRECTORS

At the Meeting, shareholders of the Corporation will be asked to fix the number of directors of the Corporation at four (4).

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless a director's office is earlier vacated in accordance with the provisions of the Alberta Act, each director elected will hold office until the conclusion of the next annual meeting of the Corporation or, if no director is then elected, until a successor is elected.

Advance Notice

Pursuant to the Corporation's Bylaws, nominations of persons for election to the Board of the Corporation may be made by a proposal made in accordance with the Alberta Act or a requisition of a shareholder meeting by one or more of the shareholders made in accordance with the provisions of the Alberta Act in circumstances where nominations of persons for election to the Board or Directors are made by shareholders of the Corporation. Nominations of persons for election to the Board may also be made by any person (a "**Nominating Shareholder**") by giving timely notice in proper written form ("**Nominating Notice**") to the Corporation provided that such Nominating Shareholder is, at the close of business on the date of giving such Nominating Notice and at the close of business on the Record Date, a registered or beneficial owner of one or more shares carrying the right to vote at such meeting. The information required in the Nominating Notice is set out in the Corporation's Bylaws.

For a nomination made by a Nominating Shareholder to be timely notice (a "**Timely Notice**"), the Nominating Shareholder's notice must be received by the secretary of the Corporation:

(a) in the case of an annual meeting of shareholders (including an annual and special meeting), not later than close of business on the 30th day prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the 10th day following the Notice Date; and

(b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose which includes the election of directors, not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting is made by the Corporation;

provided that, in either instance, if notice-and-access (as defined in National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*) is used for delivery of Proxy related materials in respect of a meeting, and the Notice Date in respect of the meeting is not less than 50 days prior to the date of the applicable meeting, the notice must be received not later than the close of business on the 40th day before the applicable meeting

(but in any event, not prior to the Notice Date); provided, however, that in the event that the meeting is to be held on a date that is less than 50 days after the Notice Date, notice by the Nominating Shareholder shall be made, in the case of an annual meeting of shareholders, not later than the close of business on the 10th day following the Notice Date and, in the case of a special meeting of shareholders, not later than the close of business on the 15th day following the Notice Date.

In the event of an adjournment or postponement of an annual meeting or special meeting of shareholders or any announcement thereof, a new time period shall commence for the giving of a Timely Notice.

The following disclosure sets out the names of management's four (4) nominees for election as directors, all major offices and positions with the Corporation and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment, the period of time during which each has been a director of the Corporation and the number of Common Shares of the Corporation beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the date of this Information Circular.

Nominee Position with the Corporation and Residence	Occupation, Business or Employment for the last Five Years	Period as a director of the Corporation	Common Shares Beneficially Owned or Controlled[1]
Richard Cutler[2][3] Director Connecticut, USA	Vice President of Corporate Development & Portfolio Analysis at Helen of Troy since 2010	Since October 2, 2020	Nil
Harry DeMott CEO and Director Connecticut, USA	Executive Chairman of A Proper High Inc. and a private investor since 1992	Since April 13, 2019	130,000[4]
Sameer Kumar[2][3] Director California, USA	[Advisor at VIOLA Brands since July 2020. Prior thereto, President and Chief Operating Officer of VIOLA Brands since 2017	Since September 25, 2020	Nil
Roger Swainson[2][3] Director Alberta, Canada	Partner at Swainson Miki Peskett LLP since August 2020. Prior thereto, Partner at Brownlee LLP since 1992	Since June 15, 2018	1,039,350 [5]

Notes:

(1) The information as to Common Shares beneficially owned or controlled is not within the knowledge of the management of the Corporation and has been furnished by the respective nominees for director.

(2) Member of the Corporation's Audit Committee.

(3) Member of the Corporation's Compensation and Corporate Governance Committee.

(4) Mr. DeMott holds options to purchase up to 260,313 Common Shares at an exercise price of $0.18 expiring on March 13, 2025, options to purchase 7,650,000 common shares at an exercise price of $0.13 expiring on October 2, 2025 and 371,563 RSUs.

(5) 96,650 of the Common Shares are held indirectly through a TFSA in the same of Mr. Swainson's spouse. Swainson also holds options to purchase 900,000 Common Shares at an exercise price of $0.20 expiring on August 13, 2023, options to purchase 630,000 Common Shares at an exercise price of $0.98 expiring on April 13, 2024, options to purchase 267,750 Common Shares at an exercise price of $0.65 expiring on October 2, 2024 and options to purchase 260,313 Common Shares at an exercise price of $0.18 expiring on March 13, 2025. Mr. Swainson also holds 443,063 RSUs and warrants to purchase 25,000 Common Shares at an exercise price of $2.64 expiring on October 25, 2020.

Occupation, Business or Employment of Nominees

Richard Cutler, Director

Rick Cutler brings nearly 25 years of experience general management, consumer marketing, and new product development to his position on the Board of Directors. With a track record of driving change, envisioning transformative results, and rejuvenating struggling brands, Mr. Cutler has consistently delivered results through a disciplined strategic and consumer focus, cross-functional leadership, servant leadership managerial style, and creative problem-solving. Mr. Cutler is currently the Vice-President of Corporate Development & Portfolio Analysis at Helen of Troy, a US$1.6 billion company with multiple lines of business, including several leadership brands, including Braun, Honeywell, PUR, Hydro Flask, and OXO. Mr. Cutler has worked there for more than ten years in multiple senior management roles, including General Manager, North America Personal Care. In his current position, Mr. Cutler has led and executed a number of significant corporate acquisitions and divestitures. Throughout his career, he has led brands that span several different categories and consumer segments – big vs. small, classic vs. new, female vs. male. Prior to his experiences at Helen of Troy, he worked in brand management at Clairol (now Procter & Gamble) and advertising at BBDO. Mr. Cutler earned his MBA from NYU's Stern School of Business and a BA from Denison University.

Harry DeMott, CEO and Director

Harry has over 30 years of experience in the U.S. investment community and is a long-time operator and investor in the cannabis, media, sports and entertainment industries. He is based in the suburbs of New York City and is the Executive Chairman of Proper, a data business for branded cannabis products, as well as a founding investor of Columbia Care, a leading multi-state operator. Harry serves on the advisory board of KinState and is an active investor in the cannabis space with further investments in Evolvd and Groundworks (holding company for Serra in Oregon). He is the co-founder of Raptor Ventures I LP, where he has been a General Partner since February 2011. In that capacity, Harry is a member of the Board of Directors of SecurityPoint Media and Ticket Evolution. He serves as founder and managing partner for Hamerle Investments, a family investment company, focused on cannabis, music, and entertainment companies. Prior to co-founding Raptor Ventures, he served on the Board of Directors of Pandora Media, Inc. from 2006 through its IPO in 2011. Further back in his career, Harry was active in the investment business working as an equity research analyst at First Boston (now Credit Suisse) as well as starting a hedge fund, Gothic Capital, and working at two distressed debt funds, King Street Capital and Knighthead Capital. Harry has an MBA from NYU Stern School of Business (1991) and an undergraduate degree in Economics from Princeton University (1988)

Sameer Kumar, Director

From November 2017 to July, 2020, Sameer was the President and Chief Operating Officer of VIOLA Brands, a lifestyle-based cannabis multi-state operator that was founded by former NBA player Al Harrington and is purposefully driven to increase minority ownership in the space. From his oversight of all aspects of the business, Sameer expanded VIOLA into five markets, drove operational and sales efficiencies, resulting in the doubling of production, a double digit increase in sales and an expansion of margins, propelling VIOLA to become one of the largest live resin concentrate brands in Colorado and Oregon, by market share. In July 2020, Sameer transitioned into an advisory role in order to allow him time to focus on other projects. Prior to joining VIOLA, Sameer developed and sold a gaming technology company which he ran out of Costa Rica, as well as served as an investor in a variety of start-ups including an Indian restaurant in his hometown of Pasadena, CA. Sameer holds an MBA from The Wharton School of the University of Pennsylvania 2004 and BA from The University of Southern California 2011

Roger Swainson, Director

Roger Swainson has been a founding partner at Swainson Miki Peskett LLP since its inception in August 2020. , and is Chairman of its business law group. Previously, he was a partner at Brownlee LLP's business law group since 1992. Roger's practice focuses primarily on commercial lending and finance transactions, assisting lenders, mortgage

brokers and mortgage servicers in structuring complex commercial loans and financings. His practice area also includes commercial real estate, advising buyers and sellers of commercial properties of all types, including office, industrial, retail and multiresidential. Roger has extensive experience in creating and developing all types of condominium projects, including phased and mixed-use developments, as well as in condominium governance and operation. He led the team that revised the Alberta Condominium Property Act and Regulations in 2002. Mr. Swainson graduated from the University of Alberta in 1983 with a law degree (LL.B.), and was called to the bar in Alberta (1984), Northwest Territories (1996) and Nunavut (2000).

Cease Trade Orders or Bankruptcies

Within the last 10 years before the date of this Circular, other than as set out below, no proposed nominee for election as a director of the Corporation was a director or executive officer of any company (including the Corporation in respect of which this Circular is prepared) or acted in that capacity for a company that was:

(a) subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation for more than 30 consecutive days;

(b) subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under the securities legislation for a period of more than 30 consecutive days;

(c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;

(d) subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(e) subject to any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Conflicts of Interest

Conflicts of interest may arise as a result of the directors, officers and promoters of the Corporation also holding positions as directors or officers of other companies. Some of the individuals who will be directors and officers of the Corporation have been and will continue to be engaged in the identification and evaluation of assets, businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers of the Corporation will be in direct competition with the Corporation. Conflicts, if any, will be subject to the procedures and remedies provided under Alberta corporate law. Directors who are in a position of conflict under the Alberta Act will abstain from voting on any matters relating to the conflicting company.

FINANCIAL STATEMENTS

The audited financial statements of the Corporation for the year ended March 31, 2020, and the report of the Corporation's auditor thereon, will be placed before the Meeting. Additional information may be obtained upon

request from the Corporation, at Suite 190, 376 East Warm Springs Road, Las Vegas, Nevada 89119; telephone: 702-538-8400. These documents and additional information are also available through the Internet on www.sedar.com.

APPOINTMENT OF AUDITOR

At the Meeting the Board will nominate Baker Tilly LLP for appointment as auditor of the Corporation for the ensuing year. Squar Milner LLP merged with Baker Tilly LLP effective August 20, 2020. Squar Milner LLP was first appointed as auditor of the Corporation effective November 8, 2019.

Baker Tilly LLP, of 18500 Von Karman Ave, 10th Floor, Irvine, CA 92612, will be nominated at the Meeting for reappointment as auditor of the Corporation to hold office until the next annual general meeting of shareholders, at a remuneration to be fixed by the directors. Baker Tilly LLP, formerly known as Squar Milner LLP, was first appointed auditor of the Corporation effective November 8, 2019 to fill the vacancy created by the mutually agreed upon resignation of the Corporation's former auditor MNP, Chartered Professional Accountants. The change of auditor of the Corporation was approved by the Corporation's Audit Committee. A copy of the Notice of Change of Auditor and copies of the supporting letter from each of the former and successor auditors (collectively, the "**Reporting Package**") is attached as Schedule "A" to this Management Information Circular and has been filed on the Corporation's profile at www.sedar.com pursuant to the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations*.

Unless otherwise directed, the persons named in the enclosed BLUE Proxy intend to vote FOR the appointment of Baker Tilly LLP as auditor of the Corporation until the close of the next annual general meeting.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 - *Audit Committees* ("**NI 52-110**") requires the Corporation, as a venture issuer, to disclose annually in its management proxy circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor all as set forth herein below.

The Audit Committee's Charter

The Corporation's Audit Committee (the "**Audit Committee**") has a Charter. A copy of the Audit Committee Charter is attached as Appendix "A" to the Corporation's Final Long Form Prospectus dated August 14, 2018. The Audit Committee Charter is incorporated by reference into this Circular.

Composition of the Audit Committee

The current members of the Corporation's Audit Committee are Roger Swainson, Sameer Kumar and Richard Cutler. Harry DeMott resigned from the audit committee effective September 30, 2020, and was replaced by Sameer Kumar on September 30, 2020. All Audit Committee members are considered to be "independent" and "financially literate" within the meaning of NI 52-110.

An Audit Committee member is independent if the member has no direct or indirect material relationship with the Corporation that could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

An Audit Committee member is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

Relevant Education and Experience

See the disclosure under the heading "*Occupation, Business or Employment of Nominees*" above pertaining to relevant education and experience of the Corporation's Audit Committee members.

Each member of the Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

(a) an understanding of the accounting principles used by the issuer to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;

(b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the issuer's financial statements, or experience actively supervising individuals engaged in such activities; and

(c) an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

The Audit Committee has not made any recommendations to the Board to nominate or compensate any auditor other than its current auditor, Baker Tilly LLP, or its former auditor, MNP LLP.

Reliance on Certain Exemptions

Neither the Corporation's current auditor, Baker Tilly LLP, nor the Corporation's former auditor, MNP LLP, has provided any material non-audit services to the Corporation, therefore the Corporation has not relied on any exemption in Section 2.4 of NI 52-110.

Pre-Approval Policies and Procedures

See the Corporation's Audit Committee Charter for policies and procedures for the engagement of non-audit services.

External Auditor Service Fees

The Audit Committee reviewed the nature and amount of the non-audit services provided by Baker Tilly LLP and MNP LLP to the Corporation to ensure auditor independence. Fees incurred with Baker Tilly LLP and MNP LLP for audit and non-audit services in the last two fiscal years for audit fees are outlined in the following table.

Nature of Services	Fees Paid to Auditor in Year Ended March 31, 2020	Fees Paid to Auditor in Year Ended March 31, 2019
Audit Fees[(1)]	US$90,000	$67,410
Audit-Related Fees[(2)]	Nil	Nil
Tax Fees[(3)]	Nil	$21,400
All Other Fees[(4)]	US$25,000	Nil
Total	US$115,000	$88,810

Notes:

(1) "**Audit Fees**" include fees necessary to perform the annual audit of the Corporation's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) "**Audit-Related Fees**" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "**Tax Fees**" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions and requests for rulings or technical advice from tax authorities.

(4) "**All Other Fees**" include all other non-audit services. The fees related to consultation on the United States Investment Company Act of 1940.

Exemption

Under NI 52-110 the Corporation is a "venture issuer", however, the Corporation is not relying upon the exemption pursuant to section 6.1 relating to Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*) of NI 52-110 as all three members of the Corporation's Audit Committee are independent.

CORPORATE GOVERNANCE

Corporate governance refers to the policies and structure of the board of directors of a company whose members are elected by and are accountable to the shareholders of the company. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Corporation. A "material relationship" is a relationship which could, in the view of the Corporation's Board, be reasonably expected to interfere with the exercise of a director's independent judgment or which is deemed to be a material relationship under NI 52-110.

The Board facilitates its independent supervision over management by holding regular meetings at which members of management or non-independent directors are not in attendance and by retaining independent consultants where it deems necessary.

The independent directors of the Corporation are Richard Cutler, Sameer Kumar and Roger Swainson. The non-independent director is Harry DeMott (CEO).

Directorships

Name of Director	Name of Reporting Issuer	Exchange
Harry DeMott	Workhorse Technologies Inc.	Nasdaq

Orientation and Continuing Education

When new directors are appointed they receive orientation commensurate with their previous experience on the Corporation's properties and on the responsibilities of directors.

Board meetings may also include presentations by the Corporation's management and employees to give the directors additional insight into the Corporation's business.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors' participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation. Further, the Corporation's auditor has full and unrestricted access to the Audit Committee at all times to discuss the audit of the Corporation's financial statements and any related findings as to the integrity of the financial reporting process.

Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Corporation, this policy will be reviewed.

Compensation

The Board is responsible for determining compensation for the officers, employees and non-executive directors of the Corporation. The Board annually reviews all forms of compensation paid to officers, employees and non-executive directors both with regards to the expertise and experience of each individual and in relation to industry peers.

Other Board Committees

The only committee of the Board, other than the Audit Committee, is the Compensation and Corporate Governance Committee, whose members consist of Richard Cutler, Sameer Kumar and Roger Swainson.

Assessments

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees.

STATEMENT OF EXECUTIVE COMPENSATION

General

The following compensation information is provided as required under Form 51-102F6V for Venture Issuers (the "**Form**"), as such term is defined in NI 51-102.

For the purposes of this Statement of Executive Compensation:

"**compensation securities**" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries; and

"**NEO**" or "**named executive officer**" means each of the following individuals:

(a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer ("**CEO**"), including an individual performing functions similar to a CEO;

(b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer ("**CFO**"), including an individual performing functions similar to a CFO;

(c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than $150,000 for that financial year;

(d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, requirements and was not acting in a similar capacity, at the end of that financial year.

During the financial year ended March 31, 2020, based on the definition above, the NEOs of the Corporation were Cleve Tzung, Chief Operating Officer ("**COO**") former CEO, former Executive Vice-President ("**EVP**") and former Chief Revenue Officer; Alex Han, CFO, EVP and former Chief Accounting Officer; Scott Dowty, former CEO and former Executive Chairman; and Michael Carlotti, former CFO and former EVP.

Director and NEO compensation

The following table sets forth all annual and long term compensation for services paid to or earned by each of the NEOs and directors during the Corporation's two most recent financial years ended March 31, 2020 and 2019.

