

FORM 62-103F1

Required Disclosure Under the Early Warning Requirements

Item 1 - Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of securities.

Common Shares and Options of:

Australis Capital Inc. (the "Issuer")
376 Warm Springs Road
Suite 190
Las Vegas, Nevada
89119

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

Private transaction.

Item 2 - Identity of the Acquiror

2.1 State the name and address of the acquiror.

Thomas Larssen (the "Acquiror")
c/o McMillan LLP
1500-1055 West Georgia Street
Vancouver, British Columbia, Canada
V6E 4N7

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

On March 8, 2021 (the "Effective Date"), in connection with the acquisition ("Acquisition") by the Issuer of a 51% ownership interest in 2751076 Ontario Inc. ("ALPS") from the Acquiror and ALPS' other shareholder, Lola Venture Inc. ("Lola"), pursuant to a Share Purchase Agreement dated February 23, 2021 among the Issuer, the Acquiror and Lola (the "SPA"), the Acquiror acquired, on a private placement basis, ownership of 25,000,000 common shares of the Issuer ("Common Shares") as consideration for the Acquiror's 25.5% ownership interest in ALPS.

In addition, the Acquiror, pursuant to his executive employment agreement with the Issuer dated effective the Effective Date (the "Employment Agreement"), was granted on the Effective Date: (a) a signing bonus of 200,000 Common Shares; and (b) 2,500,000 options to acquire Common Shares ("Options"), which Options have a term of five years, an exercise price of \$0.50 per Common Share and vest over 3 years.

2.3 State the names of any joint actors.

N/A.

Item 3 - Interest in Securities of the Reporting Issuer

- 3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the acquiror's securityholding percentage in the class of securities.**

On the Effective Date, pursuant to the SPA, the Acquiror acquired ownership of 25,000,000 Common Shares and, pursuant to the Employment Agreement, was granted (a) a signing bonus of 200,000 Common Shares and (b) 2,500,000 Options.

- 3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.**

The Acquiror acquired ownership of Common Shares and Options.

- 3.3 If the transaction involved a securities lending arrangement, state that fact.**

N/A.

- 3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.**

Immediately prior to the Effective Date, the Acquiror beneficially owned or exercised control or discretion over 2,200,000 Common Shares, representing approximately 1.2% of the issued and outstanding Common Shares.

On the Effective Date, following the closing of the Acquisition, and assuming the Acquiror exercises all of his Options, the Acquiror beneficially owns or exercises control or discretion over 29,900,000 Common Shares, representing approximately 13.1% of the issued and outstanding Common Shares.

- 3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which**

(a) the acquiror, either alone or together with any joint actors, has ownership and control,

Following the closing of the Acquisition, and assuming the Acquiror exercises all of his Options, the Acquiror beneficially owns or exercises control or discretion over 29,900,000 Common Shares, representing approximately 13.1% of the issued and outstanding Common Shares.

(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and

N/A.

(c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

N/A.

3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.

N/A.

3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

N/A.

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

N/A.

3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.

N/A.

Item 4 - Consideration Paid

4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.

The 25,000,000 Common Shares issued as consideration for the Acquiror's 25.5% ownership interest in ALPS were issued at a deemed issue price of \$0.20 per Common Share, for aggregate consideration of \$5,000,000.

The 200,000 Common Shares issued to the Acquiror pursuant to the Employment Agreement were issued at a deemed issue price of \$0.50, for aggregate consideration of \$100,000.

The 2,500,000 Options issued to the Acquiror pursuant to the Employment Agreement have an exercise price of \$0.50 per Common Share.

4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the

securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.

25,000,000 Common Shares were issued to the Acquiror at a deemed issue price of \$0.20 per Common Share, for aggregate consideration of \$5,000,000.

200,000 Common Shares were issued to the Acquiror at a deemed issue price of \$0.50, for aggregate consideration of \$100,000.

2,500,000 Options were issued to the Acquiror, having an exercise price of \$0.50 per Common Share, which price may represent a premium on the trading price of the Common Shares on the Canadian Securities Exchange as of the date of vesting.

4.3 *If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.*

See section 4.1.

Item 5 - Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquirer and any joint actors may have related to certain matters.

The Common Shares were acquired by the Acquiror as consideration for his 25.5% ownership interest in ALPS. The Common Shares and Options were acquired by the Acquiror pursuant to the Employment Agreement as executive compensation. All such securities shall be held for investment purposes. The Acquiror may from time to time acquire additional securities of the Issuer and entities controlled by the Issuer, whether as executive compensation or otherwise, dispose of some or all of the securities of any such entity, subject to applicable securities laws, exchange policies, contractual resale restrictions, market conditions and other factors, or maintain current securities positions in any such entity.

Item 6 - Agreements, Arrangements, Commitments or Understandings with Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Pursuant to the terms of the SPA, of the 25,000,000 Common Shares issued as consideration for the Acquiror's 25.5% ownership interest in ALPS: (a) 25% are freely tradeable; (b) 25% are subject to a 6-month contractual hold period; (c) 25% are subject to a 12-month contractual hold period; and (d) 25% are subject to an 18-month contractual hold period.

Pursuant to the terms of the Employment Agreement, the Acquiror's 2,500,000 Options vest as follows: 12.5% on the Effective Date, 12.5% on the 6-month anniversary of the Effective Date, 25% on the 12-month anniversary of the Effective Date, 50% in 24 equal monthly installments on the first of every month commencing with the first anniversary of the Effective Date.

Item 7 - Change in Material Fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

N/A.

Item 8 - Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

N/A.

Item 9 - Certification

The acquiror must certify that the information in this report is true and complete in every respect. In the case of an agent, the certification is based on the agent's best knowledge, information and belief but the acquiror is still responsible for ensuring that the information filed by the agent is true and complete. This report must be signed by each person on whose behalf the report is filed or his or her authorized representative. It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

Certificate

I, as the acquiror, or I, as the agent filing this report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

DATED this 10th day of March, 2021.

"Thomas Larssen"

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