

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: Australis Capital Inc. (the "Issuer").

Trading Symbol: AUSA

Number of Outstanding Listed Securities: 176,758,451

Date: January 4, 2021

This Monthly Progress Report must be posted *before the opening of trading on the fifth trading day of each month*. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

See item 2.

2. Provide a general overview and discussion of the activities of management.

During the month the Issuer continued its transition from the prior management team and board to the new board. The officers listed in item 10 of this report were terminated and Mr. Jon Paul was hired as the Issuer's new Chief Financial Officer and the board continued its review of potential candidates for the Chief Executive Officer position. The board continued its review of potential opportunities and its ability to enter additional jurisdictions as well as discussions with potential transaction partners. The board also continued with its review of the Issuer's current assets with a view to maximizing shareholder value. The special committee of the board of directors continued its work to resolve the outstanding litigation with Green Therapeutics LLC.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production

programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

None.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

None.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

None.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

None.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

None.

8. Describe the acquisition of new customers or loss of customers.

None.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

None.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

The employment of Jungah Alex Han as the Company's Chief Financial Officer was terminated December 18, 2020.

The employment of Daniel Norr as the Company's Chief Legal Officer was terminated December 18, 2020.

The employment of Cleve Tzung as the Company's Chief Operations Officer was terminated December 18, 2020.

The employment of Harry DeMott as the Company's Chief Executive Officer was terminated December 18, 2020.

The employment of Anna Saito as the Company's Accounting Manager was terminated December 18, 2020.

The employment of Brienne Miller as the Company's Director of Accounting was terminated December 18, 2020.

The employment of Estevan De Artola as the Company's Director of Business Development was terminated December 18, 2020.

The employment of Wenzhong Zhang as the Company's Developer was terminated December 18, 2020.

An employment agreement was entered into with Mr. Jon Paul to act as the Issuer's Chief Financial Officer.

11. Report on any labour disputes and resolutions of those disputes if applicable.

None.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

On June 29, 2020, the Issuer was served with a lawsuit naming the Issuer that has been filed, under seal, in Clark County, Nevada by Meridian Companies, LLC and Green Therapeutics, LLC. The lawsuit alleges, among other things, breach of contract by the Issuer with respect to certain obligations outlined in the Issuer's asset purchase agreement with Green Therapeutics entered into on May 21, 2019.

A special committee of the board of directors of the Issuer was formed to address this dispute. During the month of December there were positive discussions regarding a resolution.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

None.

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
Common Shares	69,648	Stock Options	N/A
Common Shares	26,477	Stock Options	N/A
Options	3,850,000	Exercise Price \$0.19, Expiry Date December 7, 2025	N/A

Options	2,000,000	Exercise Price \$0.20, Expiry Date December 31, 2023	N/A
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(1) State aggregate proceeds and intended allocation of proceeds.

15. Provide details of any loans to or by Related Persons.

None.

16. Provide details of any changes in directors, officers or committee members.

See item 10.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

The Issuer continues to closely monitor guidance issued by state and federal authorities in response to the COVID-19 pandemic. As of the end of December, there have been no changes to capital investment plans nor corporate objectives of the Issuer, nor does the Issuer foresee said changes in the near future, as a result of the pandemic.

In connection with Nevada State Directives, beginning March 20, 2020, dispensaries in the state of Nevada were limited to delivery only services, with curbside pick-up available beginning May 1, 2020 and reopening of in-store sales beginning towards the end of May, subject to the dispensaries submitting and receiving approval from the state, a plan to address social distancing guidelines for in-store sales. The Issuer is in the process of establishing operations and deployed the first Cocoon Technology kiosks in September 2020. The issuer has seen a slight delay in the rollout of its kiosks due in part to the COVID-19 pandemic however, overall, the issuer anticipates the impact of the pandemic to the Issuer's operations to be relatively minimal.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated January 4, 2021

Duke Fu
 Name of Director or Senior
 Officer

"Duke Fu"
 Signature
Interim CEO
 Official Capacity

<i>Issuer Details</i> Name of Issuer Australis Capital Inc	For Month End December 2020	Date of Report 21/01/04
Issuer Address 376 East Warm Springs Road, Suite 190		
City/Province/Postal Code Las Vegas, NV 89119	Issuer Fax No. ()	Issuer Telephone No. (800) 898-0648
Contact Name Jon Paul	Contact Position Chief Financial Officer	Contact Telephone No. (847) 372-1963
Contact Email Address alex@ausacap.com	Web Site Address www.ausa-corp.com	