Table of compensation excluding compensation securities							
Name and Principal Position	**Year**	**Salary, consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of Perquisites ($)**	**Value of all other compensation ($)**	**Total compensation ($)**
Cleve Tzung COO, Former CEO, Former EVP and Former Chief Revenue Officer[1]	2020	$270,536	$242,697	Nil	Nil	$32,288	$545,520
	2019	$102,786	$48,664	Nil	Nil	Nil	$151,450
Alex Han CFO, EVP and Former Chief Accounting Officer [2]	2020	$230,034	$198,767	Nil	Nil	$8,158	$436,959
	2019	$61,163	$29,863	Nil	Nil	Nil	$91,026
Scott Dowty Former Executive Chairman and Former CEO[3]	2020	$332,557	$297,511	Nil	Nil	$19,751	$649,818
	2019	$272,591	$193,878	Nil	Nil	Nil	$466,469
Michael Carlotti Former CFO and Former EVP[4]	2020	$283,814	Nil	Nil	Nil	$12,400	$296,214
	2019	$189,276	$162,518	Nil	Nil	Nil	$351,794

Table of compensation excluding compensation securities							
Name and Principal Position	**Year**	**Salary, consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of Perquisites ($)**	**Value of all other compensation ($)**	**Total compensation ($)**
Roger Swainson Director[5]	2020	Nil	$40,000[9]	Nil	Nil	Nil	$40,000
	2019	Nil	Nil	Nil	Nil	Nil	Nil
John Dover Former Director[6]	2020	Nil	$40,000[9]	Nil	Nil	Nil	$40,000
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Harry DeMott CEO and Director[7]	2020	Nil	$40,000[9]	Nil	Nil	Nil	$40,000
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Arlene Dickinson Former Director[8]	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) Mr. Tzung acted as EVP and Chief Revenue Officer from February 5, 2020 to June 25, 2020, and acted as CEO from June 25, 2020 to September 30, 2020. On September 30, 2020 Mr. Tzung was named Chief Operating Officer.

(2) Ms. Han was appointed as Chief Accounting Officer, Interim Chief Financial Officer and EVP on January 15, 2020. On January 15, 2020 Ms. Han was appointed as interim CFO and on June 25, 2020 was appointed as full time CFO.

(3) Mr. Dowty acted as CEO from June 15, 2018 until June 25, 2020, when his position changed to Executive Chairman. Mr. Dowty resigned from his position as Executive Chairman effective September 3, 2020.

(4) Mr. Carlotti served as CFO and EVP from September 24, 2018 to January 15, 2020.

(5) Mr. Swainson was appointed as a director on June 15, 2018.

(6) Mr. Dover was appointed as a director on June 15, 2018 and resigned as director effective October 2, 2020.

(7) Mr. DeMott was appointed as a director on April 13, 2019, and was appointed as CEO on September 30, 2020.

(8) Ms. Dickinson resigned as a director effective April 16, 2019.

(9) Each board member received a one-time annual bonus of $40,000 for services provided in the fiscal year 2020.

Stock Options and Other Compensation Securities

Option-Based Awards

The Corporation has a "rolling" stock option plan dated June 15, 2018, as amended April 13, 2019 and August 15, 2019 (the "**Option Plan**"), under which the Board may from time to time in its discretion, grant to directors, officers, employees and consultants of the Corporation non-transferable stock options (each, a "**Option**") to purchase Common Shares. The Option Plan was last approved by the Shareholders at the last annual general and special meeting held on September 27, 2019.

The Option Plan provides that the number of Common Shares available for purchase under Options granted pursuant to the Option Plan, plus any other outstanding incentive stock options of the Corporation granted pursuant to a previous stock option plan or agreement plus any RSUs granted pursuant to the Corporation's Restricted Share Unit Plan (as the same may be amended from time to time), will not exceed 15% of the issued and outstanding Common Shares of the Corporation. If any Option expires or otherwise terminates for any reason without having been exercised in full,

the number of Common Shares in respect of such expired or terminated Option shall again be available for the purposes of granting Options pursuant to this Plan.

The principal purpose of the Option Plan is to advance the interests of the Corporation by encouraging the directors, employees and consultants of the Corporation and of its subsidiaries or affiliates, if any, by providing them with the opportunity, through options, to acquire Common Shares in the share capital of the Corporation, thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs.

Material Terms of the Option Plan

The following is a summary of the material terms of the Option Plan:

(a) persons who are consultants to the Corporation or its affiliates, or who are providing services to the Corporation or its affiliates, are eligible to receive grants of Options under the Option Plan;

(b) Options granted under the Option Plan are non-assignable, and non-transferable;

(c) an Option granted to any consultants will expire within 30 days after the date the Option Holder (as defined in the Option Plan) ceases to be employed by or provide services to the Corporation unless the Option Holder ceases to be hold such position as a result of (i) termination for cause; (ii) resigning his or her position; or (iii) an order made by any regulatory authority having jurisdiction to so order, in which case the expiry date of the date the Option Holder ceases to hold such position;

(d) if an Option Holder dies, any Options held by such Option Holder shall pass to the personal representative of the Option Holder and shall be exercisable by the personal representative on or before the date which is the earlier of one year following the date of death and the applicable Expiry Date;

(e) the exercise price of each Option will be set by the Board on the effective date of the Option and will not be less than the Market Value (as defined in the Option Plan);

(f) the vesting schedule for an option, if any, shall be determined by the Board and shall be set out in the Option Certificate (as defined in the Option Plan) issued in respect of the option; and

(g) the Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the Option Plan with respect to all Option Plan Common Shares in respect of options which have not yet been granted under the Option Plan.

A copy of the Option Plan can be found on the Corporation's SEDAR profile at www.sedar.com.

Restricted Share Unit Plan

The Corporation has a restricted share unit plan dated November 13, 2018, as amended April 13, 2019 and August 15, 2019 (the "**RSU Plan**"), which provides that the maximum number of Common Shares made available for issuance pursuant to the RSU Plan shall be determined from time to time by the Board, but in any case, shall not exceed 15% of the Common Shares issued and outstanding from time to time, less any Common Shares reserved for issuance under all other share compensation arrangements, subject to adjustments as provided in the RSU Plan. The RSU Plan is a "rolling plan" and therefore when RSUs are cancelled (whether or not upon payment with respect to vested RSUs) or terminated, Common Shares shall automatically be available for issuance pursuant to the RSU Plan. The RSU Plan was last approved by the Shareholders at the last annual general and special meeting held on September 27, 2019.

Nature and Administration of the RSU Plan

All Directors, Officers, Consultants and Employees (as defined in the RSU Plan) of the Corporation and its related entities ("**Eligible Persons**") are eligible to participate in the RSU Plan (as "**Participants**"), and the Corporation reserves the right to restrict eligibility or otherwise limit the number of persons eligible for participation as Participants in the RSU Plan. Eligibility to participate as a Participant in the RSU Plan does not confer upon any person a right to receive an award of RSUs.

Subject to certain restrictions, the Board or its appointed committee (the "**Board**"), can, from time to time, award RSUs to Eligible Persons. RSUs will be credited to an account (an "**Account**") maintained for each Participant on the books of the Corporation as of the award date. The number of RSUs to be credited to each Participant's account shall be determined at the discretion of the Board and pursuant to the terms of the RSU Plan.

RSUs and all other rights, benefits or interests in the RSU Plan are not transferable or assignable otherwise than by will or the laws of descent and distribution, and shall be exercisable during the lifetime of the Participant only by the Participant and after death only by the Participant's legal representative.

Credit for Dividends

A Participant's Account will be credited with additional RSUs (the "**Dividend RSUs**") as of each dividend payment date in respect of which cash dividends are paid on Common Shares. The number of Dividend RSUs credited to a Participant's Account in connection with the payment of dividends on Common Shares will be based on the actual amount of cash dividends that would have been paid to such Participant had he or she been holding such number of Common Shares equal to the number of RSUs credited to the Participant's Account on the date on which cash dividends are paid on the Common Shares and the market price of the Common Shares on the payment date. The Corporation is not obligated to pay dividends on Common Shares.

Resignation, Termination, Leave of Absence or Death

Generally, if a Participant's employment or service is terminated, or if the Participant resigns from employment with the Corporation, then all RSUs held by the Participant (whether vested or unvested) shall terminate automatically upon the termination of the Participant's service or employment.

In the event a Participant is terminated by reason of (i) termination by the Corporation other than for cause or (ii) the Participant's death, the Participant's unvested RSUs shall vest automatically as of such date. In the event the termination of the Participant's services by reason of voluntary resignation, only the Participant's unvested RSUs shall terminate automatically as of such date.

Change of Control

In the event of a Change of Control, the Board may, in its discretion, without the necessity or requirement for the agreement or consent of any Participant: (i) accelerate, conditionally or otherwise, on such terms as it sees fit, the vesting date of any RSU; (ii) permit the conditional settlement of any RSU, on such terms as it sees fit; (iii) otherwise amend or modify the terms of the RSU, including for greater certainty permitting Participants to settle any RSU, to assist the Participants to tender the underlying Common Shares to, or participate in, the actual or potential Change of Control Event (as defined in the RSU Plan) or to obtain the advantage of holding the underlying Common Shares during such Change of Control Event; and (iv) terminate, following the successful completion of such Change of Control Event, on such terms as it sees fit, the RSUs not settled prior to the successful completion of such Change of Control Event, including, without limitation, for no payment or other compensation. The determination of the Board in respect of any such Change of Control Event shall for the purposes of this RSU Plan be final, conclusive and binding.

Adjustments

In the event there is a change in the outstanding Common Shares by reason of any stock dividend or split, recapitalization, amalgamation, consolidation, combination or exchange of shares, or other corporate change, the Board shall make, subject to the prior approval of the CSE where necessary, appropriate substitution or adjustment in (i) the number or kind of Common Shares or other securities reserved for issuance pursuant to the RSU Plan, and (ii) the number and kind of Common Shares or other securities subject to unsettled and outstanding RSUs granted pursuant to the RSU Plan.

Vesting

Each award of RSUs vests on the date(s) (the "**Vesting Date**") specified by the Board on the award date, and reflected in the applicable RSU agreement certificate.

Limitations under the RSU Plan

The maximum number of Common Shares made available for issuance pursuant to the RSU Plan shall be determined from time to time by the Board, but in any case, shall not exceed 15% of the Common Shares issued and outstanding from time to time, less any Common Shares reserved for issuance under all other share compensation arrangements, subject to adjustments as provided in the RSU Plan.

A copy of the RSU Plan can be found on the Corporation's SEDAR profile at www.sedar.com.

Outstanding Compensation Securities

The following table sets forth all compensation securities granted or issued to each director and named executive officer by the Corporation in the financial years ended March 31, 2020, for services provided or to be provided, directly or indirectly, to the Corporation, or a subsidiary of the Corporation.

Compensation Securities							
Name and Position	**Type of Compensation Security**	**Number of Compensation Securities, underlying securities and percentage of class [1] (# / %)**	**Date of Grant or Issue (mm/dd/yy)**	**Issue, conversion or exercise price ($)**	**Closing price of security or underlying security on date of grant ($)**	**Closing price of security or underlying security at year end ($)**	**Expiry Date (mm/dd/yy)**
Cleve Tzung COO, former CEO, former EVP and former Chief Revenue Officer[2]	Stock Options	540,000 (0.32%)	4/13/2019	0.98	0.98	0.195	4/13/2024
		236,250 (0.13%)	10/4/2019	0.65	0.65		10/4/2024
		288,028 (0.17%)	3/11/2020	0.18	0.145		3/11/2025
	RSUs	135,000 (0.08%)	4/13/2019	N/A	0.98	0.195	4/13/2022
		101,250 (0.05%)	10/4/2019	N/A	0.65		10/4/2022
		123,441 (0.072%)	3/11/2020	N/A	0.145		3/11/2023

Compensation Securities							
Name and Position	**Type of Compensation Security**	**Number of Compensation Securities, underlying securities and percentage of class [1] (# / %)**	**Date of Grant or Issue (mm/dd/yy)**	**Issue, conversion or exercise price ($)**	**Closing price of security or underlying security on date of grant ($)**	**Closing price of security or underlying security at year end ($)**	**Expiry Date (mm/dd/yy)**
Alex Han CFO, EVP and former Chief Accounting Officer[3]	Stock Options	240,000 (0.14%)	4/13/2019	0.98	0.98	0.195	4/13/2024
		84,000 (0.05%)	10/4/2019	0.65	0.65		10/4/2024
		419,409 (2.4%)	3/11/2020	0.18	0.145		3/11/2025
	RSUs	60,000 (0.04%)	4/13/2019	N/A	0.98	0.195	4/13/2022
		36,000 (0.021%)	10/4/2019	N/A	0.65		10/4/2022
		179,747 (0.10%)	3/11/2020	N/A	0.145		3/11/2023
Scott Dowty Former Executive Chairman and former CEO[4]	Stock Options	1,750,000 (1.03%)	4/13/2019	0.98	0.98	0.195	4/13/2024
		673,750 (0.39%)	10/4/2019	0.65	0.65		10/4/2024
		1,301,563 (0.77%)	3/11/2020	0.18	0.145		3/11/2025
	RSUs	437,500 (0.26%)	4/13/2019	N/A	0.98	0.195	4/13/2022
		557,813 (3.2%)	10/4/2019	N/A	0.65		10/4/2022
		288,750 (0.16%)	3/11/2020	N/A	0.145		3/11/2023
Roger Swainson Director[5]	Stock Options	630,000 (0.37%)	4/13/2019	0.98	0.98	0.195	4/13/2024
		267,750 (0.15%)	10/4/2019	0.65	0.65		10/4/2024
		260,313 (0.15%)	3/11/2020	0.18	0.145		3/11/2025
	RSUs	157,500 (0.09%)	4/13/2019	N/A	0.98	0.195	4/13/2022
		114,750 (0.067%)	10/4/2019	N/A	0.65		10/4/2022
		111,563 (0.065%)	3/11/2020	N/A	0.145		3/11/2023
	Stock Options	630,000 (0.37%)	4/13/2019	0.98	0.98	0.195	4/13/2024

Compensation Securities							
Name and Position	**Type of Compensation Security**	**Number of Compensation Securities, underlying securities and percentage of class [(1)] (# / %)**	**Date of Grant or Issue (mm/dd/yy)**	**Issue, conversion or exercise price ($)**	**Closing price of security or underlying security on date of grant ($)**	**Closing price of security or underlying security at year end ($)**	**Expiry Date (mm/dd/yy)**
John Dover Former Director[(6)]		267,750 (0.16%)	10/4/2019	0.65	0.65		10/4/2024
		260,313 (0.15%)	3/11/2020	0.18	0.145		3/11/2025
	RSUs	1,200,000 (0.71%)	4/13/2019	N/A	0.98		4/13/2022
		114,750 (0.067%)	10/4/2019	N/A	0.65	0.195	10/4/2022
		111,563 (0.065%)	3/11/2020	N/A	0.145		3/11/2023
Harry DeMott CEO and Director[(7)]	Stock Options	1,200,000 (0.71%)	4/13/2019	0.98	0.98		4/13/2024
		210,000 (0.15%)	10/4/2019	0.65	0.65	0.195	10/4/2024
		260,313 (0.15%)	3/11/2020	0.18	0.145		3/11/2025
	RSUs	300,000 (0.18%)	4/13/2019	N/A	0.98		4/13/2022
		90,000 (0.05%)	10/4/2019	N/A	0.65	0.195	10/4/2022
		111,563 (0.065%)	3/11/2020	N/A	0.145		3/11/2023

Notes:

(1) All of the Options noted in the table above vest on the basis of 1/3 of the Options vesting 12 months from the date of grant, 1/3 of the Options vesting 24 months from the date of grant and 1/3 of the Options vesting 36 months from the date of grant. All of the RSUs listed in the above table vest on the basis of 1/3 of the RSUs vesting 12 months from the date of grant, 1/3 of the RSUs vesting 24 months from the date of grant and 1/3 of the RSUs vesting 35 months from the date of grant.

(2) Mr. Tzung acted as EVP and Chief Revenue Officer from February 5, 2020, 2019 to June 25, 2020, and acted as CEO from June 25, 2020 to September 30, 2020. On September 30, 2020 Mr. Tzung was named Chief Operating Officer.

(3) Ms. Han was appointed as Chief Accounting Officer, Interim Chief Financial Officer and EVP on January 15, 2020. On January 15, 2020 Ms. Han was appointed as interim CFO and on June 25, 2020 was appointed as full time CFO.

(4) Mr. Dowty acted as CEO from June 15, 2018 until June 25, 2020, when his position changed to Executive Chairman. Mr. Dowty resigned from his position as Executive Chairman effective September 3, 2020.

(5) Mr. Swainson was appointed as a director on June 15, 2018.

(6) Mr. Dover was appointed as a director on June 15, 2018 and resigned as director effective October 2, 2020.

(7) Mr. DeMott was appointed as a director on April 13, 2019, and was appointed as CEO on September 30, 2020.

Exercise of Compensation Securities by NEOs and Directors

The following are options exercised by any Director or NEO of the Corporation during the financial year ended March 31, 2020.

Exercise of Compensation Securities by Directors and NEOs							
Name and position	**Type of compensation security**	**Number of underlying securities exercised**	**Exercise price per security ($)**	**Date of exercise**	**Closing price per security on date of exercise ($)**	**Difference between exercise price and closing price on date of exercise ($)**	**Total value on exercise date ($)**
Arlene Dickinson Former Director	Options	900,000 Common Shares	$0.20	May 15, 2019	$1.02	$0.82	$738,000
	RSUs	225,000 Common Shares	N/A	May 15, 2019	$1.02	$1.02	$229,500

Employment, consulting and management agreements

Other than the executive employment agreements with Harry DeMott, Scott Dowty, Cleve Tzung and Alex Han, the material terms of which are set forth below, the Corporation did not have any compensation agreements or arrangements that the Corporation or any of its subsidiaries entered into with respect to services provided during the financial year ended March 31, 2020 by an NEO, a director or any other party in the event such services provided are typically provided by a directors or NEO.

Harry DeMott Employment Agreement

The Corporation entered into an employment agreement dated October 5, 2020 with Harry DeMott (the "**DeMott Employment Agreement**"), whereby the Corporation agreed to employ Mr. DeMott in the position of CEO. Pursuant to the DeMott Employment Agreement, Harry DeMott is paid an annual base salary of US$120,000 and is eligible for an additional discretionary bonus as determined by the Compensation Committee of the Board of Directors, which may be payable in stock or restricted stock, as determined by the Compensation Committee.

