



AUSTRALIS PROVIDES UPDATE

Transition Progressing Smoothly with Rapid Execution out of the Gate

LAS VEGAS, NV, December 7, 2020 – Australis Capital Inc. (CSE: AUSA) (OTC: AUSA) (“AUSA” or the “Company”) is pleased to provide the following corporate update:

New Board Rolls Up Their Sleeves and Gets to Work

Following overwhelming shareholder support at the November 17, 2020 annual and special meeting of shareholders (the "Meeting"), the new AUSA board has rapidly commenced executing on the initiatives set out in the concerned shareholders' proxy circular (the "Circular") disseminated to shareholders prior to the Meeting.

Out of the gate, a number of board committees were formed, focused on discovery, execution and governance. The transition process also includes a rapid but thorough strategic review of current assets, relationships, internal operations and contractual arrangements.

Furthermore, the board anticipates making new officer appointments, as well as implementing other organizational changes that will create a more agile, efficient and execution focused company, while reducing expenses.

Management Commentary

“Our shareholders have spoken. We are thankful for their support, and in response we have immediately commenced executing on the plans that earned us their support at the Special Meeting,” said Dr. Duke Fu, Interim CEO of AUSA. “We have been busy these past few weeks, and have already reengaged with our portfolio companies as part of our strategic review towards optimizing value. We have reduced our expense base, implemented strong governance practices, and have advanced negotiations with potential partners and investment targets. Shareholders can expect a reenergized and much more active and efficient AUSA, which will be reflected in more frequent communications as we execute on our strategy.”

Going Forward

As set out in the Circular, the new team at AUSA will implement a strategy that is laser focused on delivering growth and profitability. The first step in this process is to optimize the value of the

current asset portfolio. With a constellation of existing assets, the Board and Management believe that with a higher level of communication and collaboration, greater value will be generated. The Company has reengaged with its portfolio companies in order to strengthen ties, improve communication, and identify pathways towards a more focused execution. In line with its efficiency objectives and corporate vision, AUSA will be implementing a capital-light approach that utilizes the existing operational footprint of industry partners.

At the same time, the new team is engaged in high level negotiations at an advanced stage with cannabis companies who are industry leaders in their particular field and the Company will make further announcements as developments occur. Management believes that the recent US federal and state developments with respect to the cannabis industry will take the US cannabis industry to a new level, opening up significant opportunities for the Company.

Furthermore, management recognizes shareholders' need for regular information, and will substantially increase the frequency of its communications, as well as build a robust investor relations strategy to expand AUSA's capital markets profile.

Governance

Governance is a key focus of the new team. In accordance with best practice standards and regulations, a number of board committees were formed, as follows:

- Audit Committee: Hanoz Kapadia (Chair), Avi Geller and John Esteireiro
- Compensation and Nominating Committee: Jason Dyck (Chair), John Esteireiro and Avi Geller
- Governance Committee: Duke Fu (Chair), Hanoz Kapadia and Jason Dyck
- Special Committee for the Green Therapeutics litigation: Hanoz Kapadia (Chair), Avi Geller and Jason Dyck.

Housekeeping and expense reduction

In transitioning leadership, AUSA anticipates it will be able to execute on its strategy with a leaner and more efficient organizational structure than has been the case to date, resulting in significantly reduced overhead expense.

- Despite an immediate reduction in team size, certain management positions remain to be filled, including the CEO and CFO positions. The Company has commenced a robust recruitment program and has received significant interest from experienced cannabis executives. Interviews continue and recommendations will be submitted to the board for its review shortly.

- The board has been conducting a rapid review of AUSA’s current and past business relationships, including past consulting agreements and strategic partnerships with a view to reducing expenses and optimizing value.

AUSA is well positioned with sufficient resources to execute on the Company’s immediate plans. The opportunity in the U.S. cannabis market is enormous, and management believes that the rapidly expanding market is ideal for an agile, execution-focused organization such as AUSA to play a meaningful role and generate significant shareholder value.

About Australis Capital Inc.

AUSA invests in, operates and builds differentiated companies primarily in the cannabis industry. AUSA's business lines and assets include investments in Cocoon, Body and Mind Inc., Green Therapeutics LLC, Quality Green, Folium Biosciences, and land assets in Washington.

The Company's common shares trade on the CSE under the symbol "AUSA" and on the OTCQB under the symbol "AUSAF".

For further information about AUSA, contact the Company by e-mail at ir@ausa-corp.com.

“Dr. Duke Fu”

Dr. Duke Fu
Interim Chief Executive Officer

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Forward-Looking Statement

This press release contains “forward-looking information” within the meaning of applicable securities legislation. All statements, other than statements of historical fact, included herein is forward-looking information. Generally, forward-looking information may be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “proposed”, “is expected”, “budgets”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases, or by the use of words or phrases which state that certain actions, events or results may, could, would, or might occur or be achieved. In particular, this press release contains forward-looking information in relation to: the timing and potential results of the strategic review of current assets, relationships, internal operations and contractual arrangements; the timing of officer appointments and implementation of other organizational changes; the timing and results of negotiations with potential partners and investment targets; execution on the Company's plans to deliver growth and profitability; generating greater value from the current assets; the impact of the changes to

U.S. federal and state developments with respect to the cannabis industry and the opportunities this may present for the Company; and the Company's current liquidity. This forward-looking information reflects the Company's current beliefs and is based on information currently available to the Company and on assumptions the Company believes are reasonable. These assumptions include, but are not limited to: the ability of the Company to successfully complete negotiations with potential partners and investment targets; the ability of the Company to complete its review of potential officer candidates in a timely fashion; legal changes relating to the cannabis industry proceeding as anticipated; and the Company's continued response and ability to navigate the COVID-19 pandemic being consistent with, or better than, its ability and response to date.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information. Such risks and other factors may include, but are not limited to: general business, economic, competitive, political and social uncertainties; general capital market conditions and market prices for securities; the actual results of the Company's future operations; competition; changes in legislation affecting the Company; the timing and availability of external financing on acceptable terms; lack of qualified, skilled labour or loss of key individuals; risks related to the COVID-19 pandemic including various recommendations, orders and measures of governmental authorities to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, service disruptions, quarantines, self-isolations, shelters-in-place and social distancing, disruptions to markets, economic activity, financing, supply chains and sales channels, and a deterioration of general economic conditions including a possible national or global recession; and a deterioration of financial markets that could limit the Company's ability to obtain external financing.

A description of additional risk factors that may cause actual results to differ materially from forward-looking information can be found in the Company's disclosure documents on the SEDAR website at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking information. Readers are cautioned that the foregoing list of factors is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking information as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated.

Forward-looking information contained in this press release is expressly qualified by this cautionary statement. The forward-looking information contained in this press release represents

the expectations of the Company as of the date of this press release and, accordingly, are subject to change after such date. However, the Company expressly disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities law.

The CSE has neither approved nor disapproved the contents of this news release. Neither the CSE nor its Regulation Services Provider (as that term is defined in the policies of the CSE) accept responsibility for the adequacy or accuracy of this release.

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