



AUSTRALIS CAPITAL TO ACQUIRE CALIFORNIA CANNABIS BRAND MR. NATURAL PRODUCTIONS, INC.

America's premium life brand of cannabis products

LAS VEGAS, NV, February 26, 2019 – Australis Capital Inc. (CSE: AUSA)(OTCQB: AUSA) (“Australis” or the “Company”) is pleased to announce the Company has acquired 100% of Mr. Natural Productions, Inc., (“Mr. Natural”) a multiple award-winning medical and recreational cannabis brand based in California. This acquisition includes the rights to the Mr. Natural brand, the life story right of Robert Luciano and all related intellectual property, including proprietary processes in a deal valued for \$1.3 million USD and royalty payments based on future performance incentives.

“Mr. Natural was founded on the basic principles of positivity and healing,” said Bob “Natural” Luciano, founder of Mr. Natural. Bob, a Rastafarian priest and Vietnam veteran, gained notoriety in the 70’s for cultivating high-quality strains, which provided its users’ relief from post-traumatic stress (PTS), chronic illness, and pain, all associated with their time at war.

“As an artisanal cultivator, proprietary methods are crucial in the quality and efficacy of the plant,” said Mr. Luciano. “Premium soil and attention to detail equate to high-yield cannabis, rich in terpenes and cannabinoids, and cured to perfection. We have dedicated our lives to cultivation, which has allowed us to offer a final product that any user—experienced or new—can be proud to ask for by name.”

“Bob’s passion for developing premium cannabis products and positively impacting people’s lives is inspirational,” said Scott Dowty, CEO of Australis Capital. “Our acquisition of the Mr. Natural life brand will see rapid expansion outside of California by leveraging Australis and partner assets. Bob has perfected his methods over many decades, developing proprietary growth techniques and unrivaled efficacy. Supported by a proven playbook and thoughtful execution, Mr. Natural is uniquely positioned to become the preeminent brand of medicinal and recreational cannabis in the United States.”

Built on one of the most impactful life stories in the cannabis industry, the Mr. Natural brand is poised to leverage its classic cannabis and rich history to gain an international following of cannabis connoisseurs. Mr. Natural products are currently available in Kolas Dispensaries and dispensaries affiliated with CC101 in Northern California, with discounts provided for veterans. The new partnership with Australis will see the Mr. Natural brand expand where legalities permit, with a line of premium products, including cannagars, rosin and pre-rolls, slated for launch in Nevada later this year.

“Mr. Natural has developed an iconic brand, based on a deep understanding of the value of natural medical cannabis gained through extensive personal experience, supported by an assortment of high-quality, award-winning strains and a dedication to organic cultivation,” said Terry Booth, CEO of Aurora Cannabis. “Together with Australis, the Mr. Natural brand will leverage its additional growth capital and well-connected management team to secure new opportunities to extend its strong brand recognition with U.S. patients and consumers. I look forward to what Mr. Natural and the team at Australis will achieve together as they execute on the tremendous growth opportunity ahead in the US medical cannabis market.”

History

Developed by Bob “Natural” Luciano, a Vietnam veteran, over 50 years ago, Mr. Natural’s continued cultivation of high-quality strains offers relief for people suffering from post-traumatic stress (PTS), chronic illness and pain. During his military service in Vietnam, Bob and many of his compatriots discovered the therapeutic benefits of cannabis. When he returned home, Bob discovered access to cannabis, the only viable treatment for his ailments, was no longer available to him. This launched Bob’s lifelong mission to educate and advocate for medicinal cannabis.

In 1990, Bob immersed himself in Rastafarianism and the classic cannabis culture in Jamaica. Experimenting with genetics, soil, and drawing from decades of local knowledge, Jamaica became his testing ground for the iconic strains enjoyed by reggae legends and cannabis connoisseurs.

After California legalized recreational cannabis, he moved his entire operation to California and continued growing his iconic strains, gaining a loyal following of both recreational and medicinal users.

“I met Bob over 10 years ago through CC101. We had similar experiences as veterans and I was looking for an organic, natural grower,” said Bobby Mac, veteran and longtime user of Mr. Natural. “He has developed two or three strains he is famous for, Cali Gold, OG Kush and Skywalker, but the main thing is he developed specific strains to treat illnesses he has experienced. Things that other veterans have experienced, during and after combat. We’ve been working with the VA to educate and offer alternatives to veterans. We have the same drive and same dreams to finally begin to heal people.”

A 100% disabled veteran with PTS, Bob has been a strong advocate for the medical use of cannabis for veterans. Advocacy and growing cannabis in a culture predisposed to view cannabis negatively was a constant challenge. Bob continues his pursuit to cultivate strains specifically for PTS, chronic illness and pain to enable other veterans to gain relief. Bob has actively worked with the Veterans Administration since 1972 to educate others on cannabis and its use for treating PTS.

Find out more at <https://themrnatural.com>.

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About Australis

Australis identifies and invests in the cannabis industry predominantly 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 and management team 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., Quality Green Inc., and Folium Biosciences, Australis has developed strategic partnerships with companies such as Wagner Dimas.

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

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

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Forward-Looking Information Statement

Formerly a subsidiary of Aurora, Australis was spun out in September 2018. Aurora holds restricted back-in warrants which permit Aurora to acquire 22,628,751 Australis shares plus 20% of the number of outstanding Australis shares as of the date of exercise. Aurora is prohibited from exercising the restricted warrants unless all of Australis' business operations in the United States become legal under applicable federal and state laws and Aurora has received the consent of the TSX and any other stock exchange on which Aurora may be listed, as required.

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 acquisition of Mr. Natural. 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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