If the DeMott Employment Agreement is terminated for any reason other than "with cause", the Corporation is required to pay to Mr. DeMott:

i. twelve (12) months' annual salary and any salary earned, but not yet paid, to the date of termination;

ii. a lump sum equal to the average of the prior two year-end bonuses;

iii. twelve (12) months' continued group medical insurance benefits or the lump sum cash equivalent;

iv. benefits to the date of termination; and

v. the Corporation will accelerate the vesting of any unvested Options and extend the exercise date for all Options and RSUs for one year.

Cleve Tzung Employment Agreement

The Corporation entered into an employment agreement dated October 7, 2020 to be effective October 12, 2020 with Cleve Tzung (the "**Tzung Employment Agreement**") whereby the Corporation agreed to employ Mr. Tzung in the position of Chief Operating Officer. Pursuant to the Tzung Employment Agreement, Cleve Tzung is paid an annual base salary of US$180,000 and is eligible for additional discretionary bonus as determined by the Compensation Committee of the Board of Directors, which may be payable in stock or restricted stock, as determined by the Compensation Committee.

If the Tzung Employment Agreement is terminated for any reason other than "with cause", the Corporation is required to pay to Mr. Tzung:

i. twelve (12) months' annual salary and any salary earned, but not yet paid, to the date of termination;

ii. a lump sum equal to the average of the prior two year-end bonuses;

iii. twelve (12) months' continued group medical insurance benefits or the lump sum cash equivalent;

iv. benefits to the date of termination; and

v. the Corporation will accelerate the vesting of any unvested Options and extend the exercise date for all Options and RSUs for one year.

Alex Han Employment Agreement

The Corporation entered into an employment agreement dated October 7, 2020 to be effective October 12, 2020 with Jungah "Alex" Han (the "**Han Employment Agreement**") whereby the Corporation agreed to employ Ms. Han in the position Chief Financial Officer. Pursuant to the Han Employment Agreement, Alex Han is paid an annual base salary of US$180,000 and is eligible for an additional discretionary bonus as determined by the Compensation Committee of the Board of Directors, which may be payable in stock or restricted stock, as determined by the Compensation Committee.

If the Han Employment Agreement is terminated for any reason other than "with cause", the Corporation is required to pay to Ms. Han:

i. twelve (12) months' annual salary and any salary earned, but not yet paid, to the date of termination;

ii. a lump sum equal to the average of the prior two year-end bonuses;

iii. twelve (12) months' continued group medical insurance benefits or the lump sum cash equivalent;

iv. benefits to the date of termination; and

v. the Corporation will accelerate the vesting of any unvested Options and extend the exercise date for all Options and RSUs for one year.

Scott Dowty Employment Agreement

The Corporation entered into an employment agreement dated June 25, 2018 (the "**Dowty Employment Agreement**") with Scott Dowty, whereby the Corporation agreed to employ Mr. Dowty in the position of CEO. His position subsequently changed from CEO to Executive Chairman on June 25, 2020 and he subsequently resigned as Executive Chairman and director on September 3, 2020. Pursuant to the Dowty Employment Agreement, Scott Dowty was paid an annual base salary of USD$240,000 and was eligible for a target year-end bonus equal to (50%), to a maximum of (80%), of the annual salary.

If the Dowty Employment Agreement was terminated for any reason the Corporation was required to pay to Mr. Dowty:

i. twenty-four (24) months annual salary and any salary earned, but not yet paid, to the date of termination;

ii. continuing medical coverage for Mr. Dowty and his family for one year;

iii. an amount equal to the sum of the year-end bonuses received by Mr. Dowty for the prior two fiscal years divided by two;

iv. reimbursement for any unreimbursed business expenses incurred by Mr. Dowty prior to the date his termination; and

v. benefits to the date of termination;

(collectively, the "**Dowty Termination Payments**").

In the event Mr. Dowty was terminated without cause or the Dowty Employment Agreement was terminated by Mr. Dowty with good reason, in addition to the Dowty Termination Payments, the Corporation was required to pay to Mr. Dowty an amount equal to one and one half times the annual salary at the time of termination (which is equal to one year's annual salary and the minimum target year-end bonus, Mr. Dowty would have been eligible to receive) and any vested stock awards or grants. In the event that the Dowty Employment Agreement was terminated by death or total disability, for cause or if the Dowty Employment Agreement was terminated by Mr. Dowty not for good reason, the Corporation had no obligation to Mr. Dowty except for the Dowty Termination Payments.

On September 3, 2020, the Corporation entered into a Severance Agreement with Mr. Dowty (the "**Severance Agreement**") in connection with his resignation as a director and Executive Chairman of the Corporation. Pursuant to the Severance Agreement Mr. Dowty agreed to forgo all cash severance and to surrender his unvested stock options. Mr. Dowty retained his 1,554,896 previously awarded RSUs which were deemed fully vested and settled through the issuance of 1,554,896 Common Shares and the Corporation also issued to Mr. Dowty 4,250,000 Common Shares. The Corporation also agreed to provide medical insurance coverage for Mr. Dowty and his family until the first anniversary of the date of the Severance Agreement (if this is not permitted the Company will make a one-time payment to Mr. Dowty in the amount of US$25,000).

Oversight and description of director and NEO compensation

The Corporation's compensation policies and programs are designed to recognize and reward executive performance consistent with the success of the Corporation's business. These policies and programs are intended to attract and retain capable and experienced people. The Board's role and philosophy is to ensure that the Corporation's

compensation goals and objectives, as applied to the actual compensation paid to the Corporation's CEO and other executive officers, are aligned with the Corporation's overall business objectives and with shareholder interests.

The Board considers a variety of factors when determining both compensation policies and programs and individual compensation levels. These factors include the long-range interests of the Corporation and its shareholders, overall financial and operating performance of the Corporation and the Board's assessment of each executive's individual performance and contribution toward meeting corporate objectives.

The Board assumes responsibility for reviewing and monitoring the long-range compensation strategy for the senior management of the Corporation based on recommendations of the Corporation's Compensation and Corporate Governance Committee. The Compensation and Corporate Governance Committee recommends the type and amount of compensation for the executive officers. The Compensation and Corporate Governance Committee also reviews the compensation of the Corporation's senior executives and reviews the strategic objectives of the Corporation's share option plan and recommends stock based compensation, and considers any other matters which in its judgment should be taken into account in reaching conclusions concerning the compensation levels of the Corporation's executive officers.

Philosophy and Objectives

The compensation program for the Corporation's senior management is designed to ensure that the level and form of compensation achieves certain objectives, including:

(a) attracting and retaining talented, qualified and effective executives;

(b) motivating the short and long-term performance of these executives; and

(c) better aligning their interests with those of the Corporation's shareholders.

Elements of the Compensation Program

In compensating its senior management, the Corporation employs a combination of base salary, performance bonuses and equity participation through its Option Plan and RSU Plan.

Base Salary

In the Board's view, paying base salaries competitive in the markets in which the Corporation operates, is a first step to attracting and retaining talented, qualified and effective executives.

Equity Participation

The Corporation believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Corporation's Option Plan and RSU Plan. Share options and RSUs are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and competitive factors. The amounts and terms of options granted are determined by the Board based on recommendations of the Compensation and Corporate Governance Committee.

See "Securities Authorized for Issuance under Equity Compensation Plans" below.

Given the evolving nature of the Corporation's business, the Board continues to review and redesign the overall compensation plan for senior management so as to continue to address the objectives identified above.

Director Compensation

The directors receive no cash compensation for acting in their capacity as directors of the Corporation.

Except for the grant to directors of share options and RSUs, and a one-time bonus of $40,000 CAD for services provided in the fiscal year 2020 there are no arrangements under which directors were compensated by the Corporation during the two most recently completed financial years for their services in their capacity as directors.

Actions, Decisions and Policies Made following March 31, 2020 Financial Year End

Effective October 12, 2020 the annual salaries paid to Cleve Tzung, COO and former CEO, and Alex Han, EVP and CFO, were both set at $180,000 (USD).

Pension Plan

The Corporation does not have a pension plan for any of its Directors or NEOs.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out equity compensation plan information as at March 31, 2020.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	**(a)**	**(b)**	**(c)**
Equity compensation plans approved by securityholders - (Stock Option Plan)	18,965,263 Common Shares	$0.57	1,147,896 Options[(1)]
Equity compensation plans not approved by securityholders - (RSU Plan)	5,378,440 Common Shares	N/A	1,147,896 RSUs[(1)]
Total	**24,343,703 Common Shares**		1,147,896 Options/RSUs[(1)]

Note:

1. Under the Corporation's Stock Option Plan and Restricted Share Unit Plan, the Corporation may grant stock options and RSUs that, in the aggregate, do not exceed a maximum of 15% of the issued and outstanding Common Shares of the Corporation. As of March 31, 2020, 169,943,997 Common Shares were issued and outstanding.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates or other management of the Corporation were indebted to the Corporation as of the end most recently completed financial year or as at the date hereof.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

An informed person is one who generally speaking is a director or executive officer or a 10% shareholder of the Corporation. To the knowledge of management of the Corporation, except as set forth below, no informed person or nominee for election as a director of the Corporation or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Corporation

or any of its subsidiaries during the year ended March 31, 2020, or has any interest in any material transaction in the current year or as otherwise set out herein.

On October 29, 2019, the Company entered into a License, Development and Services Agreement with Passport Technology Canada, Ltd. ("**Passport**"), a company majority owned by the Corporation's former CEO, Scott Dowty. Passport is a developer of technology-based products and services for highly regulated payments, gaming and financial institutions. Pursuant to the agreement, the Corporation acquired the exclusive right for a period of 10 years, to use Passport's proprietary platform, technology and expertise to develop a self-service kiosk for retailers, initially focused on the global cannabis dispensary market. The Corporation paid consideration of $5,450,880 (based on an exchange rate of CAD$1.306/USD$1.00), consisting of a cash payment of US$375,000, 1,829,219 Common Shares at a deemed price of US$0.44 per Common Share and 5,000,000 common shares of Body and Mind Inc. at a deemed price of US$0.598 per share.

MANAGEMENT CONTRACTS

The business of the Corporation is managed by its directors and officers and the Corporation has no management agreement with persons who are not officers or directors of the Corporation.

PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

Receipt of Financial Statements

The financial statements of the Corporation together with the auditor's report thereon for the fiscal year ended March 31, 2020 will be tabled at the Meeting.

Fixing the Number of Directors

At the Meeting, shareholders will be asked to fix the number of directors of the Corporation for the ensuing year at four (4) persons.

The Board of Directors unanimously recommends that shareholders vote FOR fixing the number of directors of the Corporation for the ensuing year at four (4) persons.

The persons named in the BLUE Proxy intend to cast the votes received in favour of management FOR fixing the number of directors of the Corporation for the ensuing year at four (4) persons unless the shareholder has specified in the Proxy that his or her Common Shares are to be voted against such resolution.

Election of Directors

At the Meeting, shareholders will be asked to vote on an ordinary resolution to elect the proposed directs set forth in "Election of Directors".

The Board of Directors unanimously recommends that shareholders vote FOR the election of each of the director nominees listed in this Management Information Circular.

The Corporation is not aware that any of the director nominees listed in this Management Information Circular will be unable or unwilling to serve; however, should the Corporation become aware of such an occurrence before the election of directors takes place at the Meeting, the persons named in the **BLUE** Proxy reserve the right to vote in favour of any other nominee that Management may recommend.

The persons named in the BLUE Proxy intend to cast the votes received in favour of management FOR the proposed directors set forth in "Election of Directors" unless the shareholder has specified in the Proxy that his or her Common Shares are to be voted against such resolution

Appointment of Auditor

At the Meeting, shareholders will be asked to vote on the following ordinary resolution:

"**RESOLVED**" Baker Tilly LLP be appointed as auditor of the Corporation until the close of the next annual general meeting and that the directors of the Corporation are hereby authorized to fix the remuneration of the auditor.

The Board unanimously recommends that shareholders vote FOR the appointment of Baker Tilly LLP as auditor of the Corporation.

The persons named in the BLUE Proxy intend to cast the votes received in favour of management FOR the preceding resolution unless the shareholder has specified in the Proxy that his or her Common Shares are to be voted against such resolution.

Stock Option Plan

Management of the Corporation is seeking shareholder approval at the Meeting of the Option Plan.

The purpose of the Option Plan is to provide the Corporation with a share related mechanism to enable the Corporation to attract, retain and motivate qualified directors, officers, employees and other service providers to reward directors, officers, employees and other service providers for their contribution toward the long term goals of the Corporation and to enable and encourage such individuals to acquire shares of the Corporation as long term investments.

Shareholder Approval

At the Meeting, the shareholders will be asked to consider and, if deemed advisable, to pass an ordinary resolution to ratify and approve the Option Plan, with or without variation, as follows:

"**RESOLVED** as an ordinary resolution, that:

(a) the Corporation's Option Plan is hereby approved; and

(b) any one or more of the directors or officers of the Corporation be authorized to perform all such acts, deeds, and things and execute, under the corporate seal of the Corporation or otherwise, all such documents as may be required to give effect to this resolution."

This ordinary resolution requires a majority of the votes cast at the Meeting of the Corporation's shareholders, in person or represented by Proxy.

The Board unanimously recommends shareholders vote FOR the above resolution approving the Corporation's Option Plan (the "**Option Plan Resolution**").

The persons named in the BLUE Proxy intend to cast the votes received in favour of management FOR the Option Plan Resolution unless the shareholder has specified in the Proxy that his or her Common Shares are to be voted against such resolution.

A copy of the Option Plan will also be available under the Corporation's profile at www.sedar.com.

Restricted Share Unit Plan

Management of the Corporation is seeking shareholder approval at the Meeting of the Restricted Share Unit Plan ("**RSU Plan**").

Shareholder Approval

At the Meeting, the shareholders will be asked to consider and, if deemed advisable, to pass an ordinary resolution to ratify and approve the RSU Plan, with or without variation, as follows:

"**RESOLVED** as an ordinary resolution, that:

(a) the Corporation's RSU Plan is hereby approved; and

(b) any one or more of the directors or officers of the Corporation be authorized to perform all such acts, deeds, and things and execute, under the corporate seal of the Corporation or otherwise, all such documents as may be required to give effect to this resolution."

This ordinary resolution requires a majority of the votes cast at the Meeting of the Corporation's shareholders, in person or represented by Proxy.

The Board unanimously recommends shareholders vote FOR the above resolution approving the Corporation's RSU Plan (the "**RSU Plan Resolution**").

The persons named in the BLUE Proxy intend to cast the votes received in favour of management FOR the RSU Plan Resolution unless the shareholder has specified in the Proxy that his or her Common Shares are to be voted against such resolution.

A copy of the RSU Plan will also be available under the Corporation's profile at www.sedar.com.

Change of Name

The Corporation proposes to change the name of the Corporation to "AUSA Corporation" or such other name that the Board may approve (the "**Name Change**"). The Corporation has proposed the Name Change in order to better reflect the Corporation's ongoing business. In addition, the Corporation has agreed with a third party that it would complete a name change in connection with a trademark infringement claim related to use of the word "Australis".

If approved, the effective date of the Name Change will be the date of issuance of a certificate of amendment by the Registrar of Companies in respect of the Name Change, which is expected to be obtained immediately following the Meeting or as soon as practicable thereafter.

The Corporation is not forwarding letters of transmittal to Shareholders for their use in transmitting existing share certificates in exchange for new share certificates giving effect to the Name Change. Instead, in the event that the Name Change is approved by the requisite majority of Shareholders at the Meeting and articles of amendment are subsequently filed to give effect thereto, each existing certificate reflecting the current name of the Corporation shall continue to be a valid share certificate of the Corporation until such certificate is transferred, re-registered or otherwise exchanged.

The Name Change requires Shareholder approval by a "special resolution", which is a resolution passed by a majority of not less than two-thirds of the votes cast by eligible Shareholders present in person or by Proxy who vote in respect of that resolution at the Meeting. The Name Change is also subject to the Corporation obtaining all required regulatory approvals, including CSE approval.

At the Meeting, Shareholders will be asked to consider, and if thought appropriate, to pass with or without variation, the following special resolution to amend the articles of the Corporation to effect the Name Change:

"**BE IT HEREBY RESOLVED** as a special resolution of the Corporation that:

(a) the name of Australis Capital Inc. (the "**Corporation**") be changed to "AUSA Corporation." or such other name as is authorized by the board of directors of the Corporation acceptable to the CSE and applicable regulatory authorities (the "**Name Change**");

(b) the amendment to the Corporation's articles to reflect the Name Change is hereby authorized and approved;

(c) any one (or more) director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this special resolution;

(d) notwithstanding the foregoing, the Name Change pursuant to this special resolution will not be effective until such time as Articles of Amendment have been filed on behalf of the Corporation with the Alberta Registrar of Corporations has taken effect; and

(e) notwithstanding the approval of the shareholders of the Corporation as herein provided, the board of directors of the Corporation may, in its sole discretion, revoke this special resolution before it is acted upon, without further approval of the shareholders of the Corporation."

The foregoing special resolution in respect of the Name Change must be approved by 66 ⅔% of the votes cast at the Meeting by the Shareholders voting in person or by Proxy.

Continuance

The shareholders will be asked to consider, and if deemed advisable to approve the Continuance Resolution (as defined below) authorizing the Board of Directors, in its sole discretion, to apply for continuance out of the Province of Alberta under the provisions of the Alberta Act and to continue the Corporation into the Province of British Columbia under the provisions of the *Business Corporations Act* (British Columbia) (the "**BC Act**") under the name "Australis Capital Inc." (the "**Continuance**"), or such other name acceptable to the Board of Directors of the Corporation. In order to become effective, the Continuance must be approved by at least two-thirds of all votes cast with respect to the Continuance Resolution by shareholders, present in person or by proxy at the Shareholders' Meeting.

Reasons for Continuance

For corporate and administrative reasons, the Board of Directors of the Corporation is of the view that it would be appropriate to continue the Corporation as a British Columbia company. The BC Act will provide the Corporation with more flexibility as there are no residency requirements for the directors of a company existing under the BC Act.

