

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Australis Capital Inc. (“**Australis**” or the “**Company**”)
376 Warm Springs Road
Suite 190
Las Vegas, Nevada 89119

Item 2 Date of Material Change

December 8, 2021

Item 3 News Release

A news release dated December 9, 2021 was disseminated via Canada Newswire. It was also subsequently filed on SEDAR.

Item 4 Summary of Material Change

Australis announced the first tranche closing of their non-brokered private placement of units.

Item 5 Full Description of Material Change

The Company announced the closing of the first tranche (the “**First Tranche**”) of its private placement of units (the “**Units**”) of the Company at a price of \$0.17 per Unit (the “**Offering**”). In this First Tranche, the Company issued 17,840,349 Units for aggregate gross proceeds of \$3,032,862.53.

Each Unit consisted of one (1) common share in the capital of the Company (each, a “**Share**”) and one (1) Share purchase warrant (each, a “**Warrant**”). Each Warrant is exercisable into one (1) additional Share (each, a “**Warrant Share**”) at an exercise price of \$0.35 per Warrant Share on or before December 8, 2023. The Warrants contain an accelerated option clause that states that if the daily volume weighted average closing price of the Shares is greater than \$0.50 for ten (10) consecutive trading days on the Canadian Securities Exchange (the “**CSE**”), then the Warrants must be exercised within a 30-day period commencing on the date notice is provided for the same, or failing which, the Warrants shall expire as null and void.

Certain insiders of the Company acquired Units in the First Tranche of the Offering. The participation by such insiders in the Offering constituted a “related party transaction” subject to Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“**MI 61-101**”). Such participation was exempt from the formal valuation and minority shareholder approval requirements provided under sections 5.5(a) and 5.7(a) of MI 61-101 as neither the fair market value (as determined under MI 61-101) of the subject matter of, nor the fair market value of the consideration for, the transaction, insofar as it involves interested parties, exceeded 25% of the Company's market capitalization.

In connection with the closing of the First Tranche of the Offering, the Company paid aggregate cash finder's fees in the aggregate of \$15,989.99 and issued 94,058 finder's warrants (the “**Finder's Warrants**”) to certain qualified arm's length finders. Each Finder's Warrant is exercisable into one (1) Share (each, a “**Finder's Warrant Share**”) at an exercise price of \$0.35 per Finder's Warrant Share on or before December 8, 2023.

All securities issued in connection with the First Tranche closing of the Offering are subject to a statutory hold period of four months plus a day in accordance with applicable securities legislation ending on April 9, 2022.

The Company intends to use the proceeds from the Funding and the Offering for acquiring product, general working capital, acquisitions and investments

Item 5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

For more information, please contact:
Terry Booth, CEO
Email: IR@ausa-corp.com

Item 9 Date of Report

DATED at Vancouver, BC, this 20 day of December, 2021.