



NEWS RELEASE

AUSTRALIS CAPITAL ANNOUNCES RESTRICTED SHARE UNIT GRANT PROGRAM

LAS VEGAS, NV, December 6, 2018 – Australis Capital Inc. (CSE: AUSA) (“**Australis**” or the “**Company**”) is pleased to announce the implementation of a rolling restricted share unit plan (the “**RSU Plan**”) and grant of an aggregate of 2,172,500 restricted share units pursuant to the RSU Plan (each, an “**RSU**”).

In order to further align the interests of the Company’s senior executives, key employees, directors, and consultants to those of the shareholders of the Company, the Board of Directors has approved the implementation of the RSU Plan. Under the RSU Plan, eligible persons may (at the discretion of the Board) be allocated a number of RSUs as the Board deems appropriate, with vesting provisions also to be determined by the Board. Pursuant to the RSU Plan, the maximum number of RSUs which may be granted, when combined with outstanding stock options and other compensation securities, is 10% of the Company’s issued and outstanding common shares as of the time of grant.

The Company has granted an aggregate of 2,172,500 RSUs to the Company’s senior executives, key employees, directors, and consultants with 1/3 of the of the RSUs vesting every 12 months from the date of they were granted. All of the RSUs will be subject to applicable securities law hold periods.

The Company also announces that the Board of Directors has granted an aggregate of 787,500 stock options to new employees, in each case at an exercise price equal to the market price of the Company’s common shares on the effective date of grant (as determined in accordance with the policies of the Canadian Securities Exchange) and with a term of three years.

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., Body and Mind Inc. and Quality Green 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. 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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