Procedure to Effect the Continuance

In order to effect the Continuance, the following steps must be taken:

(a) the Shareholders must approve the Continuance Resolution at the Meeting, authorizing the Corporation to, among other things, file the Continuance application with the registrar appointed under the BC Act (the "**BC Act Registrar**");

(b) the Registrar of Corporations under the Alberta Act (the "**Alberta Registrar**") must approve the proposed Continuance under the BC Act, and provide written authorization to the BCBCA Registrar, such approval being dependent upon the Alberta Registrar being satisfied that the Continuance will not adversely affect creditors or Shareholders of the Corporation;

(c) the Corporation must apply to the BC Act Registrar for a certificate of continuance under the BC Act; and

(d) the Corporation must file a notice of continuance with the Alberta Registrar, who will then issue a certificate of discontinuance.

Pursuant to the Alberta Act, the Corporation is deemed to cease to be a corporation within the meaning of the Alberta Act on and after the date on which it is deemed to be continued under the laws of the BC Act pursuant to the issuance of the certificate of continuance from the BC Act Registrar.

Effect of the Continuance

Assuming that the Continuance Resolution is approved at the Meeting, it is expected that an application will be filed with the BC Registrar for the continuance of the Corporation under the BC Act and the procedures outlined above will begin as soon as practicable thereafter, as determined by the Board of Directors in its sole discretion, in order to give effect to the Continuance.

As of the effective date of the Continuance, the election, duties, resignation and removal of the Corporation's directors and officers shall be governed by the BC Act.

By operation of law, as of the effective date of the Continuance:

(a) the BC Act will apply to the Corporation to the same extent as if it had been incorporated under the BC Act;

(b) the property of the Corporation prior to the Continuance continues to be the property of the Corporation;

(c) the Corporation continues to be liable for its obligations prior to the Continuance;

(d) an existing cause of action, claim or liability to prosecution is unaffected;

(e) a civil, criminal or administrative action or proceeding pending by or against the Corporation prior to the Continuance may continue to be prosecuted by or against the Corporation; and

(f) a conviction against, or ruling, order or judgment in favour of or against, the Corporation prior to the Continuance may be enforced by or against the Corporation.

Certain Corporate Differences Between the Alberta Act and the BC Act

In general terms, the BC Act provides the Corporation's shareholders substantively the same rights as are available to the Corporation's shareholders under the Alberta Act, including rights of dissent and appraisal and rights to bring derivative actions and oppression actions, and is consistent with corporate legislation in most other Canadian jurisdictions. However, there are some differences, as outlined below.

The following is a summary comparison of certain provisions of the BC Act and the Alberta Act that pertain to rights of the Corporation's shareholders. This summary is not intended to be exhaustive and the Corporation's shareholders should consult their legal advisers regarding all of the implications of the Continuance. A copy of the BC Act and a copy of the Corporation's proposed Notice of Articles and Articles are available for review at the registered and records office of the Corporation.

Charter Documents

Under the BC Act, the charter documents will consist of a Notice of Articles, which sets forth, among other things, the name of the corporation, the amount and type of authorized capital, and indicates if there are any rights and restrictions attached to the shares, and Articles, which will govern the management of the Corporation following the Continuance. The Notice of Articles is filed with the British Columbia Registrar of Companies, and the Articles will be filed only with the Corporation's registered and records office.

Similarly, under the Alberta Act, the Corporation has (i) Articles of Incorporation, which sets forth, among other things, the name of the corporation and the amount and type of authorized capital and indicates if there are any rights and restrictions attached to the shares, and (ii) By-laws, which govern the management of the Corporation. The Articles of Incorporation are filed with the Alberta Registrar and the By-laws are maintained at the Corporation's registered and records office.

Except as otherwise described below and herein, the Continuance to British Columbia and the adoption of the Notice of Articles and Articles will not result in any substantive changes to the constitution, powers or management of the Corporation. A copy of the Continuance Application/Notice of Articles and Articles that will be adopted in connection with the Continuance are contained in Schedule "B" to this Information Circular.

Amendments to Charter Documents

Any substantive change to the corporate charter of a company under the BC Act, such as an alteration of the restrictions, if any, on the business carried on by the Corporation, or an alteration of the special rights and restrictions attached to issued shares requires a resolution passed by the majority of votes specified by the Articles of the company or, if the Articles do not contain such a provision, a special resolution passed by not less than two-thirds of the votes cast on the resolution. The Articles proposed to be adopted by the Corporation provide that the foregoing changes may be approved by the shareholders by special resolution. In addition, other fundamental changes such as a continuation of a company out of the jurisdiction require a special resolution passed by two-thirds of the votes cast on the resolution by holders of shares of each class entitled to vote at a general meeting of the company.

Under the Alberta Act such changes require a special resolution passed by not less than two-thirds of the votes cast by the shareholders voting on the resolution authorizing the alteration and, where certain specified rights of the holders of a class or series of shares are affected differently by the alteration than the rights of the holders of other classes of shares, or in the case of holders of a series of shares, in a manner different from other shares of the same class, a special resolution passed by not less than two-thirds of the votes cast by the holders of shares of each class, or series, as the case may be, whether or not they are otherwise entitled to vote.

The BC Act permits a company to amend its Notice of Articles to change the name of a Corporation by a director's resolution if authorized to do so under the Articles. The Corporation's proposed Articles will contain this provision. Under the Alberta Act the amendment of articles to change the name of the Corporation must be approved by a special resolution of shareholders.

Sale of Undertaking

Under the BC Act, a company may sell, lease or otherwise dispose of all, or substantially all, of the undertaking of the company if it does so in the ordinary course of its business or if it has been authorized to do so by a special resolution passed by the majority of votes that the Articles of the Corporation specify is required (being at least two-thirds and not more than three-quarters of the votes cast on the resolution) or, if the Articles do not contain such a provision, a special resolution passed by at least two-thirds of the votes cast on the resolution. Under the Articles proposed to be adopted by the Corporation, the special resolution will need to be passed by at least two-thirds of the votes cast on the resolution.

The Alberta Act requires approval of the holders of the shares of a corporation represented at a duly called meeting by not less than two-thirds of the votes cast upon a special resolution for a sale, lease or exchange of all or substantially all of the property (as opposed to the "undertaking") of the Corporation, other than in the ordinary course of business of the corporation. Each share of the Corporation carries the right to vote in respect of a sale, lease or exchange of all or substantially all of the property of the Corporation whether or not it otherwise carries the right to vote. Holders of shares of a class or series can vote only if that class or series is affected by the sale, lease or exchange in a manner different from the shares of another class or series. While the shareholder approval thresholds will be the same under the BC Act and the Alberta Act, there are differences in the nature of the sale which requires such approval, i.e., a sale of all or substantially all of the "undertaking" under the BC Act and of all or substantially all of the "property" under the Alberta Act.

Rights of Dissent and Appraisal

The BC Act provides that shareholders who dissent to certain actions being taken by a company may exercise a right of dissent and require the company to purchase the shares held by such shareholder at the fair value of such shares. The dissent right is applicable in respect of:

(a) a resolution to alter the Articles to alter restrictions on the powers of the company or on the business it is permitted to carry on;

(b) a resolution to adopt an amalgamation agreement;

(c) a resolution to approve an amalgamation into a foreign jurisdiction;

(d) a resolution to approve an arrangement, the terms of which arrangement permit dissent;

(e) a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;

(f) a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;

(g) any other resolution, if dissent is authorized by the resolution; or

(h) any court order or arrangement that permits dissent.

The Alberta Act contains a similar dissent remedy, subject to certain qualifications. Regarding (b) and (c) above, under the Alberta Act, there is no right of dissent in respect of an amalgamation between a company and its wholly-owned subsidiary, or between wholly-owned subsidiaries of the same corporation. The Alberta Act also contains a dissent remedy where a corporation resolves to amend its Articles to add, change or remove any provisions restricting or constraining the issue or transfer of shares of a class, and where amend its articles to add or remove an express statement establishing the unlimited liability of shareholders.

Oppression Remedies

Under the BC Act, a shareholder of a company has the right to apply to the court on the grounds that:

(a) the affairs of the company are being or have been conducted, or that the powers of the directors are being or have been exercised, in a manner oppressive to one or more of the shareholders, including the applicant; or

(b) that some act of the company has been done or is threatened, or that some resolution of the shareholders or of the shareholders holding shares of a class or series of shares has been passed or is proposed, that is unfairly prejudicial to one or more of the shareholders, including the applicant.

On such an application, the court may make any interim or final order it considers appropriate including an order to prohibit any act proposed by the company.

The Alberta Act contains rights that are substantially broader in that they are available to a larger class of complainants. Under the Alberta Act a registered holder or beneficial owner, or a former registered holder or beneficial holder, of a security of a corporation or any of its affiliates, director, former director, officer, or former officer of a corporation or any of its affiliates, or any other person who, in the discretion of the court, is a proper person to seek an oppression remedy, may apply to the court for an order to rectify the matters complained of where in respect of a corporation or any of its affiliates, any act or omission of the corporation or its affiliates effects a result, the business or affairs of the corporation or any of its affiliates are or have been carried on or conducted in a manner, or the powers of the directors of the corporation or its affiliates are or have been exercised in a manner, that is oppressive or unfairly prejudicial to, or that unfairly disregards the interests of, any security holder, creditor, director, or officer.

Shareholder Derivative Actions

Under the BC Act, a shareholder or director of a corporation, or any other person whom the court considers to be an appropriate person to make an application, may, with leave of the court, bring an action in the name and on behalf of the corporation to enforce a right, duty or obligation owed to the corporation that could be enforced by the corporation itself or to obtain damages for any breach of such a right, duty or obligation.

A broader right to bring a derivative action is contained in the Alberta Act, and this right also extends to officers, former registered holder or beneficial holder, of a security of a corporation or any of its affiliates, former directors and former officers of a corporation or its affiliates, and any person, who, in the discretion of the court, is a proper person to make an application to the court to bring a derivative action. In addition, the Alberta Act permits derivative actions to be commenced, with leave of the court, in the name and on behalf of a corporation or any of its subsidiaries.

Requisite Approvals

Under the BC Act, an ordinary resolution can be passed by a simple majority of votes cast by shareholders voting shares that carry the right to vote at general meetings. The percentage of votes required for a special resolution can be specified in the articles and may be no less than two-thirds and no more than three-quarter of the votes cast.

Under the Alberta Act, an ordinary resolution must be passed by no less than a majority of the votes cast by shareholders entitled to vote with respect to the resolution and a special resolution must be passed by not less than two-thirds of the votes cast by the shareholders entitled to vote with respect to the resolution.

Shareholders' Proposals

A shareholder of a corporation incorporated under the Alberta Act who is entitled to vote at an annual meeting, or a beneficial owner of shares, may submit notice of a shareholder proposal. To be eligible to make a proposal, a person must:

(a) be a registered holder or beneficial owner of a prescribed number of shares for a prescribed period. Under the regulations currently in effect, the prescribed number of shares is the number of voting shares (i) that is equal to at least 1% of all issued voting shares of the corporation as of the day on which the registered holder or beneficial owner of the shares submits a proposal, or (ii) whose fair market value as determined as of the close of business on the day before the registered holder or beneficial owner of the shares submits the proposal is at least $2,000. Under the regulations currently

in effect, the prescribed period is the 6-month period immediately before the day on which the registered holder or beneficial owner of the shares submits the proposal;

(b) have the prescribed level of support of other registered holders or beneficial owners of shares. Under the regulations currently in effect, the prescribed level of support for the proposal by other registered holders or beneficial owners of shares is at least 5% of the issued voting shares of the corporation;

(c) provide to the corporation his or her name and address and the names and addresses of those registered holders or beneficial owners of shares who support the proposal; and

(d) continue to hold or own the prescribed number of shares up to and including the day of the meeting at which the proposal is to be made.

In comparison, a person submitting a proposal under the BC Act must have been a registered owner or beneficial owner of one or more shares carrying the right to vote at general meetings and must have owned such shares for an uninterrupted period of at least two years before the date of signing the proposal. Similar to the requirements of the Alberta Act, the proposal must be signed by shareholders who, together with the submitter, are registered or beneficial owners of: (a) at least 1% of the issued shares of the corporation that carry the right to vote at general meetings; or (b) shares with a fair market value exceeding an amount prescribed by regulation (currently $2,000).

Requisition of Meetings

The BC Act provides that one or more shareholders of a company holding not less than 5% of the issued voting shares of the company may give notice to the directors requiring them to call and hold a general meeting within four months.

The Alberta Act permits the holders of not less than 5% of the issued shares that carry the right to vote at a meeting to require the directors to call and hold a meeting of shareholders of a company for the purposes stated in the requisition. If the directors do not call a meeting within 21 days of receiving the requisition, any shareholder who signed the requisition may call the meeting.

Directors

Both the BC Act and Alberta Act provide that a public company in the case of the BC Act and a distributing corporation in the case of the Alberta Act must have a minimum of three directors.

While the BC Act does not have any Canadian or provincial residency requirements for directors, the Alberta Act requires that at least 25% of the directors of a corporation must be resident Canadians.

Under the Alberta Act, directors may be removed by ordinary resolution whereas under the BC Act, directors may be removed by a special resolution or, if the articles of a company otherwise provide that a director may be removed by a resolution of the shareholders entitled to vote at general meetings passed by less than a special majority or may be removed by some other method, by the resolution or method specified.

Status as a British Columbia Company

Currently, the Corporation's authorized capital consists of an unlimited number of Common Shares and an unlimited number of Preferred Shares. If the Corporation's shareholders approve the Continuance, the Corporation will continue with an authorized capital consisting of an unlimited number of Common Shares and an unlimited number of Preferred Shares.

As an Alberta Act corporation, the Corporation's charter documents consist of Articles of Incorporation and By-laws and any amendments thereto to date. On completion of the Continuance, the Corporation will cease to be governed by the Alberta Act and will thereafter be deemed to have been formed under the BC Act. As part of the Continuance

Resolution, the Corporation's shareholders will be asked to approve the adoption of a Continuance Application/Notice of Articles and Articles, which comply with the requirements of the BC Act, copies of which are available for review by the Corporation's shareholders at the Corporation's registered and records office.

Proposed Continuance Resolution

At the Meeting, The Corporation intends to seek shareholder approval for the Continuance into the Province of British Columbia. If the Continuance is approved by the shareholders, then the Corporation intends to implement the procedure outlined above, as soon as practicable thereafter, as determined by the Corporation's Board in its sole discretion, in order to give effect to the Continuance.

The Continuance must be approved by special resolution in order to become effective. To pass, a special resolution requires a majority of not less than two-thirds of the votes cast by the shareholders present at the Meeting in person or by proxy.

The text of the special resolution approving the Continuance (the "**Continuance Resolution**") to be submitted to the shareholders is as follows:

"BE IT RESOLVED, AS A SPECIAL RESOLUTION, THAT:

1. Australis Capital Inc. ("**Australis**") is hereby authorized pursuant to Section 189 of the *Business Corporations Act* (Alberta) (the "**Alberta Act**") to the Registrar of Corporations under the Alberta Act (the "**Alberta Registrar**") for authorization to discontinue Australis from the Alberta Act and to apply to the British Columbia Registrar of Companies (the "**BC Act Registrar**") under the *Business Corporations Act* (British Columbia) (the "**BC Act**") for a Certificate of Continuation continuing Australis as if it had been incorporated under the BC Act under the name "Australis Capital Inc.", or such other name acceptable to the Board of Directors of Australis.

2. Any one or more of the directors or officers of Australis is hereby authorized to do, sign and execute all such further things, deeds, documents or writings necessary or desirable in connection with the application by Australis for the authorization by the Alberta Registrar, or any other matter relating to Section 189 of the Alberta Act.

3. Subject to and conditional upon the authorization of the Alberta Registrar pursuant to Section 189 of the Alberta Act:

    (a) any one or more directors or officers of Australis are hereby authorized and directed to make an application to the British Columbia Registrar of Companies for a Certificate of Continuation of Australis pursuant to Section 302 of the BC Act and certify that Australis is in good standing and that the continuation will not adversely affect the shareholders' or creditors' rights;

    (b) the Form 16, Continuation Application and Notice of Articles of Australis under the BC Act, which have been presented to the shareholders of Australis and are attached to the Management Information Circular of Australis dated October 6, 2020 as Schedule "B", are approved and adopted in all respects and all amendments to the existing constating documents of Australis that are reflected in the Notice of Articles are hereby approved; and

    (c) upon continuance, Australis will have as its Articles, the form of Articles attached to the Management Information Circular of Australis dated October 6, 2020 as Schedule "B", prepared in accordance with the requirements of the BC Act including any amendments as determined by counsel to Australis to be reasonably necessary, in substitution for the existing By-Laws of Australis, which Articles are approved and adopted in all respects and any one director of Australis is authorized to sign the Articles as required by the BC Act.

4. The Board of Directors of Australis is hereby authorized to abandon the application to continue without further authorization of the shareholders of Australis if, in its discretion, the Board of Directors of Australis deems such abandonment to be advisable; and

5. Any one director or officer of Australis is authorized and directed on behalf of Australis, to take all necessary steps and proceedings, including the execution of any documents required to be filed with the BC Act Registrar and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things as may be necessary or desirable to give effect to this special resolution."

Copies of the Continuance Application (including the proposed new Notice of Articles) and the proposed new Articles of Australis are available for viewing up to the date of the Meeting at Australis' head office at Suite 190, 376 E Warm Springs Road, Las Vegas, Nevada 89119, Attention: Corporate Secretary, and are affixed hereto as Schedule "B" to this Information Circular.

Rights of Dissent

Under Section 189(2) of the Alberta Act a registered shareholder of the Corporation is entitled, in addition to any other right such registered shareholder may have, to dissent to the aforementioned Continuance Resolution and be paid the fair value of his, her or its Common Shares, determined as of the close of business on the day before the Continuance Resolution was adopted, if the shareholder objects to the Continuance Resolution and the Corporation makes it effective.

