



AUSTRALIS CAPITAL ANNOUNCES TERMINATION OF MERGER AGREEMENT WITH FOLIUM BIOSCIENCES

LAS VEGAS, NV, February 18, 2020 – Australis Capital Inc. (CSE: AUSA) (OTC: AUSA) (“AUSA” or the “Company”) previously announced on, December 11, 2019, a proposed merger by and among AUSA, Folium Equity Holding LLC (“Folium”) and Folium Merger Sub, LLC by which Folium would become a wholly owned subsidiary of AUSA, and AUSA would be rebranded as and carry on the business of Folium. AUSA recently discovered new relevant information with regard to Folium and, on that basis, AUSA has decided to not proceed with the merger.

“AUSA continues to lean heavily on corporate governance and our vision to navigate through an incredibly unpredictable market over the past 12 months,” states Scott Dowty, CEO of AUSA. “With over \$38.2 million in cash, liquid assets, and other assets that can easily be converted into cash within a short amount of time and \$5.2 million annual burn excluding charges from capital projects and one-time occurrence, AUSA has a very strong financial position. With 18 months of operating experience behind us, we are excited about the future and eager to execute on our strategy starting with our corporate update on February 26, 2020.”

A trading halt on AUSA stock was issued in accordance with the policies of the Canadian Stock Exchange (“CSE”) at the time of the announcement of the proposed merger agreement. As the transaction will not proceed, trading is expected to resume on the CSE and OTC shortly.

AUSA is hosting a corporate update call at 1:00 PM EST on Wednesday, February 26, 2020. The conference call may be accessed by dialing 1.888.396.8094 (Toll-Free North America) or 1.416.764.8649 (Canada).

About Australis Capital Inc.

AUSA operates and builds transformative, differentiated cannabis companies predominantly in the United States, a highly-regulated, fragmented, and rapidly expanding industry. AUSA adheres to stringent evaluation and operating criteria focusing on high-quality opportunities while maintaining a steadfast commitment to governance and community. AUSA’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 and regulatory compliance. AUSA operating and portfolio assets include Rthm Technologies Inc., Body and Mind Inc., Quality Green Inc., Mr. Natural Inc., Green Therapeutics, LLC., and Cocoon Technology LLC.

The Company’s Common shares trade on the CSE under the symbol “AUSA” and on the OTCQX under the symbol “AUSA”.

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

ON BEHALF OF THE BOARD OF DIRECTORS

“Scott Dowty”

Scott Dowty
Chief Executive Officer

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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 AUSA shares resuming trading on the CSE. 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. This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities.

The CSE 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) accept responsibility for the adequacy or accuracy of this release.

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