

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: AUSA

Number of Outstanding Listed Securities: 170,761,297

Date: July 7, 2020

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.

On June 25 the Issuer announced it has entered into an agreement to acquire Passport Technology Inc ("Passport"). Passport holds privileged gaming licenses and provides custom payment technologies through unattended kiosks and related solutions. This is a related party transaction and is subject to shareholder approval at the Issuer's next annual general meeting.

Also, on June 25 the Issuer announced a non-brokered private placement of units of the Issuer at \$0.28 (CAD) per unit, each unit is for one common share and a one-half warrant. The private placement is contingent on shareholder approval of the Passport acquisition and the Passport acquisition is contingent on the successful completion of the private placement.

See the Issuer's Press Releases dated June 25, 2020 and July 6, 2020.

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

On June 25, 2020 the Issuer made the following promotions:

Cleve Tzung formerly EVP, Chief Revenue Officer to Chief Executive Officer.

Alex Han formerly EVP, Chief Accounting Officer and Interim Chief Financial Officer to Chief Financial Officer.

Scotty Dowty formerly Chief Executive Officer was named Executive Chairman of the Board of Directors.

Management continues to seek new strategic opportunities to create shareholder value.

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.

See item 1 above.

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.

Pursuant to the License, Development and Service Agreement entered into by Issuer and Passport Technology Canada Ltd. ("PTC") on October 29, 2019, and as amended to date (the "License Agreement"), the Issuer issued additional consideration to PTC to reflect the share price of Body and Mind, Inc. shares paid to PTC as consideration under the License Agreement (the "True Up Adjustment"). The total of the True Up Adjustment was \$855,423

paid in the form of 1,802,542 shares of Body and Mind common stock. The True Up Adjustment was based on the 30-day volume weighted average share price ("VWAP") of Body and Mind Inc.

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.

On June 1, 2020 the Issuer hired Jonathan Hall as its Senior Software Engineer.

On June 8, 2020 the Issuer hired Michael Pico as its UI/UX Engineer and Kieu Le as its Software Development Manager.

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 and certain subsidiaries were served with a lawsuit filed by Green Therapeutics, LLC and Meridian Companies LLC in the Eighth Judicial District, Clark County, Nevada for damages in excess of \$15,000 (USD). The claims asserted are for breach of contract and breach of the covenant of good faith and fair dealing. The Issuer intends to vigorously contest the allegations made in the lawsuit and assert affirmative defences.

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 Stock	52,500	Stock Options	Stock-based Compensation
Common Stock	22,500	Restricted Stock Units	Stock-based Compensation
Common Stock	38,672	Vesting of Restricted Stock Units (net of withholding tax)	N/A

(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 2 above.

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 June, 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, for a plan to address social distancing guidelines for in-store sales. The Issuer is in the process of establishing operations, most significantly through its Cocoon Platform, a self-service kiosk originally anticipated to be deployed at cannabis dispensaries in calendar quarter two of 2020. As a result of state directives, the Issuer has experienced a delay in deploying the initial round of Cocoon kiosks to local dispensaries which has consequently delay the anticipated revenues from these kiosks by a similar period of time. The Issuer anticipates deployment of the first kiosks this quarter, pending approval from the Nevada Cannabis Control Board. Overall, the Issuer anticipates the impact of the COVID-19 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 July 7, 2020

Cleve Tzung
Name of Director or Senior
Officer

"Cleve Tzung"
Signature
CEO
Official Capacity

<i>Issuer Details</i> Name of Issuer Australis Capital Inc	For Month End June 2020	Date of Report 20/07/07
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 Alex Han	Contact Position Chief Financial Officer	Contact Telephone No. 702-290-9525
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