Under Section 191 of the Alberta Act, if a registered shareholder (a "**Dissenting Shareholder**") wishes to object to the Continuance, the Dissenting Shareholder may, at or before the date of the Meeting, give the Corporation a written notice of dissent (a "**Dissent Notice**") with respect to the Continuance Resolution by registered mail to the Corporation at Suite 190, 376 E Warm Springs Road, Las Vegas, Nevada 89119, Attention: Corporate Secretary. A Dissenting Shareholder may dissent only with respect to all of the Common Shares held by such holder or on behalf of any one beneficial owner and registered in the Dissenting Shareholder's name. Persons who are beneficial owners of Common Shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that they may only do so through the registered owner of such Common Shares. A registered shareholder, such as a broker, who holds Common Shares as nominee for beneficial holders, some of whom wish to dissent, must exercise Dissent Rights on behalf of such beneficial owners with respect to the Common Shares held for such beneficial owners. In such case, the demand for dissent should set forth the number of Common Shares covered by it.

An application may be made to the Court of Queen's Bench of Alberta (the "**Court**") by the Corporation or by a Dissenting Shareholder, after the Continuance Resolution has passed, to fix the fair value of the Dissenting Shareholder's Common Shares. If such an application to the Court is made by either the Corporation or a Dissenting Shareholder, the Corporation must, unless the Court otherwise orders, send to each Dissenting Shareholder for which the application was made, a written offer to pay such person an amount considered by the Corporation to be the fair value of the Common Shares held by such Dissenting Shareholders. The offer, unless the Court otherwise orders, will be sent at least 10 days before the date on which the application is returnable, if the Corporation is the applicant, or within 10 days after the Corporation is served with notice of the application, if a Dissenting Shareholder is the applicant. The offer will be made on the same terms to each Dissenting Shareholder for which the application was made and will be accompanied by a statement showing how the fair value was determined.

In such circumstances, a Dissenting Shareholder may make an agreement with the Corporation for the purchase of the Common Shares in the amount of the Corporation's offer (or otherwise) at any time before the Court pronounces an order fixing the fair value of the Common Shares of the Corporation.

On the Continuation becoming effective, or upon the making of an agreement between the Corporation and the Dissenting Shareholder as to the payment to be made by the Corporation to the Dissenting Shareholder, or upon the pronouncement of a Court order, whichever first occurs, the Dissenting Shareholder will cease to have any rights as a

shareholder of the Corporation other than the right to be paid the fair value of such Common Shares in the amount agreed to between the Corporation and the Dissenting Shareholder or in the amount of the judgment, as the case may be. Until one of these events occurs, the Dissenting Shareholder may withdraw its dissent, or if the Continuation has not yet become effective, the Corporation may rescind the Continuation Resolution, and in either event, the dissent and appraisal proceedings in respect of that Dissenting Shareholder will be discontinued.

The above summary does not purport to provide a comprehensive statement of the procedures to be followed by Dissenting Shareholders who seek payment of the fair value of their Common Shares. Section 191 of the Alberta Act, requires strict adherence to the procedures established therein and failure to do so may result in the loss of all rights thereunder. **Accordingly, each Dissenting Shareholder who is considering exercising Dissent Rights should carefully consider and comply with the provisions of that section, the full text of which is set out in Schedule "C" to this Information Circular, and consult their own legal advisor with respect to properly exercising their legal rights to dissent.**

Director Discretion

The Board of Directors reserves the right not to proceed with the transactions contemplated by the Continuance Resolution. Shareholders should be aware that the Board of Directors will not proceed with the Continuance if they receive a material number of Dissent Notices. In such a case, Dissenting Shareholders will not be bought out as the Corporation will be abandoning the Continuance.

Board Recommendation

The Board of Directors unanimously recommends shareholders vote FOR the Continuance Resolution.

The persons named in the BLUE Proxy intend to cast the votes received in favour of management FOR the Continuance Resolution unless the shareholder has specified in the Proxy that his or her Common Shares are to be voted against such resolution.

By-law Amendment

Subsection 131(3.1) of the Alberta Act provides that meetings of shareholders of a corporation may be held entirely by electronic means, telephone or other communication facility that permits all participants to communicate adequately with each other during the meeting, if the bylaws so provide.

Management of the Corporation is seeking shareholder approval at the meeting to amend the By-law to allow the Corporation to hold meetings of the shareholders of the Corporation entirely by electronic means, telephone or other communication facility that permits all participants to communicate adequately with each other during the meeting (a "**Virtual Meeting**"). This Amendment, if approved by shareholders, is permitted under the Alberta Act. The Board believes that the Amendment is vital to provide the Corporation the flexibility to hold Virtual Meetings when an in-person meeting may be impossible or very difficult to hold (such as during the current COVID-19 public health emergency).

At the Meeting, shareholders will be asked to consider, and if deemed advisable, to pass an ordinary resolution approving the Amendment, with or without variation, as follows:

"**RESOLVED** as an ordinary resolution, that:

(a) Pursuant to subsection 102(2) of the *Business Corporations Act* (Alberta), the amended by-law No.1 of the Corporation be and is hereby confirmed.

(b) Any one director or officer of the Corporation is hereby authorized to execute and deliver, whether under corporate seal or otherwise, and any other agreements, instruments, notices, consents,

acknowledgements, certificates and other documents (including any documents required under applicable laws or regulatory policies) and to perform and do all such other acts and things, as such director and/or officer may consider to be necessary or advisable from time to time in order to give effect to this resolution."

The Board approved the Amendment effective October 7, 2020. The Amendment is currently in effect and applies to this Meeting. However, if the Amendment is not confirmed by shareholders at the Meeting, the Amendment would cease to have effect following the Meeting and the Corporation may be restricted from holding Virtual Meetings in the future. If shareholders confirm the amendment, the Amendment will continue in force and effect following the Meeting. The full text of the Amendment is attached to this Circular as Schedule "D".

The Board unanimously recommends shareholders vote FOR the above resolution confirming the Amendment to permit Virtual Meetings (the "**Virtual Meeting Resolution**").

The persons named in the BLUE Proxy intend to cast the votes received in favour of management FOR the Virtual Meeting Resolution unless the shareholder has specified in the Proxy that his or her Common Shares are to be voted against such resolution.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is included in the audited financial statements and MD&A of the Corporation for the year ended March 31, 2020, a copy of which has been filed on the Corporation's profile at www.sedar.com.

Additional information is also available upon request at the office of the Corporation. The Corporation's telephone number is (702) 272-0728.

OTHER MATTERS

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this Circular.

The contents of this Circular and its distribution to shareholders have been approved by the Board.

Dated at Las Vegas, Nevada, on this 6th day of October, 2020.

BY ORDER OF THE BOARD OF DIRECTORS OF THE CORPORATION

"*Harry DeMott*"

Harry DeMott
Chief Executive Officer

SCHEDULE "A"

CHANGE OF AUDITOR REPORTING PACKAGE

AUSTRALIS CAPITAL INC.

(The "Corporation")

NOTICE OF CHANGE OF AUDITOR
(the "Notice")

To: **MNP LLP**
And To: **Squar Milner LLP**

NOTICE IS HEREBY GIVEN that, on the advice of the Audit Committee of the Corporation, the Board of Directors of the Corporation resolved on November 6, 2019 that:

1. The resignation of MNP LLP as auditors of the Corporation effective November 8, 2019 be accepted; and

2. The appointment Squar Milner LLP as auditors of the Corporation, effective November 11, 2019, until the next annual meeting of the Corporation, be approved.

In accordance with National Instrument 51-102 *Continuous Disclosure Obligations* ("NI 51-102"), the Corporation confirms that:

1. MNP LLP resigned as auditor at the request of the Corporation, effective November 8, 2019, to facilitate the appointment of Squar Milner LLP of 18500 Von Karman Avenue, 10th Floor, Irvine, CA 92612;

2. MNP LLP has not expressed any reservation or modified opinion in its reports for the two most recently completed fiscal years of the Corporation, nor for the period from the most recently completed period for which MNP LLP issued an audit report in respect of the Corporation and the date of this Notice;

3. In the opinion of the Board of Directors of the Corporation, no "reportable event" as defined in NI 51-102 has occurred in connection with the audits of the two most recently completed fiscal years of the Corporation nor any period form the most recently completed for which MNP LLP issued an audit report in respect of the Corporation and the date of this Notice; and

4. The resignation of MNP LLP and the appointment of Squar Milner LLP, as auditor of the Corporation were approved by the Audit Committee and by the Board of Directors of the Corporation.

Dated as of the 12th day of November, 2019.

AUSTRALIS CAPITAL INC.

"Scott Dowty"

Scott Dowty, Chief Executive Officer

November 20, 2019

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority Saskatchewan
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
New Brunswick Financial and Consumer Services Commission
Nova Scotia Securities Commission
Prince Edward Island Office of the Attorney General
Office of the Superintendent of Securities Service Newfoundland and Labrador
Office of the Yukon Superintendent of Securities
Office of the Superintendent of Securities (Northwest Territories)
Nunavut Securities Office
Canada Securities Exchange

Australis Capital Inc. (the "Company")
Notice Pursuant to National Instrument 51-102 – Change of Auditor ("Notice")

As required by National Instrument 51-102, we have reviewed the information contained in the notice dated November 12, 2019 given by the Company to ourselves and Squar Milner LLP.

Based on our knowledge of such information at this date, we agree with the statements set out in the Notice.

Yours very truly,

MNP LLP

Chartered Professional Accounts

squarmilner
Certified Public Accountants
and Financial Advisors

Squar Milner LLP

November 27, 2019

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority Saskatchewan
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
New Brunswick Financial and Consumer Services Commission
Nova Scotia Securities Commission
Prince Edward Island Office of the Attorney General
Office of the Superintendent of Securities Service Newfoundland and Labrador
Office of the Yukon Superintendent of Securities
Office of the Superintendent of Securities (Northwest Territories)
Nunavut Securities Office

Dear Sirs and Mesdames:

Re: Australis Capital Inc. (the "Corporation") – Change of Auditor

In connection with our proposed engagement as auditor of the Corporation, as required by National Instrument 51-102-*Continuous Disclosure Obligations*, we have reviewed the information contained in the Notice of Change of Auditor dated November 12, 2019 given by the Corporation to ourselves and MNP LLP, Chartered Professional Accountants.

Based on our information at this date, we agree with the statements set out in the Notice that relates to us and we do not agree or disagree with the statements contained in the Notice that relate to MNP LLP, Chartered Professional Accountants.

Yours truly,

SQUAR MILNER LLP

Squar Milner LLP

18500 Von Karman Avenue, 10th Floor • Irvine, CA 92612 main 949.222.2999

Located throughout California web squarmilner.com

SCHEDULE "B"

CONTINUANCE APPLICATION AND PROPOSED ARTICLES

BC Registry Services

Foreign Corporation

CONTINUATION APPLICATION

BUSINESS CORPORATIONS ACT, section 302

Telephone: 1 877 526-1526
www.bcreg.ca

Mailing Address: PO Box 9431 Stn Prov Govt
Victoria BC V8W 9V3

Courier Address: 200 – 940 Blanshard Street
Victoria BC V8W 3E6

DO NOT MAIL THIS FORM to BC Registry Services unless you are instructed to do so by registry staff. The Regulation under the *Business Corporations Act* requires the electronic version of this form to be filed on the Internet at www.corporateonline.gov.bc.ca

Freedom of Information and Protection of Privacy Act (FOIPPA): Personal information provided on this form is collected, used and disclosed under the authority of the *FOIPPA* and the *Business Corporations Act* for the purposes of assessment. Questions regarding the collection, use and disclosure of personal information can be directed to the Manager of Registries Operations at 1 877 526-1526, PO Box 9431 Stn Prov Govt, Victoria BC V8W 9V3.

If you are continuing a company into BC and want the BC incorporation number as its name, you will need to file this form on paper. Complete this form and mail to the Corporate Registry, along with a letter from the corporation's home jurisdiction authorizing the continuation in. For information on the content of the authorization letter, see the Corporate Online Help Centre at www.corporateonline.gov.bc.ca for "Continuation Application" and "Authorization for Continuation In."

A NAME OF COMPANY – *Choose **one** of the following:*

☑ The name Australis Capital Inc. is the name reserved for the foreign corporation to be continued in. The name reservation number is: _____ , *OR*

☐ The foreign corporation is to be continued in with a name created by adding "B.C. Ltd." after the incorporation number of the company.

B FOREIGN CORPORATION'S CURRENT JURISDICTION

1. Corporate number assigned by the foreign corporation's jurisdiction: 2018763959
2. Corporation's name in the foreign corporation's jurisdiction: Australis Capital Inc.
3. Foreign corporation's date of incorporation or the most recent date of amalgamation or continuation: YYYY / MM / DD 2015/02/06
4. Foreign corporation's jurisdiction of incorporation, amalgamation or continuation

   Alberta

C AUTHORIZATION FOR CONTINUATION

Authorization for the continuation from the foreign corporation's jurisdiction is:

☐ ATTACHED ☑ ALREADY FILED

D REGISTRATION AS AN EXTRAPROVINCIAL COMPANY

Is the foreign corporation currently registered in BC as an extraprovincial company?

☐ YES ☑ NO

If YES, enter the BC registration number and name of the extraprovincial company below:

Extraprovincial Registration Number in BC _____

Extraprovincial Company Name in BC _____

(Including assumed name, if any, approved for use in BC) _____

E CERTIFIED CORRECT – I have read this form and found it to be correct.

NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE FOREIGN CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE FOREIGN CORPORATION	DATE SIGNED YYYY / MM / DD
	X	

NOTICE OF ARTICLES

A NAME OF COMPANY

Set out the name of the company as set out in Item A of the Continuation Application.

Australis Capital Inc.

B TRANSLATION OF COMPANY NAME

Set out every translation of the company name that the company intends to use outside of Canada.

C DIRECTOR NAME(S) AND ADDRESS(ES)

Set out the full name, delivery address and mailing address (if different) of every director of the company. The director may select to provide either (a) the delivery address and, if different, the mailing address for the office at which the individual can usually be served with records between 9 a.m. and 4 p.m. on business days or (b) the delivery address and, if different, the mailing address of the individual's residence. The delivery address must not be a post office box. Attach an additional sheet if more space is required.

LAST NAME	FIRST NAME	MIDDLE NAME
DeMott	Harry	

DELIVERY ADDRESS	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE

MAILING ADDRESS	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
Same as delivery			

LAST NAME	FIRST NAME	MIDDLE NAME
Cutler	Richard	

DELIVERY ADDRESS	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE

MAILING ADDRESS	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
Same as delivery			

LAST NAME	FIRST NAME	MIDDLE NAME
Swainson	Roger	

DELIVERY ADDRESS	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE

MAILING ADDRESS	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
Same as delivery			

LAST NAME	FIRST NAME	MIDDLE NAME
Kumar	Sameer	

DELIVERY ADDRESS	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE

MAILING ADDRESS	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
Same as delivery			

D REGISTERED OFFICE ADDRESSES

DELIVERY ADDRESS OF THE COMPANY'S REGISTERED OFFICE

	PROVINCE	POSTAL CODE
1500 Royal Centre, P.O. Box 11117, 1055 West Georgia Street, Vancouver	BC	V6E 4N7

MAILING ADDRESS OF THE COMPANY'S REGISTERED OFFICE

	PROVINCE	POSTAL CODE
1500 Royal Centre, P.O. Box 11117, 1055 West Georgia Street, Vancouver	BC	V6E 4N7

E RECORDS OFFICE ADDRESSES

DELIVERY ADDRESS OF THE COMPANY'S RECORDS OFFICE

	PROVINCE	POSTAL CODE
1500 Royal Centre, P.O. Box 11117, 1055 West Georgia Street, Vancouver	BC	V6E 4N7

MAILING ADDRESS OF THE COMPANY'S RECORDS OFFICE

	PROVINCE	POSTAL CODE
1500 Royal Centre, P.O. Box 11117, 1055 West Georgia Street, Vancouver	BC	V6E 4N7

F AUTHORIZED SHARE STRUCTURE

Identifying name of class or series of shares	Maximum number of shares of this class or series of shares that the company is authorized to issue, or indicate there is no maximum number.		Kind of shares of this class or series of shares.			Are there special rights or restrictions attached to the shares of this class or series of shares?	
	THERE IS NO MAXIMUM (✔)	MAXIMUM NUMBER OF SHARES AUTHORIZED	WITHOUT PAR VALUE (✔)	WITH A PAR VALUE OF ($)	Type of currency	YES (✔)	NO (✔)
Common	✓		✓			✓	
Preferred	✓		✓			✓	

BC Registry Services

BUSINESS NUMBER REQUEST

BUSINESS NUMBERS ACT, section 7

Telephone: 1 877 526-1526
www.bcreg.ca

Mailing Address: PO Box 9431 Stn Prov Govt
Victoria BC V8W 9V3

Courier Address: 200 – 940 Blanshard Street
Victoria BC V8W 3E6

INSTRUCTIONS:

Please type or print clearly in block letters.

The Province of British Columbia has entered into a partnership with the Canada Revenue Agency (CRA) to use the national Business Number (BN) as a convenient way for corporations to identify themselves when communicating with federal and provincial governments.

The Corporate Registry, under the authority of the *Business Number Act*, is therefore collecting the BN from both corporations applying for registration in British Columbia and corporations currently registered in British Columbia. This will allow corporations to use their BN as an identifier the next time they communicate with the Corporate Registry.

You will already have a BN if you have been incorporated federally or if you are incorporated in another Canadian jurisdiction.

You may have also received a BN from CRA if you:

- collect GST/HST;
- have employees;
- import or export goods to or from Canada;
- operate a taxi or limo service;
- are registered with WorkSafeBC, and/or;
- are registered to do business in another Canadian jurisdiction

Freedom of Information and Protection of Privacy Act (FOIPPA): Personal information provided on this form is collected, used and disclosed under the authority of the *FOIPPA* and the *Business Number Act* for the purposes of assessment. Questions regarding the collection, use and disclosure of personal information can be directed to the Manager of Registries Operations at 1 877 526-1526, PO Box 9431 Stn Prov Govt, Victoria BC V8W 9V3.

