



NEWS RELEASE

AUSTRALIS FINALIZES DEFINITIVE AGREEMENT TO ACQUIRE RTHM TECHNOLOGIES INC.

LAS VEGAS, NV, October 29, 2018 – Australis Capital Inc. (CSE: AUSA) (“**Australis**” or the “**Company**”) is pleased to announce that the Company has finalized the definitive agreement (the “**Agreement**”) to acquire 100% of the outstanding shares of Rthm Technologies Inc. (“**Rthm**”), the # 1 health app in 26 countries. As a privately held, federally incorporated company, Rthm holds several brand-associated trademarks and has developed the world’s first mobile genetics and circadian rhythm mapping platform for both iOS and Android devices.

Among the most advanced digital health platforms in the world, Rthm has developed a complete suite of proprietary technology including advanced heart rate tracking and analysis algorithms and comprehensive circadian rhythm mapping techniques. Built and designed to support every customer in achieving their unique health and wellness needs, Rthm is a top ranked health app with millions of downloads worldwide.

Pursuant to the terms of the Agreement, the Company will pay the following consideration to the shareholders of Rthm:

- the payment of an aggregate of CAD \$800,000 in cash payable upon closing;
- the issuance of an aggregate of 1,742,611 common shares of Australis (“**Shares**”) to the shareholders of Rthm payable upon closing;
- the issuance and aggregate of CAD \$200,000 in promissory notes to the shareholders of Rthm payable upon certain patents being granted to Rthm; and
- the issuance of shares to the shareholders of Rthm with an aggregate value of CAD \$1,250,000 at a price equal to the greater of CAD \$0.20 per Share or the closing price of the Shares at time of issue payable upon the achievement of certain milestones.

“The Rthm team has developed a technological and product roadmap for which we are uniquely positioned to execute,” said Alexandar Mosa, Chief Executive Officer of Rthm. “Our design principle will be a health first approach, where enhancing the efficacy of cannabis consumption through digital experiences and the world’s largest chemotaxonomic strain classifier will become an essential tool for millions of patients and consumers in the coming year. We believe Australis is best positioned to guide, support, and monetize the value we will jointly create.”

“Rthm is exceptionally positioned to leverage its proprietary biometric technologies to develop the world’s most advanced cannabis curation, delivery, and loyalty platform,” said Scott Dowty, Chief Executive Officer of Australis Capital. “Rthm’s transformative and licensable technology has the capability to alter the direct to consumer product experience, the creation of a database with broad industry impacts while leap frogging existing rudimentary delivery models.”

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. In addition to the Company's expertise and strong execution on strategic M&A, which to date includes Rthm Technologies Inc, Australis has developed strategic partnerships with companies such as Wagner Dimas.

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:

Michael J. Carlotti
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 completion of the acquisition of Rthm. 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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