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NEWS RELEASE

AUSTRALIS FINALIZES DEFINITIVE AGREEMENT TO PURCHASE SHARES IN WAGNER DIMAS INC.

LAS VEGAS, NV, October 3, 2018 – Australis Capital Inc. (“**Australis**” or the “**Company**”) is pleased to announce the Company has finalized the definitive agreement to purchase 2,200,000 common shares (the “**Share Purchase**”) in the capital of Wagner Dimas Inc. (“**Wagner Dimas**”) from Cannroy Delaware Inc., the current registered and beneficial owner of such interest, and a wholly-owned subsidiary of Cannaroyalty Corp.

The purchase price will consist of a cash payment of \$1,500,000 and 738,916 units (“**Units**”) issued on the same terms as the Units offered in the Company’s private placement which was previously announced on October 1, 2018, with each Unit consisting of one common share and one-half of a common share purchase warrant of Australis.

“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, Chief Executive Officer of Australis. “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.”

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities described in this news release in the United States. Such securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or any state securities laws, and, accordingly, may not be offered or sold within the United States, or to or for the account or benefit of persons in the United States or "U.S. Persons", as such term is defined in Regulation S promulgated under the U.S. Securities Act, unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to an exemption from such registration requirements.

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. Australis' Common shares trade on the CSE under the symbol "AUSA".

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

ON BEHALF OF THE BOARD OF DIRECTORS

"Scott Dowty"

Scott Dowty
Chief Executive Officer

Contact

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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 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.

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.

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