COMPLETE ITEM A OR B

A BUSINESS NUMBER

Your **Business Number** (e.g., GST/HST account) would be displayed as a 15 character identifier, for example: **82123 5679 RT 0001**. The first nine numbers uniquely identify your business – it's those numbers we need.

Please enter the first 9 digits here:

B DIRECTOR NAME

If you do not have a Business Number please enter the name of a director of your corporation (as per CRA requirements) so that we can request one for you. The director's name is confidential information and is collected under the authority of the *Business Number Act*.

LAST NAME FIRST NAME

Number:

BUSINESS CORPORATIONS ACT

ARTICLES

of

AUSTRALIS CAPITAL INC.

TABLE OF CONTENTS

Number:

BUSINESS CORPORATIONS ACT

ARTICLES

of

AUSA CORPORATION
(the "Company")

PART 1

INTERPRETATION

Definitions

1.1 In these Articles, unless the context otherwise requires:

(a) "**Act**" means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;

(b) "**board of directors**", "**directors**" and "**board**" mean the directors or sole director of the Company for the time being;

(c) "**Interpretation Act**" means the *Interpretation Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;

(d) "**legal personal representative**" means the personal or other legal representative of the shareholder;

(e) "**registered address**" of a shareholder means the shareholder's address as recorded in the central securities register;

(f) "**seal**" means the seal of the Company, if any;

(g) "**share**" means a share in the share structure of the Company; and

(h) "**special majority**" means the majority of votes described in §11.2 which is required to pass a special resolution.

Act and Interpretation Act Definitions Applicable

1.2 The definitions in the Act and the definitions and rules of construction in the Interpretation Act, with the necessary changes, so far as applicable, and except as the context requires otherwise, apply to these Articles as if they were an enactment. If there is a conflict between a definition in the Act and a definition or rule in the Interpretation Act relating to a term used in these Articles, the definition in the Act will prevail. If there is a conflict or inconsistency between these Articles and the Act, the Act will prevail.

PART 2

SHARES AND SHARE CERTIFICATES

Authorized Share Structure

2.1 The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

Form of Share Certificate

2.2 Each share certificate issued by the Company must comply with, and be signed as required by, the Act.

Shareholder Entitled to Certificate, Acknowledgment or Written Notice

2.3 Unless the shares of which the shareholder is the registered owner are uncertificated shares, each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or (b) a non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate and delivery of a share certificate for a share to one of several joint shareholders or to one of the shareholders' duly authorized agents will be sufficient delivery to all. If a shareholder is the registered owner of uncertificated shares, the Company must send to a holder of an uncertificated share a written notice containing the information required by the Act within a reasonable time after the issue or transfer of such share.

Delivery by Mail

2.4 Any share certificate or non-transferable written acknowledgment of a shareholder's right to obtain a share certificate, or written notice of the issue or transfer of an uncertificated share may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company is liable for any loss to the shareholder because the share certificate, acknowledgement or written notice is lost in the mail or stolen.

Replacement of Worn Out or Defaced Certificate or Acknowledgement

2.5 If a share certificate or a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate is worn out or defaced, the Company must, on production of the share certificate or acknowledgment, as the case may be, and on such other terms, if any, as are deemed fit:

(a) cancel the share certificate or acknowledgment; and

(b) issue a replacement share certificate or acknowledgment.

Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgment

2.6 If a share certificate or a non-transferable written acknowledgment of a shareholder's right to obtain a share certificate is lost, stolen or destroyed, a replacement share certificate or acknowledgment, as the case may be, must be issued to the person entitled to that share certificate or acknowledgment, if the requirements of the Act are satisfied, as the case may be, if the directors receive:

(a) proof satisfactory to it of the loss, theft or destruction; and

(b) any indemnity the directors consider adequate.

Splitting Share Certificates

2.7 If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

Certificate Fee

2.8 There must be paid to the Company, in relation to the issue of any share certificate under §2.5, §2.6 or §2.7, the amount, if any, not exceeding the amount prescribed under the Act, determined by the directors.

Recognition of Trusts

2.9 Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as required by law or statute or these Articles or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

PART 3

ISSUE OF SHARES

Directors Authorized

3.1 Subject to the Act and the rights, if any, of the holders of issued shares of the Company, the Company may allot, issue, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the consideration (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

Commissions and Discounts

3.2 The Company may at any time pay a reasonable commission or allow a reasonable discount to any person in consideration of that person's purchase or agreement to purchase shares of the Company from the Company or any other person's procurement or agreement to procure purchasers for shares of the Company.

Brokerage

3.3 The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

Conditions of Issue

3.4 Except as provided for by the Act, no share may be issued until it is fully paid. A share is fully paid when:

(a) consideration is provided to the Company for the issue of the share by one or more of the following:

(i) past services performed for the Company;

(ii) property;

(iii) money; and

(b) the value of the consideration received by the Company equals or exceeds the issue price set for the share under §3.1.

Share Purchase Warrants and Rights

3.5 Subject to the Act, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

PART 4

SHARE REGISTERS

Central Securities Register

4.1 As required by and subject to the Act, the Company must maintain in British Columbia a central securities register and may appoint an agent to maintain such register. The directors may appoint one or more agents, including the agent appointed to keep the central securities register, as transfer agent for shares or any class or series of shares and the same or another agent as registrar for shares or such class or series of shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

PART 5

SHARE TRANSFERS

Registering Transfers

5.1 A transfer of a share must not be registered unless the Company or the transfer agent or registrar for the class or series of shares to be transferred has received:

(a) except as exempted by the Act, a written instrument of transfer in respect of the share has been received by the Company (which may be a separate document or endorsed on the share certificate for the shares transferred) made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person;

(b) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate;

(c) if a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgment; and

(d) such other evidence, if any, as the Company or the transfer agent or registrar for the class or series of share to be transferred may require to prove the title of the transferor or the transferor's right to transfer the share, that the written instrument of transfer and the right of the transferee to have the transfer registered.

Form of Instrument of Transfer

5.2 The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates of that class or series or in some other form that may be approved by the directors from time to time or by the transfer agent or registrar for those shares.

Transferor Remains Shareholder

5.3 Except to the extent that the Act otherwise provides, the transferor of a share is deemed to remain the holder of it until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

Signing of Instrument of Transfer

5.4 If a shareholder, or the shareholder's duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the shares represented by the share certificates or set out in the written acknowledgments deposited with the instrument of transfer, or if the shares are uncertificated shares, then all of the shares registered in the name of the shareholder on the central securities register:

(a) in the name of the person named as transferee in that instrument of transfer; or

(b) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

Enquiry as to Title Not Required

5.5 Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares transferred, of any interest in such shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

Transfer Fee

5.6 There must be paid to the Company, in relation to the registration of a transfer, the amount, if any, determined by the directors.

PART 6

TRANSMISSION OF SHARES

Legal Personal Representative Recognized on Death

6.1 In case of the death of a shareholder, the legal personal representative of the shareholder, or in the case of shares registered in the shareholder's name and the name of another person in joint tenancy, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a

person as a legal personal representative of a shareholder, the Company shall receive the documentation required by the Act.

Rights of Legal Personal Representative

6.2 The legal personal representative of a shareholder has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided the documents required by the Act and the directors have been deposited with the Company. This §6.2 does not apply in the case of the death of a shareholder with respect to shares registered in the name of the shareholder and the name of another person in joint tenancy.

PART 7

PURCHASE, REDEEM OR OTHERWISE ACQUIRE SHARES

Company Authorized to Purchase, Redeem or Otherwise Acquire Shares

7.1 Subject to §7.2, the special rights or restrictions attached to the shares of any class or series and the Act, the Company may, if authorized by the directors, purchase, redeem or otherwise acquire any of its shares at the price and upon the terms determined by the directors.

Purchase When Insolvent

7.2 The Company must not make a payment or provide any other consideration to purchase, redeem or otherwise acquire any of its shares if there are reasonable grounds for believing that:

(a) the Company is insolvent; or

(b) making the payment or providing the consideration would render the Company insolvent.

Sale and Voting of Purchased, Redeemed or Otherwise Acquired Shares

7.3 If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

(a) is not entitled to vote the share at a meeting of its shareholders;

(b) must not pay a dividend in respect of the share; and

(c) must not make any other distribution in respect of the share.

Company Entitled to Purchase, Redeem or Otherwise Acquire Share Fractions

7.4 The Company may, without prior notice to the holders, purchase, redeem or otherwise acquire for fair value any and all outstanding share fractions of any class or kind of shares in its authorized share structure as may exist at any time and from time to time. Upon the Company delivering the purchase funds and confirmation of purchase or redemption of the share fractions to the holders' registered or last known address, or if the Company has a transfer agent then to such agent for the benefit of and forwarding to such holders, the Company shall thereupon amend its central securities register to reflect the purchase or redemption of such share fractions and if the Company has a transfer agent, shall direct the transfer agent to amend the central securities register accordingly. Any holder of a share fraction, who upon receipt of the funds and confirmation of purchase or redemption of same, disputes the fair value paid for the fraction, shall have the right to apply to the court to request that it set the price and terms of payment and make consequential orders and give directions the court considers appropriate, as if the Company were the "acquiring person" as contemplated by Division 6, Compulsory Acquisitions, under the Act and the holder were an "offeree" subject to the provisions contained in such Division, *mutatis mutandis*.

PART 8

BORROWING POWERS

8.1 The Company, if authorized by the directors, may:

(a) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate;

(b) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as the directors consider appropriate;

(c) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and

(d) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

8.2 The powers conferred under this Part 8 shall be deemed to include the powers conferred on a company by Division VII of the *Special Corporations Powers Act* being chapter P-16 of the Revised Statutes of Quebec, 1988, and every statutory provision that may be substituted therefor or for any provision therein.

PART 9

ALTERATIONS

Alteration of Authorized Share Structure

9.1 Subject to §9.2 and the Act, the Company may by ordinary resolution (or a resolution of the directors in the case of §9.1(c) or §9.1(f)):

(a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;

(b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;

(c) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;

(d) if the Company is authorized to issue shares of a class of shares with par value:

(i) decrease the par value of those shares; or

(ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;

(e) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;

(f) alter the identifying name of any of its shares; or

(g) otherwise alter its shares or authorized share structure when required or permitted to do so by the Act where it does not specify by a special resolution;

and, if applicable, alter its Notice of Articles and Articles accordingly.

Special Rights or Restrictions

9.2 Subject to the Act and in particular those provisions of the Act relating to the rights of holders of outstanding shares to vote if their rights are prejudiced or interfered with, the Company may by ordinary resolution:

(a) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or

(b) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued,

and alter its Notice of Articles and Articles accordingly.

Change of Name

9.3 The Company may by resolution of the directors authorize an alteration to its Notice of Articles in order to change its name or adopt or change any translation of that name.

Other Alterations

9.4 If the Act does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by ordinary resolution alter these Articles.

PART 10

MEETINGS OF SHAREHOLDERS

Annual General Meetings

10.1 Unless an annual general meeting is deferred or waived in accordance with the Act, the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place as may be determined by the directors.

Resolution Instead of Annual General Meeting

10.2 If all the shareholders who are entitled to vote at an annual general meeting consent in writing by a unanimous resolution to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this §10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

Calling of Meetings of Shareholders

10.3 The directors may, at any time, call a meeting of shareholders.

Notice for Meetings of Shareholders

10.4 The Company must send notice of the date, time and location of any meeting of shareholders (including, without limitation, any notice specifying the intention to propose a resolution as an exceptional resolution, a special resolution or a special separate resolution, and any notice to consider approving an amalgamation into a foreign jurisdiction, an arrangement or the adoption of an amalgamation agreement, and any notice of a general meeting, class meeting or series meeting), in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the

auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

(a) if the Company is a public company, 21 days;

(b) otherwise, 10 days.

Record Date for Notice

10.5 The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the Act, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

(a) if the Company is a public company, 21 days;

(b) otherwise, 10 days.

If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

Record Date for Voting

10.6 The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the Act, by more than four months. If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

Failure to Give Notice and Waiver of Notice

10.7 The accidental omission to send notice of any meeting of shareholders to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive that entitlement or may agree to reduce the period of that notice. Attendance of a person at a meeting of shareholders is a waiver of entitlement to notice of the meeting unless that person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

Notice of Special Business at Meetings of Shareholders

10.8 If a meeting of shareholders is to consider special business within the meaning of §11.1, the notice of meeting must:

(a) state the general nature of the special business; and

(b) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:

(i) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and

(ii) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

Place of Meetings

10.9 In addition to any location in British Columbia, any general meeting may be held in any location outside British Columbia approved by a resolution of the directors.

PART 11

PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

Special Business

11.1 At a meeting of shareholders, the following business is special business:

(a) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;

(b) at an annual general meeting, all business is special business except for the following:

(i) business relating to the conduct of or voting at the meeting;

(ii) consideration of any financial statements of the Company presented to the meeting;

(iii) consideration of any reports of the directors or auditor;

(iv) the setting or changing of the number of directors;

(v) the election or appointment of directors;

(vi) the appointment of an auditor;

(vii) the setting of the remuneration of an auditor;

(viii) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution;

(ix) any other business which, under these Articles or the Act, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

Special Majority

11.2 The majority of votes required for the Company to pass a special resolution at a general meeting of shareholders is two-thirds of the votes cast on the resolution.

Quorum

11.3 Subject to the special rights or restrictions attached to the shares of any class or series of shares, and to §11.4, the quorum for the transaction of business at a meeting of shareholders is at least one person who is, or who represents by proxy, one or more shareholders who, in the aggregate, hold at least ●% of the issued shares entitled to be voted at the meeting.

One Shareholder May Constitute Quorum

11.4 If there is only one shareholder entitled to vote at a meeting of shareholders:

(a) the quorum is one person who is, or who represents by proxy, that shareholder, and

(b) that shareholder, present in person or by proxy, may constitute the meeting.

Persons Entitled to Attend Meeting

11.5 In addition to those persons who are entitled to vote at a meeting of shareholders, the only other persons entitled to be present at the meeting are the directors, the president (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company, any persons invited to be present at the meeting by the directors or by the chair of the meeting and any persons entitled or required under the Act or these Articles to be present at the meeting; but if any of those persons does attend the meeting, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

Requirement of Quorum

11.6 No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

Lack of Quorum

11.7 If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

(a) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved, and

(b) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

Lack of Quorum at Succeeding Meeting

11.8 If, at the meeting to which the meeting referred to in §11.7(b) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, two or more shareholders entitled to attend and vote at the meeting shall be deemed to constitute a quorum.

Chair

11.9 The following individual is entitled to preside as chair at a meeting of shareholders:

(a) the chair of the board, if any; or

(b) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.

Selection of Alternate Chair

11.10 If, at any meeting of shareholders, there is no chair of the board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present may choose either one of their number or the solicitor of the Company to be chair of the meeting. If all of the directors present decline to take the chair or fail to so choose or if no director is present or the solicitor of the Company declines to take the chair, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

Adjournments

11.11 The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

Notice of Adjourned Meeting

11.12 It is not necessary to give any notice of an adjourned meeting of shareholders or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

Decisions by Show of Hands or Poll

11.13 Subject to the Act, every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by any shareholder entitled to vote who is present in person or by proxy.

Declaration of Result

11.14 The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under §11.13, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

Motion Need Not be Seconded

11.15 No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

Casting Vote

11.16 In case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

Manner of Taking Poll

11.17 Subject to §11.18, if a poll is duly demanded at a meeting of shareholders:

(a) the poll must be taken:

(i) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and

(ii) in the manner, at the time and at the place that the chair of the meeting directs;

(b) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and

(c) the demand for the poll may be withdrawn by the person who demanded it.

Demand for Poll on Adjournment

11.18 A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

Chair Must Resolve Dispute

11.19 In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and the determination of the chair made in good faith is final and conclusive.

Casting of Votes

11.20 On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

No Demand for Poll on Election of Chair

11.21 No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

Demand for Poll Not to Prevent Continuance of Meeting

11.22 The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.

Retention of Ballots and Proxies

11.23 The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during normal business hours by any shareholder or proxy holder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

PART 12

VOTES OF SHAREHOLDERS

Number of Votes by Shareholder or by Shares

12.1 Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under §12.3:

(a) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and

(b) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

Votes of Persons in Representative Capacity

12.2 A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

Votes by Joint Holders

12.3 If there are joint shareholders registered in respect of any share:

(a) any one of the joint shareholders may vote at any meeting of shareholders, personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or

(b) if more than one of the joint shareholders is present at any meeting of shareholders, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

Legal Personal Representatives as Joint Shareholders

12.4 Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of §12.3, deemed to be joint shareholders registered in respect of that share.

Representative of a Corporate Shareholder

12.5 If a corporation, that is not a subsidiary of the Company, is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

(a) for that purpose, the instrument appointing a representative must be received:

(i) at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting; or

(ii) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting;

(b) if a representative is appointed under this §12.5:

(i) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and

(ii) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

Proxy Provisions Do Not Apply to All Companies

12.6 If and for so long as the Company is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply, then §12.7 to §12.15 are not mandatory, however the directors of the Company are authorized to apply all or part of such sections or to adopt alternative procedures for proxy form, deposit and revocation procedures to the extent that the directors deem necessary in order to comply with securities laws applicable to the Company.

Appointment of Proxy Holders

12.7 Every shareholder of the Company entitled to vote at a meeting of shareholders may, by proxy, appoint one or more (but not more than two) proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

Alternate Proxy Holders

12.8 A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

Proxy Holder Need Not Be Shareholder

12.9 A proxy holder need not be a shareholder of the Company.

Deposit of Proxy

12.10 A proxy for a meeting of shareholders must:

(a) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting; or

(b) unless the notice provides otherwise, be received, at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages, including through Internet or telephone voting or by email, if permitted by the notice calling the meeting or the information circular for the meeting.

