

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.**

Lola Ventures Inc. (the "Acquiror")  
13135 St. Albert Trail NW  
Edmonton, Alberta T5L 4H5

- 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, in connection with the acquisition ("Acquisition") by the Issuer of a 51% ownership interest in 2751076 Ontario Inc. ("ALPS") from the Acquiror and the other shareholder thereof, the Acquiror acquired, on a private placement basis, ownership of 25,000,000 common shares of the Issuer ("Common Shares") as partial consideration for the Acquiror's 51% interest in ALPS.

In addition, the Acquiror, as consideration for the balance of its shareholder loan to ALPS, will receive 1,500,000 Common Shares of the Issuer, with 750,000 Common Shares issued on September 8, 2021 and 750,000 Common Shares issued on March 8, 2022.

Finally, Terry Booth, the sole shareholder of the Acquiror, pursuant to his executive employment agreement with the Issuer, was: (a) granted a signing bonus of 200,000 Common Shares on March 8, 2021 (the "Effective Date"); and (b) granted 2,500,000 options to acquire Common Shares ("Options"), which options have a 5-year term and vest over 3 years.

**2.3 State the names of any joint actors.**

Terry Booth.

**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.**

The Acquiror acquired ownership of 25,000,000 Common Shares.

In addition, the Acquiror will receive 750,000 Common Shares on September 8, 2021 and 750,000 Common Shares on March 8, 2022.

Finally, Terry Booth, the sole shareholder of the Acquiror: (a) acquired ownership of 200,000 Common Shares; and (b) was granted 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 and its sole shareholder, Terry Booth, 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.**

Prior to March 8, 2021 the Acquiror owned 4,186,294 Common Shares and Terry Booth owned 90 Common Shares, representing, in aggregate, 2.36% of the issued and outstanding Common Shares.

On March 8, 2021, following the closing of the Acquisition, and assuming Terry Booth exercises all his Options, the Acquiror and Terry Booth would collectively own 33,386,384 Common Shares, representing approximately 14.6% of the issued and outstanding Common Shares of the Issuer.

**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 Terry Booth exercises all his Options, the Acquiror and Terry Booth would collectively own 33,386,384 Common

Shares, representing approximately 14.6% of the issued and outstanding Common Shares of the Issuer.

**(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 interest in ALPS were issued at a deemed issue price of \$0.20 per Common Share, for aggregate consideration of \$5,000,000.

The 1,500,000 Common Shares to be issued as repayment of the Acquiror's shareholder loan owing by ALPS will be issued at a deemed issue price of \$0.50 per Common Share, for aggregate consideration of \$750,000.

The 200,000 Common Shares issued to Terry Booth pursuant to his executive employment agreement with the Issuer were issued at a deemed issue price of \$0.50, for aggregate consideration of \$100,000.

The 2,500,000 Options issued to Terry Booth pursuant to his executive 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.

1,500,000 Common Shares will be issued to the Acquiror at a deemed issue price of \$0.50 per Common Share, for aggregate consideration of \$750,000.

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

2,500,000 Options were issued to Terry Booth, 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 partial consideration for its shares and shareholder loans in ALPS. The Common Shares and Options were acquired by Terry Booth as executive compensation. All such securities shall be held for investment purposes. The Acquiror, Terry Booth and their affiliates 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 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 a Share Purchase Agreement dated February 23, 2021 among, *inter alia*, the Issuer and the Acquiror, of the 25,000,000 shares issued as consideration for the Acquiror's 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 Terry Booth's executive employment agreement with the Issuer, his 2,500,000 options vest as follows: 12.5% on March 8, 2021 (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 10<sup>th</sup> day of March, 2021.

**LOLA VENTURES INC.**

Per: "Terry Booth"  
Terry Booth  
President