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AUSTRALIS CAPITAL PROVIDES UPDATE ON COMPELLING ACQUISITION OF PASSPORT TECHNOLOGY

LAS VEGAS, NV, June 29, 2020 – Australis Capital Inc. (CSE: AUSA) (OTC: AUSA) (“AUSA” or the “Company”) announced it entered into an agreement to acquire Passport Technology Inc. (“Passport”) on June 25, 2020 (the “Passport Acquisition”). Pending requisite approvals, the Passport Acquisition will provide immediate revenue and profitability to AUSA:

- With the acquisition of Passport Technology and anticipated growth in AUSA’s Cocoon Technology and Paytron Merchant Services (“Paytron”) business lines, the Company expects to be EBITDA positive in 2021 with exciting growth prospects beyond;
- Passport Technology (“Passport”) holds privileged gaming licenses and provides custom payment technologies through unattended kiosks and related solutions and has expanded revenue and EBITDA by double-digits annually since inception in 2016;
- Like Cocoon Technology, Passport operates in highly regulated, compliance centric environments providing a high barrier to entry to new market participants; and
- The Passport Acquisition will be immediately accretive, resulting in virtually no employee and infrastructure overlap.

The combined business positions AUSA in three complementary verticals within fintech leveraging purpose-built technology for highly regulated industries with a growing need for unattended kiosk solutions - a global market expected to surpass \$46 billion by 2026.

For more information regarding the strategic and financial attributes of the proposed Passport Acquisition, shareholders should review the investor presentation which accompanied the June 26, 2020 Investor Call, available at www.ausa-corp.com/investors.

Governance Process

Prior to the Company’s annual meeting, AUSA will provide a proxy circular that will include a fulsome summary of the background to the Passport Acquisition. The key highlights of the robust governance transaction process are as follows:

- Since the inception of AUSA, and as an investment company, the board and management have continuously sought to identify, through rigorous review, high-quality investment opportunities that fit within the Company’s investment criteria with a goal of providing asymmetric return to shareholders;
- On December 11, 2019, the Company announced that it adopted a resolution to take advantage of a safe harbor under the U.S. *Investment Company Act of 1940* (the “Investment Act”) and this safe harbor allowed the Company time to take the necessary

steps to ensure it complied with the Investment Act. This acquisition will ensure the Company's total investment assets stay below the required threshold of the Asset test.

- Following the February 18, 2020 announcement terminating the Folium Bioscience Merger Agreement, the Company's Board of Directors met in Las Vegas on March 2, 2020 to continue its review of a range of earlier identified potential opportunities (within a safe harbor under the U.S. Investment Company Act of 1940), including an acquisition of Passport (Scott Dowty was not present during that portion of the meeting);
- Consistent with governance best practices, a committee comprised of independent Directors of the Board (the "Independent Committee") was formed to evaluate a potential acquisition of Passport Technology by the Company;
- The first Independent Committee meeting took place on March 6, 2020, during which it was determined negotiations of a potential transaction would be handled primarily between Cleve Tzung of AUSA and Kurt Sullivan of Passport Technology;
- The Independent Committee held twelve meetings over the following 111 days to receive updates from the Company's Officers and to provide direction with respect to any requests for additional information, analysis or evaluations;
- The Independent Committee engaged a reputable third-party valuation firm, Sycamore, to perform an independent valuation of Passport (Sycamore is compensated by a flat-fee structure not contingent on the outcome of the transaction). Sycamore presented its initial presentation based on a preliminary letter of intent in April, and will issue a fairness opinion in short order.

"With the assistance of our external legal and financial advisors, the Independent Committee has at all times been solely focused on what is in the best interests of the Company and all of its shareholders," said Roger Swainson, Chairman of the Independent Committee. "While we welcome constructive input and critique from the shareholders whose interests we steadfastly represent, the transaction process we have employed is beyond reproach. Any suggestion otherwise is baseless."

Closing of the Passport Acquisition is subject to shareholder approval at the Company's upcoming annual general meeting, the closing of the Private Placement of Units announced by AUSA on June 25, 2020, and customary regulatory approvals.

"The Passport Acquisition enhances the Company's ability to drive growing and sustainable value creation for all shareholders," said Cleve Tzung, Chief Executive Officer of AUSA. "We're pleased with the early, overwhelmingly supportive inbound comments we have received from shareholders since we announced the Passport Acquisition and look forward to its successful completion."

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.

Advisors

AUSA has retained McMillan LLP as its legal advisor, Gryphon Advisors Inc. as its strategic shareholder advisor and Longview Communications & Public Affairs. as its strategic communications advisor.

About Passport Technology Inc.

Passport partners with casino operators to increase gaming revenue by delivering funds to the casino floor through cash and cashless payment portals including CashValet®, CashlessValet™, POSpod®, and ACMowl®. Passport’s proactive approach with customers and regulatory authorities in solution development has proven successful and a cornerstone of the business highlighted by responsible gambling features including self-exclusion, VIP alerts, dynamic pricing, free-play, and the industry’s most robust real-time back-end reporting tools. Since inception, Passport has responsibly delivered over \$2 billion in funds to casino floors. The global gambling market is expected to reach revenues of \$525 Billion by 2023. For more information on Passport Technology, visit www.PassportTechnology.com.

About Australis Capital Inc.

AUSA invests in, operates and builds transformative, differentiated companies operating in highly regulated industries. Initially focused on investments in the cannabis industry, AUSA has expanded to offer proprietary unattended hardware and software technology to industries with the highest regulatory compliance standards along with supporting payment and fulfillment services. The globally available kiosk platforms are purpose-built in the cloud to deliver custom solutions in complex environments while emboldening customer confidence with features including data analytics, privacy, security, and regulatory compliance. The Platform-as-a-Service (PaaS) technology delivers recurring revenue through long-term exclusive agreements focused on regulated retail environments and casino gaming while portable and scalable to profitably support organic growth and complementary acquisition opportunities.

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

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

“Cleve Tzung”

Cleve Tzung
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 completion of the Passport Acquisition, the Private Placement and the Company's future development plans. 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.

This press release includes financial outlook about the Company's expectation to be EBITDA positive in the first half of 2021, which is subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs. Such estimates contained in this press release were made by management as of the date of this press release and are provided for the purpose of providing readers with an understanding of the Company's rationale in pursuing the Passport Acquisition. Readers are cautioned that the financial outlook contained in this document should not be used for purposes other than for which it is disclosed herein.

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.