Validity of Proxy Vote

12.11 A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

(a) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or

(b) at the meeting or any adjourned meeting by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

Form of Proxy

12.12 A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

[Name of Company]
(the "Company")

The undersigned, being a shareholder of the Company, hereby appoints [name] or, failing that person, [name], as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on [month, day, year] and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy is given in respect of all shares registered in the name of the undersigned): _____

Signed [month, day, year]

_____
[Signature of shareholder]

_____
[Name of shareholder—printed]

Revocation of Proxy

12.13 Subject to §12.14, every proxy may be revoked by an instrument in writing that is received:

(a) at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or

(b) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

Revocation of Proxy Must Be Signed

12.14 An instrument referred to in §12.13 must be signed as follows:

(a) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or the shareholder's legal personal representative or trustee in bankruptcy;

(b) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under §12.5.

Production of Evidence of Authority to Vote

12.15 The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

PART 13

DIRECTORS

First Directors; Number of Directors

13.1 The first directors are the persons designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the Act. The number of directors, excluding additional directors appointed under §14.8, is set at:

(a) subject to §(b) and §(c), the number of directors that is equal to the number of the Company's first directors;

(b) if the Company is a public company, the greater of three and the most recently set of:

(i) the number of directors set by a resolution of the directors (whether or not previous notice of the resolution was given); and

(ii) the number of directors in office pursuant to §14.4;

(c) if the Company is not a public company, the most recently set of:

(i) the number of directors set by a resolution of the directors (whether or not previous notice of the resolution was given); and

(ii) the number of directors in office pursuant to §14.4.

Change in Number of Directors

13.2 If the number of directors is set under §13.1(b)(i) or §13.1(c)(i):

(a) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number; or

(b) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number then the directors, subject to §14.8, may appoint directors to fill those vacancies.

Directors' Acts Valid Despite Vacancy

13.3 An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

Qualifications of Directors

13.4 A director is not required to hold a share as qualification for his or her office but must be qualified as required by the Act to become, act or continue to act as a director.

Remuneration of Directors

13.5 The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders.

Reimbursement of Expenses of Directors

13.6 The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

Special Remuneration for Directors

13.7 If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, he or she may be paid remuneration fixed by the directors, or at the option of the directors, fixed by ordinary resolution, and such remuneration will be in addition to any other remuneration that he or she may be entitled to receive.

Gratuity, Pension or Allowance on Retirement of Director

13.8 Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

PART 14

ELECTION AND REMOVAL OF DIRECTORS

Election at Annual General Meeting

14.1 At every annual general meeting and in every unanimous resolution contemplated by §10.2:

(a) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and

(b) all the directors cease to hold office immediately before the election or appointment of directors under §(a), but are eligible for re-election or re-appointment.

Consent to be a Director

14.2 No election, appointment or designation of an individual as a director is valid unless:

(a) that individual consents to be a director in the manner provided for in the Act;

(b) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or

(c) with respect to first directors, the designation is otherwise valid under the Act.

Failure to Elect or Appoint Directors

14.3 If:

(a) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by §10.2, on or before the date by which the annual general meeting is required to be held under the Act; or

(b) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by §10.2, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

(c) when his or her successor is elected or appointed; and

(d) when he or she otherwise ceases to hold office under the Act or these Articles.

Places of Retiring Directors Not Filled

14.4 If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles but their term of office shall expire when new directors are elected at a meeting of shareholders convened for that purpose. If any such election or continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to these Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.

Directors May Fill Casual Vacancies

14.5 Any casual vacancy occurring in the board of directors may be filled by the directors.

Remaining Directors Power to Act

14.6 The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of calling a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the Act, for any other purpose.

Shareholders May Fill Vacancies

14.7 If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

Additional Directors

14.8 Notwithstanding §13.1 and §13.2, between annual general meetings or by unanimous resolutions contemplated by §10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this §14.8 must not at any time exceed:

(a) one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or

(b) in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this §14.8.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under §14.1(a), but is eligible for re-election or re-appointment.

Ceasing to be a Director

14.9 A director ceases to be a director when:

(a) the term of office of the director expires;

(b) the director dies;

(c) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or

(d) the director is removed from office pursuant to §14.10 or §14.11.

Removal of Director by Shareholders

14.10 The Company may remove any director before the expiration of his or her term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

Removal of Director by Directors

14.11 The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

●Nomination of Directors

14.12

(a) Subject only to the Act, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders (but only if the election of directors is a matter specified in the notice of meeting given by or at the direction of the person calling such special meeting):

(i) by or at the direction of the board or an authorized officer of the Company, including pursuant to a notice of meeting;

(ii) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of the shareholders made in accordance with the provisions of the Act; or

(iii) by any person (a "**Nominating Shareholder**") (A) who, at the close of business on the date of the giving of the notice provided for below in this §14.12 and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and (B) who complies with the notice procedures set forth below in this §14.12.

(b) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, such person must have given (i) timely notice thereof in proper written form to the Corporate Secretary of the Company at the principal executive offices of the Company in accordance with this §14.12 and (ii) the representation and agreement with respect to each candidate for nomination as required by, and within the time period specified in §14.12(e).

(c) To be timely under §14.12(b)(i), a Nominating Shareholder's notice to the Corporate Secretary of the Company must be made:

(i) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is called for a date that is less than 40 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the tenth (10th) day following the Notice Date; and

(ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this §14.12(c).

(d) To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of the Company, under §14.12(b)(i) must set forth:

(i) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (A) the name, age, business address and residence address of the person, (B) the principal occupation or employment of the person, (C) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the Meeting of Shareholders (if such date shall then have been

made publicly available and shall have occurred) and as of the date of such notice, (D) a statement as to whether such person would be "independent" of the Company (within the meaning of sections 1.4 and 1.5 of National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators, as such provisions may be amended from time to time) if elected as a director at such meeting and the reasons and basis for such determination and (E) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws; and

(ii) as to the Nominating Shareholder giving the notice, (A) any information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws, and (B) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the Nominating Shareholder as of the record date for the Meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice.

(e) To be eligible to be a candidate for election as a director of the Company and to be duly nominated, a candidate must be nominated in the manner prescribed in this §14.12 and the candidate for nomination, whether nominated by the board or otherwise, must have previously delivered to the Corporate Secretary of the Company at the principal executive offices of the Company, not less than 5 days prior to the date of the Meeting of Shareholders, a written representation and agreement (in form provided by the Company) that such candidate for nomination, if elected as a director of the Company, will comply with all applicable corporate governance, conflict of interest, confidentiality, share ownership, majority voting and insider trading policies and other policies and guidelines of the Company applicable to directors and in effect during such person's term in office as a director (and, if requested by any candidate for nomination, the Corporate Secretary of the Company shall provide to such candidate for nomination all such policies and guidelines then in effect).

(f) No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this §14.12; provided, however, that nothing in this §14.12 shall be deemed to preclude discussion by a shareholder (as distinct from nominating directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

(g) For purposes of this §14.12:

(i) "**Affiliate**", when used to indicate a relationship with a person, shall mean a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified person;

(ii) "**Applicable Securities Laws**" means the *Securities Act* (British Columbia) and the equivalent legislation in the other provinces and in the territories of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each of the applicable provinces and territories of Canada;

(iii) "**Associate**", when used to indicate a relationship with a specified person, shall mean (A) any corporation or trust of which such person owns beneficially, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities of such corporation or trust for the time being outstanding, (B) any partner of that person, (C) any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity, (D) a spouse of such specified person, (E) any person of either sex with whom such specified person is living in conjugal relationship outside marriage or (F) any relative of such specified person or of a person mentioned in clauses (D) or (E) of this definition if that relative has the same residence as the specified person;

(iv) "**Derivatives Contract**" shall mean a contract between two parties (the "Receiving Party" and the "Counterparty") that is designed to expose the Receiving Party to economic benefits and risks that correspond substantially to the ownership by the Receiving Party of a number of shares in the capital of the Company or securities convertible into such shares specified or referenced in such contract (the number corresponding to such economic benefits and risks, the "Notional Securities"), regardless of whether obligations under such contract are required or permitted to be settled through the delivery of cash, shares in the capital of the Company or securities convertible into such shares or other property, without regard to any short position under the same or any other Derivatives Contract. For the avoidance of doubt, interests in broad-based index options, broad-based index futures and broad-based publicly traded market baskets of stocks approved for trading by the appropriate governmental authority shall not be deemed to be Derivatives Contracts;

(v) "**Meeting of Shareholders**" shall mean such annual shareholders meeting or special shareholders meeting, whether general or not, at which one or more persons are nominated for election to the board by a Nominating Shareholder;

(vi) "**owned beneficially**" or "**owns beneficially**" means, in connection with the ownership of shares in the capital of the Company by a person, (A) any such shares as to which such person or any of such person's Affiliates or Associates owns at law or in equity, or has the right to acquire or become the owner at law or

in equity, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, upon the exercise of any conversion right, exchange right or purchase right attaching to any securities, or pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (B) any such shares as to which such person or any of such person's Affiliates or Associates has the right to vote, or the right to direct the voting, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (C) any such shares which are beneficially owned, directly or indirectly, by a Counterparty (or any of such Counterparty's Affiliates or Associates) under any Derivatives Contract (without regard to any short or similar position under the same or any other Derivatives Contract) to which such person or any of such person's Affiliates or Associates is a Receiving Party; provided, however that the number of shares that a person owns beneficially pursuant to this clause (C) in connection with a particular Derivatives Contract shall not exceed the number of Notional Securities with respect to such Derivatives Contract; provided, further, that the number of securities owned beneficially by each Counterparty (including their respective Affiliates and Associates) under a Derivatives Contract shall for purposes of this clause be deemed to include all securities that are owned beneficially, directly or indirectly, by any other Counterparty (or any of such other Counterparty's Affiliates or Associates) under any Derivatives Contract to which such first Counterparty (or any of such first Counterparty's Affiliates or Associates) is a Receiving Party and this proviso shall be applied to successive Counterparties as appropriate; and (D) any such shares which are owned beneficially within the meaning of this definition by any other person with whom such person is acting jointly or in concert with respect to the Company or any of its securities; and

(vii) "**public announcement**" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company or its agents under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com.

(h) Notwithstanding any other provision to this §14.12, notice or any delivery given to the Corporate Secretary of the Company pursuant to this §14.12 may only be given by personal delivery, facsimile transmission or by email (provided that the Corporate Secretary of the Company has stipulated an email address for purposes of this notice, at such email address as stipulated from time to time), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Corporate Secretary at the address of the principal executive offices of the Company; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic

communication shall be deemed to have been made on the subsequent day that is a business day.

(i) In no event shall any adjournment or postponement of a Meeting of Shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described in §14.12(c) or the delivery of a representation and agreement as described in §14.12(e).

PART 15

ALTERNATE DIRECTORS

Appointment of Alternate Director

15.1 Any director (an "appointor") may by notice in writing received by the Company appoint any person (an "appointee") who is qualified to act as a director to be his or her alternate to act in his or her place at meetings of the directors or committees of the directors at which the appointor is not present unless (in the case of an appointee who is not a director) the directors have reasonably disapproved the appointment of such person as an alternate director and have given notice to that effect to his or her appointor within a reasonable time after the notice of appointment is received by the Company.

Notice of Meetings

15.2 Every alternate director so appointed is entitled to notice of meetings of the directors and of committees of the directors of which his or her appointor is a member and to attend and vote as a director at any such meetings at which his or her appointor is not present.

Alternate for More than One Director Attending Meetings

15.3 A person may be appointed as an alternate director by more than one director, and an alternate director:

(a) will be counted in determining the quorum for a meeting of directors once for each of his or her appointors and, in the case of an appointee who is also a director, once more in that capacity;

(b) has a separate vote at a meeting of directors for each of his or her appointors and, in the case of an appointee who is also a director, an additional vote in that capacity;

(c) will be counted in determining the quorum for a meeting of a committee of directors once for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a directors, once more in that capacity; and

(d) has a separate vote at a meeting of a committee of directors for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, an additional vote in that capacity.

Consent Resolutions

15.4 Every alternate director, if authorized by the notice appointing him or her, may sign in place of his or her appointor any resolutions to be consented to in writing.

Alternate Director an Agent

15.5 Every alternate director is deemed to be the agent of his or her appointor.

Revocation or Amendment of Appointment of Alternate Director

15.6 An appointor may at any time, by notice in writing received by the Company, revoke or amend the terms of the appointment of an alternate director appointed by him or her.

Ceasing to be an Alternate Director

15.7 The appointment of an alternate director ceases when:

(a) his or her appointor ceases to be a director and is not promptly re-elected or re-appointed;

(b) the alternate director dies;

(c) the alternate director resigns as an alternate director by notice in writing provided to the Company or a lawyer for the Company;

(d) the alternate director ceases to be qualified to act as a director; or

(e) the term of his appointment expires, or his or her appointor revokes the appointment of the alternate directors.

Remuneration and Expenses of Alternate Director

15.8 The Company may reimburse an alternate director for the reasonable expenses that would be properly reimbursed if he or she were a director, and the alternate director is entitled to receive from the Company such proportion, if any, of the remuneration otherwise payable to the appointor as the appointor may from time to time direct.

PART 16

POWERS AND DUTIES OF DIRECTORS

Powers of Management

16.1 The directors must, subject to the Act and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the Act or by these Articles, required to be exercised

by the shareholders of the Company. Notwithstanding the generality of the foregoing, the directors may set the remuneration of the auditor of the Company.

Appointment of Attorney of Company

16.2 The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

PART 17

INTERESTS OF DIRECTORS AND OFFICERS

Obligation to Account for Profits

17.1 A director or senior officer who holds a disclosable interest (as that term is used in the Act) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the Act.

Restrictions on Voting by Reason of Interest

17.2 A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

Interested Director Counted in Quorum

17.3 A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

Disclosure of Conflict of Interest or Property

17.4 A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that

materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the Act.

Director Holding Other Office in the Company

17.5 A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

No Disqualification

17.6 No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

Professional Services by Director or Officer

17.7 Subject to the Act, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

Director or Officer in Other Corporations

17.8 A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the Act, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

PART 18

PROCEEDINGS OF DIRECTORS

Meetings of Directors

18.1 The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.

Voting at Meetings

18.2 Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting has a second or casting vote.

Chair of Meetings

18.3 The following individual is entitled to preside as chair at a meeting of directors:

(a) the chair of the board, if any;

(b) in the absence of the chair of the board, the president, if any, if the president is a director; or

(c) any other director chosen by the directors if:

(i) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;

(ii) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or

(iii) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting.

Meetings by Telephone or Other Communications Medium

18.4 A director may participate in a meeting of the directors or of any committee of the directors:

(a) in person; or

(b) by telephone or by other communications medium if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other.

A director who participates in a meeting in a manner contemplated by this §18.4 is deemed for all purposes of the Act and these Articles to be present at the meeting and to have agreed to participate in that manner.

Calling of Meetings

18.5 A director may, and the secretary or an assistant secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

Notice of Meetings

18.6 Other than for meetings held at regular intervals as determined by the directors pursuant to §18.1, 48 hours' notice or such lesser notice as the Chairman in his discretion determines, acting reasonably, is appropriate in any unusual circumstances of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors by any method set out in §24.1 or orally or by telephone.

When Notice Not Required

18.7 It is not necessary to give notice of a meeting of the directors to a director if:

(a) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or

(b) the director has waived notice of the meeting.

Meeting Valid Despite Failure to Give Notice

18.8 The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director, does not invalidate any proceedings at that meeting.

Waiver of Notice of Meetings

18.9 Any director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director. Attendance of a director or alternate director at a meeting of the directors is a waiver of notice of the meeting unless that director or alternate director attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

Quorum

18.10 The quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is deemed to be a majority of the directors or, if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting.

Validity of Acts Where Appointment Defective

18.11 Subject to the Act, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

Consent Resolutions in Writing

18.12 A resolution of the directors or of any committee of the directors may be passed without a meeting:

(a) in all cases, if each of the directors entitled to vote on the resolution consents to it in writing; or

(b) in the case of a resolution to approve a contract or transaction in respect of which a director has disclosed that he or she has or may have a disclosable interest, if each of the other directors who have not made such a disclosure consents in writing to the resolution.

A consent in writing under this §18.12 may be by signed document, fax, email or any other method of transmitting legibly recorded messages. A consent in writing may be in two or more counterparts which together are deemed to constitute one consent in writing. A resolution of the directors or of any committee of the directors passed in accordance with this §18.12 is effective on the date stated in the consent in writing or on the latest date stated on any counterpart and is deemed to be a proceeding at a meeting of directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the Act and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

PART 19

EXECUTIVE AND OTHER COMMITTEES

Appointment and Powers of Executive Committee

19.1 The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, and this committee has, during the intervals between meetings of the board of directors, all of the directors' powers, except:

(a) the power to fill vacancies in the board of directors;

(b) the power to remove a director;

(c) the power to change the membership of, or fill vacancies in, any committee of the directors; and

(d) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

Appointment and Powers of Other Committees

19.2 The directors may, by resolution:

(a) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;

(b) delegate to a committee appointed under §(a) any of the directors' powers, except:

(i) the power to fill vacancies in the board of directors;

(ii) the power to remove a director;

(iii) the power to change the membership of, or fill vacancies in, any committee of the directors; and

(iv) the power to appoint or remove officers appointed by the directors; and

(c) make any delegation referred to in §(b) subject to the conditions set out in the resolution or any subsequent directors' resolution.

Obligations of Committees

19.3 Any committee appointed under §19.1 or §19.2, in the exercise of the powers delegated to it, must:

(a) conform to any rules that may from time to time be imposed on it by the directors; and

(b) report every act or thing done in exercise of those powers at such times as the directors may require.

Powers of Board

19.4 The directors may, at any time, with respect to a committee appointed under §19.1 or §19.2:

(a) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;

(b) terminate the appointment of, or change the membership of, the committee; and

(c) fill vacancies in the committee.

