



NEWS RELEASE

AUSTRALIS ENTERS LETTER OF INTENT TO PURCHASE SHARES IN WAGNER DIMAS INC.

LAS VEGAS, NV, September 17, 2018 – Australis Capital Inc. (“**Australis**” or the “**Company**”) is pleased to announce the Company has entered into a non-binding letter of intent (the “**LOI**”) to purchase a 15% equity interest (the “**Share Purchase**”) in the capital of Wagner Dimas Inc. (“**Wagner Dimas**”) from Cannroy Delaware Inc. (“**Cannroy Delaware**”), the current registered and beneficial owner of such interest, and a wholly-owned subsidiary of Cannaroyalty Corp.

Wagner Dimas is a Nevada corporation which develops technology for large scale manufacturing in a variety of applications including production scale rolling machines to mass manufacture hemp and cannabis pre-rolls and cones. Wagner Dimas licensees have experienced significant demand for both its co-packing and contract manufacturing services with over 40 of the largest cannabis brands, dispensaries and cultivators, tapping Wagner Dimas’ propriety hardware to produce unparalleled quantity and quality of finished product.

“Wagner Dimas proprietary processes and patented technologies are scaling to a new facility on pace to produce 50 million pre-rolls annually in the California market alone,” stated Scott Dowty, CEO of Australis Capital Inc. “Our investment in Wagner Dimas with their expertise in traditional cannabis delivery systems, expanding business to business vertical, geographic expansion and significant branding opportunities serve as key growth vectors to our diverse investment strategy in the United States.”

Pursuant to the terms of the LOI, the Company intends to acquire approximately 15% equity interest in Wagner Dimas from Cannroy Delaware. As consideration for the Share Purchase, the Company would pay CAD \$3,000,000 payable in either common shares of Australis or cash, at the election of the Company.

The LOI is non-binding and the completion of the Share Purchase is subject to customary closing conditions.

About Australis Capital Inc.

Australis Capital identifies and invests in the cannabis industry predominately in the United States, a highly regulated, fragmented, rapidly expanding and evolving industry. Investments may include and are not limited to equity, debt or other securities of both public and private companies, financings in exchange for royalties or other distribution streams, and control stake acquisitions. Australis Capital adheres to stringent investment criteria and will focus on significant near and mid-term high-quality opportunities with strong return potentials while maintaining a steadfast commitment to governance and community. Australis Capital’s Board, Management and Advisory Committee members have material experience with, and knowledge of, the cannabis space in the U.S., extensive backgrounds in highly regulated industries, adherence to stringent regulatory compliance, public company and operational expertise.

For further information, please contact the Company by e-mail at ir@ausacap.com or visit www.ausacap.com.

ON BEHALF OF THE BOARD OF DIRECTORS

“*Scott Dowty*”

Scott Dowty
Chief Executive Officer

Contact

Cam Birge
Chief Financial Officer
IR@ausacap.com

Forward-Looking Information Statement

This news release contains statements and information that, to the extent that they are not historical fact, constitute "forward-looking information" within the meaning of applicable securities legislation, including statements in respect of the entering into of definitive agreements and completion of the proposed Share Purchase. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. There is no assurance that the Share Purchase will be completed as proposed or at all.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking information. Accordingly, readers should not place undue reliance on any such forward-looking information. Further, any forward-looking statement speaks only as of the date on which such statement is made. New factors emerge from time to time, and it is not possible for the Company's management to predict all of such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. The Company does not undertake any obligation to update any forward-looking information to reflect information, events, results, circumstances or otherwise after the date hereof or to reflect the occurrence of unanticipated events, except as required by law including securities laws.

The CSE has in no way passed upon the merits of the Transaction and 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) accepts responsibility for the adequacy or accuracy of this release.

###