Committee Meetings

19.5 Subject to §19.3(a) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under §19.1 or §19.2:

(a) the committee may meet and adjourn as it thinks proper;

(b) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;

(c) a majority of the members of the committee constitutes a quorum of the committee; and

(d) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting does not have a second or casting vote.

PART 20

OFFICERS

Directors May Appoint Officers

20.1 The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate any such appointment.

Functions, Duties and Powers of Officers

20.2 The directors may, for each officer:

(a) determine the functions and duties of the officer;

(b) entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and

(c) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

Qualifications

20.3 No person may be appointed as an officer unless that person is qualified in accordance with the Act. One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board or as a managing director must be a director. Any other officer need not be a director.

Remuneration and Terms of Appointment

20.4 All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors thinks fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

PART 21

INDEMNIFICATION

Definitions

21.1 In this Part 21:

(a) "**eligible party**", in relation to a company, means an individual who:

(i) is or was a director, alternate director or officer of the Company;

(ii) is or was a director, alternate director or officer of another corporation

(A) at a time when the corporation is or was an affiliate of the Company, or

(B) at the request of the Company; or

(iii) at the request of the Company, is or was, or holds or held a position equivalent to that of, a director, alternate director or officer of a partnership, trust, joint venture or other unincorporated entity;

and includes, except in the definition of "eligible proceeding", and §163(1)(c) and (d) and §165 of the Act, the heirs and personal or other legal representatives of that individual;

(b) "**eligible penalty**" means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;

(c) "**eligible proceeding**" means a proceeding in which an eligible party or any of the heirs and personal or other legal representatives of the eligible party, by reason of the eligible party being or having been a director, alternate director or officer of, or holding or having held a position equivalent to that of a director, alternate director or officer of, the Company or an associated corporation

(i) is or may be joined as a party; or

(ii) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;

(d) "**expenses**" has the meaning set out in the Act and includes costs, charges and expenses, including legal and other fees, but does not include judgments, penalties, fines or amounts paid in settlement of a proceeding; and

(e) "**proceeding**" includes any legal proceeding or investigative action, whether current, threatened, pending or completed.

Mandatory Indemnification of Eligible Parties

21.2 Subject to the Act, the Company must indemnify each eligible party and the heirs and legal personal representatives of each eligible party against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each eligible party is deemed to have contracted with the Company on the terms of the indemnity contained in this §21.2.

Indemnification of Other Persons

21.3 Subject to any restrictions in the Act, the Company may agree to indemnify and may indemnify any person (including an eligible party) against eligible penalties and pay expenses incurred in connection with the performance of services by that person for the Company.

Authority to Advance Expenses

21.4 The Company may advance expenses to an eligible party to the extent permitted by and in accordance with the Act.

Non-Compliance with Act

21.5 Subject to the Act, the failure of an eligible party of the Company to comply with the Act or these Articles or, if applicable, any former *Companies Act* or former Articles does not, of itself, invalidate any indemnity to which he or she is entitled under this Part 21.

Company May Purchase Insurance

21.6 The Company may purchase and maintain insurance for the benefit of any eligible party (or the heirs or legal personal representatives of any eligible party) against any liability incurred by any eligible party.

PART 22

DIVIDENDS

Payment of Dividends Subject to Special Rights

22.1 The provisions of this Part 22 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

Declaration of Dividends

22.2 Subject to the Act, the directors may from time to time declare and authorize payment of such dividends as they may deem advisable.

No Notice Required

22.3 The directors need not give notice to any shareholder of any declaration under §22.2.

Record Date

22.4 The directors must set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months.

Manner of Paying Dividend

22.5 A resolution declaring a dividend may direct payment of the dividend wholly or partly in money or by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company or any other corporation, or in any one or more of those ways.

Settlement of Difficulties

22.6 If any difficulty arises in regard to a distribution under §22.5, the directors may settle the difficulty as they deem advisable, and, in particular, may:

(a) set the value for distribution of specific assets;

(b) determine that money in substitution for all or any part of the specific assets to which any shareholders are entitled may be paid to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and

(c) vest any such specific assets in trustees for the persons entitled to the dividend.

When Dividend Payable

22.7 Any dividend may be made payable on such date as is fixed by the directors.

Dividends to be Paid in Accordance with Number of Shares

22.8 All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

Receipt by Joint Shareholders

22.9 If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

Dividend Bears No Interest

22.10 No dividend bears interest against the Company.

Fractional Dividends

22.11 If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

Payment of Dividends

22.12 Any dividend or other distribution payable in money in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the registered address of the shareholder, or in the case of joint shareholders, to the registered

address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

Capitalization of Retained Earnings or Surplus

22.13 Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any retained earnings or surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the retained earnings or surplus so capitalized or any part thereof.

PART 23

ACCOUNTING RECORDS AND AUDITOR

Recording of Financial Affairs

23.1 The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the Act.

Inspection of Accounting Records

23.2 Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

PART 24

NOTICES

Method of Giving Notice

24.1 Unless the Act or these Articles provide otherwise, a notice, statement, report or other record required or permitted by the Act or these Articles to be sent by or to a person may be sent by:

(a) mail addressed to the person at the applicable address for that person as follows:

(i) for a record mailed to a shareholder, the shareholder's registered address;

(ii) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;

(iii) in any other case, the mailing address of the intended recipient;

(b) delivery at the applicable address for that person as follows, addressed to the person:

(i) for a record delivered to a shareholder, the shareholder's registered address;

(ii) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;

(iii) in any other case, the delivery address of the intended recipient;

(c) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;

(d) sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class;

(e) physical delivery to the intended recipient.

Deemed Receipt of Mailing

24.2 A notice, statement, report or other record that is:

(a) mailed to a person by ordinary mail to the applicable address for that person referred to in §24.1 is deemed to be received by the person to whom it was mailed on the day (Saturdays, Sundays and holidays excepted) following the date of mailing;

(b) faxed to a person to the fax number provided by that person referred to in §24.1 is deemed to be received by the person to whom it was faxed on the day it was faxed; and

(c) emailed to a person to the e-mail address provided by that person referred to in §24.1 is deemed to be received by the person to whom it was e-mailed on the day that it was emailed.

Certificate of Sending

24.3 A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that capacity on behalf of the Company stating that a notice, statement, report or other record was sent in accordance with §24.1 is conclusive evidence of that fact.

Notice to Joint Shareholders

24.4 A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing such record to the joint shareholder first named in the central securities register in respect of the share.

Notice to Legal Personal Representatives and Trustees

24.5 A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

(a) mailing the record, addressed to them:

(i) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and

(ii) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or

(b) if an address referred to in §(a)(ii) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

Undelivered Notices

24.6 If on two consecutive occasions, a notice, statement, report or other record is sent to a shareholder pursuant to §24.1 and on each of those occasions any such record is returned because the shareholder cannot be located, the Company shall not be required to send any further records to the shareholder until the shareholder informs the Company in writing of his or her new address.

PART 25

SEAL

Who May Attest Seal

25.1 Except as provided in §25.2 and §25.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

(a) any two directors;

(b) any officer, together with any director;

(c) if the Company only has one director, that director; or

(d) any one or more directors or officers or persons as may be determined by the directors.

Sealing Copies

25.2 For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite §25.1, the impression of the seal may be attested by the signature of any director or officer or the signature of any other person as may be determined by the directors.

Mechanical Reproduction of Seal

25.3 The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the Act or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and such persons as are authorized under §25.1 to attest the Company's seal may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

PART 26

SPECIAL RIGHTS AND RESTRICTIONS OF THE COMMON SHARES

Attachment of Special Rights and Restrictions

26.1 There are attached to the Common shares the special rights and restrictions set forth in this Part.

Voting

26.2 Each holder of Common shares shall be entitled to receive notice of and to attend all meetings of shareholders of the Company, except meetings at which only holders of other classes or series of shares are entitled to attend, and at all such meetings shall be entitled to one vote in respect of each Common share held by such holder.

Dividends

26.3 Subject to the rights of the holders of Preferred shares and the rights of the holders of any other class or series of shares ranking senior to the Common shares, the holders of

Common shares shall be entitled to receive dividends if and when declared by the board of directors.

Liquidation

26.4 In the event of any liquidation, dissolution or winding-up of the Company or other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs, the holders of Common shares shall be entitled, subject to the rights of the holders of Preferred shares and the rights of the holders of any other class or series of shares ranking senior to the Common shares, to receive the remaining property or assets of the Company.

PART 27

SPECIAL RIGHTS AND RESTRICTIONS OF THE PREFERRED SHARES

Attachment of Special Rights and Restrictions

27.1 There are attached to the Preferred shares the special rights and restrictions set forth in this Part.

Directors' Authority to Issue in More than One Series

27.2 The board of directors may issue Preferred shares at any time and from time to time in one or more series. Before the first shares of a particular series are issued, the board of directors shall fix the number of shares in such series and shall determine, subject to the limitations set out in the articles, the special rights and restrictions to be attached to the shares of such series including, without limitation, the rate or rates and amount or method or methods of calculation of dividends thereon, the time and place of payment of dividends, whether cumulative or non-cumulative or partially cumulative, and whether such rate, amount or method of calculation shall be subject to change or adjustment in the future, the currency or currencies of payment of dividends, the consideration and the terms and conditions of any purchase for cancellation, retraction or redemption rights (if any), the conversion or exchange rights attached thereto (if any), and the terms and conditions of any share purchase plan or sinking fund with respect thereto. Before the issue of the first shares of a series, the board of directors shall file with the Registrar of Companies a Notice of Alteration containing a description of such series including the designation, special rights and restrictions determined by the board of directors.

Ranking

27.3 The holders of Preferred shares shall be entitled, on the liquidation or dissolution of the Company, or on any other distribution of its assets among the holders of Common shares for the purpose of winding up its affairs, to receive, before any distribution is made to the holders of Common shares or any other shares of the Company ranking junior to the Preferred shares with respect to the repayment of capital on the liquidation or dissolution of the Company, or on any other distribution of the Company's assets among the holders of Common shares for the purpose of winding up its affairs, the amount paid up with respect to each Preferred share held by

the holders of Preferred shares, together with the fixed premium (if any) thereon, all accrued and unpaid cumulative dividends (if any and if preferential) thereon, and all declared and unpaid non-cumulative dividends thereon. After payment to the holders of Preferred shares of the amounts so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Company, except as specifically provided in the special rights and restrictions attached to any particular series. All assets remaining after payment to the holders of Preferred shares as aforesaid shall be distributed rateably among the holders of Common shares.

Restrictions on Voting

27.4 Except for such rights relating to the election of directors on a default in payment of dividends as may be attached to any series of the Preferred shares by the directors, the holders of Preferred shares shall not be entitled to receive notice or, or to attend or vote at, any general meeting of the Company's shareholders.

Full name and signature of Director	Date of signing
_____ HARRY DEMOTT	

SCHEDULE "C"

DISSENT RIGHTS UNDER SECTION 191 OF THE ABCA

Shareholder's right to dissent

191(1) Subject to sections 192 and 242, a holder of shares of any class of a corporation may dissent if the corporation resolves to

(a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue or transfer of shares of that class,

(b) amend its articles under section 173 to add, change or remove any restrictions on the business or businesses that the corporation may carry on,

(b.1) amend its articles under section 173 to add or remove an express statement establishing the unlimited liability of shareholders as set out in section 15.2(1),

(c) amalgamate with another corporation, otherwise than under section 184 or 187,

(d) be continued under the laws of another jurisdiction under section 189, or

(e) sell, lease or exchange all or substantially all its property under section 190.

(2) A holder of shares of any class or series of shares entitled to vote under section 176, other than section 176(1)(a), may dissent if the corporation resolves to amend its articles in a manner described in that section.

(3) In addition to any other right the shareholder may have, but subject to subsection (20), a shareholder entitled to dissent under this section and who complies with this section is entitled to be paid by the corporation the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the last business day before the day on which the resolution from which the shareholder dissents was adopted.

(4) A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the shareholder or on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

(5) A dissenting shareholder shall send to the corporation a written objection to a resolution referred to in subsection (1) or (2)

(a) at or before any meeting of shareholders at which the resolution is to be voted on, or

(b) if the corporation did not send notice to the shareholder of the purpose of the meeting or of the shareholder's right to dissent, within a reasonable time after the shareholder learns that the resolution was adopted and of the shareholder's right to dissent.

(6) An application may be made to the Court after the adoption of a resolution referred to in subsection (1) or (2),

(a) by the corporation, or

(b) by a shareholder if the shareholder has sent an objection to the corporation under subsection (5),

to fix the fair value in accordance with subsection (3) of the shares of a shareholder who dissents under this section, or to fix the time at which a shareholder of an unlimited liability corporation who dissents under this section ceases to become liable for any new liability, act or default of the unlimited liability corporation.

(7) If an application is made under subsection (6), the corporation shall, unless the Court otherwise orders, send to each dissenting shareholder a written offer to pay the shareholder an amount considered by the directors to be the fair value of the shares.

(8) Unless the Court otherwise orders, an offer referred to in subsection (7) shall be sent to each dissenting shareholder

(a) at least 10 days before the date on which the application is returnable, if the corporation is the applicant, or

(b) within 10 days after the corporation is served with a copy of the application, if a shareholder is the applicant.

(9) Every offer made under subsection (7) shall

(a) be made on the same terms, and

(b) contain or be accompanied with a statement showing how the fair value was determined.

(10) A dissenting shareholder may make an agreement with the corporation for the purchase of the shareholder's shares by the corporation, in the amount of the corporation's offer under subsection (7) or otherwise, at any time before the Court pronounces an order fixing the fair value of the shares.

(11) A dissenting shareholder

(a) is not required to give security for costs in respect of an application under subsection (6), and

(b) except in special circumstances must not be required to pay the costs of the application or appraisal.

(12) In connection with an application under subsection (6), the Court may give directions for

(a) joining as parties all dissenting shareholders whose shares have not been purchased by the corporation and for the representation of dissenting shareholders who, in the opinion of the Court, are in need of representation,

(b) the trial of issues and interlocutory matters, including pleadings and questioning under Part 5 of the Alberta Rules of Court,

(c) the payment to the shareholder of all or part of the sum offered by the corporation for the shares,

(d) the deposit of the share certificates with the Court or with the corporation or its transfer agent,

(e) the appointment and payment of independent appraisers, and the procedures to be followed by them,

(f) the service of documents, and

(g) the burden of proof on the parties.

(13) On an application under subsection (6), the Court shall make an order

(a) fixing the fair value of the shares in accordance with subsection (3) of all dissenting shareholders who are parties to the application,

(b) giving judgment in that amount against the corporation and in favour of each of those dissenting shareholders,

(c) fixing the time within which the corporation must pay that amount to a shareholder, and

(d) fixing the time at which a dissenting shareholder of an unlimited liability corporation ceases to become liable for any new liability, act or default of the unlimited liability corporation.

(14) On

(a) the action approved by the resolution from which the shareholder dissents becoming effective,

(b) the making of an agreement under subsection (10) between the corporation and the dissenting shareholder as to the payment to be made by the corporation for the shareholder's shares, whether by the acceptance of the corporation's offer under subsection (7) or otherwise, or

(c) the pronouncement of an order under subsection (13),

whichever first occurs, the shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shareholder's shares in the amount agreed to between the corporation and the shareholder or in the amount of the judgment, as the case may be.

(15) Subsection (14)(a) does not apply to a shareholder referred to in subsection (5)(b).

(16) Until one of the events mentioned in subsection (14) occurs,

(a) the shareholder may withdraw the shareholder's dissent, or

(b) the corporation may rescind the resolution,

and in either event proceedings under this section shall be discontinued.

(17) The Court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder, from the date on which the shareholder ceases to have any rights as a shareholder by reason of subsection (14) until the date of payment.

(18) If subsection (20) applies, the corporation shall, within 10 days after

(a) the pronouncement of an order under subsection (13), or

(b) the making of an agreement between the shareholder and the corporation as to the payment to be made for the shareholder's shares,

notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

(19) Notwithstanding that a judgment has been given in favour of a dissenting shareholder under subsection (13)(b), if subsection (20) applies, the dissenting shareholder, by written notice delivered to the corporation within 30 days after receiving the notice under subsection (18), may withdraw the shareholder's notice of objection, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to the shareholder's full rights as a shareholder, failing which the shareholder retains a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

(20) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

(a) the corporation is or would after the payment be unable to pay its liabilities as they become due, or

(b) the realizable value of the corporation's assets would by reason of the payment be less than the aggregate of its liabilities.

SCHEDULE "D"

BYLAW AMENDMENT

BY-LAW NO. 1

A BY-LAW RELATING GENERALLY TO THE CONDUCT OF THE BUSINESS AND AFFAIRS OF

AUSTRALIS CAPITAL INC.

A CORPORATION SUBJECT TO THE *BUSINESS CORPORATIONS ACT* (ALBERTA)

AMENDMENT

By-Law No. 1 (the "**By-Law**") of Australis Capital Inc. is hereby amended as follows:

Following Section 8.9, the following Section 8.10 is added:

"**Section 8.10 Electronic Meetings**

If the directors or the shareholders of the Corporation call a meeting of shareholders, those directors or shareholders, as the case may be, may determine that the meeting shall be held, in accordance with the Act, entirely by electronic means, telephone or other communication facility that permits all participants to communicate adequately with each other during the meeting."

Any questions or requests for assistance in
executing your **BLUE** proxy
or voting instruction form may be directed to
Gryphon Advisors Inc. at:

North American Toll-Free Number: 1.833.490.0586
Outside North America, Banks, Brokers and Collect Calls: 1.416.661.6592
Email: inquiries@gryphonadvisors.ca
North American Toll-Free Facsimile: 1.877.218.5372
Facsimile: 1.416.214.3224

Australis Capital Inc.
376 Warm Springs Road, Suite 190 | Las Vegas, Nevada 89119
P: 702.538.8400
E: IR@ausa-corp.com

For up to date information and ease of voting, shareholders are encouraged to visit to www.ausa-corp.com **and click on the vote now button to cast your vote.**