

## MATERIAL CHANGE REPORT

### 1. Name and Address of Company

Australis Capital Inc. (“**Australis**” or the “**Company**”)  
376 Warm Springs Road, Suite 190  
Las Vegas, Nevada 89119

### 2. Date of Material Change

June 25, 2020

### 3. News Release

The news release was disseminated on June 25, 2020 and filed on SEDAR.

### 4. Summary of Material Change

Australis entered into an agreement (the “**Passport Agreement**”) concerning the proposed acquisition of Passport Technology Inc. (“**Passport**”), a company that holds privileged gaming licenses and provides custom payment technologies through unattended kiosks and related solutions to various casinos worldwide (the “**Acquisition**”).

Closing consideration for the Acquisition includes 58,651,552 common shares in the capital of Australis (the “**Common Shares**”) valued at \$12,200,000 (USD) based on a 15 day trading volume weighted average, \$9,600,000 (USD) cash, \$3,000,000 (USD) payable from Australis’ holdings of shares of Body and Mind, Inc. (“**BaM**”), and \$6,600,000 (USD) payable in real property (or cash if the real property is sold prior to closing). If the Passport achieves over \$8.5 million in revenue in 2021, Passport shareholders will be entitled to \$2 million (USD) in shares of Australis and BaM. If Passport achieves over \$9.5 million in revenue in 2021, Passport shareholders will earn an additional \$2 million (USD) in shares of Australis and BaM. In addition, as long as EBITDA in 2021 is above \$3 million (USD), Passport shareholders will receive 25% of revenue in excess of \$8.5 million (USD) in 2021. If the Company does not consummate the Acquisition then Passport will be entitled to a break fee payment of \$2.5 million (USD).

In connection with and contingent on completion of the Acquisition, Australis also intends to complete a non-brokered private placement of units of the Company (the “**Units**”) at \$0.28 (CAD) per Unit, to raise gross proceeds of a minimum \$5,000,000 and maximum \$8,000,000 (CAD) (the “**Private Placement**” and, together with the Acquisition, the “**Transactions**”). Each Unit consists of one Common Share and one-half of a common share purchase warrant (a “**Warrant**”). Each whole Warrant will entitle the holder to purchase one additional Common Share at a price of \$0.38 (CAD) on or before the Warrant expiry date which will be 2 years following the closing. Finders fees may be payable in connection with the Private Placement.

Closing of the Private Placement is expressly contingent on the Company obtaining shareholder approval of the Acquisition. All securities to be issued in connection with the Private Placement will be subject to a statutory hold period of four months plus a day in accordance with applicable securities legislation. The net proceeds from the Private Placement will be used by the Company to close the Acquisition, fund on-going operations, and for investments that adhere to the Company’s Investment Policy.

## 5. Full Description of Material Change

### 5.1 Full Description of Material Change

A full description of the Transactions is described in the Company's news release dated June 25, 2020, which is attached hereto as Schedule "A" and is incorporated herein (the "**News Release**").

The following supplementary information is provided in accordance with Section 5.2 of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**").

*Description of the Acquisition and Material Terms, Purpose and Business Reasons for the Acquisition and the Anticipated Effect of the Acquisition on the Company's Business and Affairs*

A full description of the material terms of and the purpose and business reasons for the Acquisition, including the anticipated effect of the Acquisition on the Company's business, is described in the News Release.

*Interest in the Acquisition of Every Interested Party and of the Related Parties and Associated Entities of the Interested Parties*

Wyvern Capital, Inc., a company owned and controlled by Scott Dowty, the Executive Chairman, former Chief Executive Officer (CEO) and a director of Australis, owns approximately 50.2% of the shares of Passport making the Acquisition a "related party transaction" as such term is defined in MI 61-101. In addition, Jax Financial Group, Inc., a company controlled by John Dover, a director of Australis, owns approximately 0.4% of the shares of Passport and Max Aceituno, Senior Vice-President of Marketing of Australis, owns approximately 0.3% of the shares of Passport. Accordingly, the Acquisition will require Australis minority shareholder approval at the Company's next annual general and special meeting of its shareholders to be held on September 8, 2020 (the "**AGM**").

Pursuant to MI 61-101, in determining whether minority approval for the Acquisition has been obtained, the Company is required to exclude the votes attached to the Common Shares beneficially owned by, or over which control or direction is exercised by, in each case to the knowledge of the Company or any interested party or their respective directors or senior officers, after reasonable inquiry: (i) the Company; (ii) an "interested party"; (iii) a "related party" of an "interested party" (unless the related party meets that description solely in its capacity as a director or senior officer of one or more persons that are neither interested parties nor insiders of the issuer); or (iv) a joint actor with a person referred to in (ii) or (iii) in respect of the transaction. As interested parties, Scott Dowty, John Dover and Max Aceituno and their respective related parties and associated entities will not be eligible to vote their Common Shares on the Acquisition at the AGM.

Currently, Scott Dowty has beneficial ownership, direction or control of an aggregate of an aggregate of 1,479,167 Common Shares (354,167 of which are held directly and 1,125,000 of which are held indirectly in the name of Wyvern Capital Inc., a company owned and controlled by Mr. Dowty). In addition, Mr. Dowty has direction or control of 1,829,219 Common Shares held by Passport which, along with 23,988 Common Shares held by Mr. Dowty's spouse, will also be excluded from voting on the Acquisition at the AGM. Mr. Dowty also holds an aggregate of 6,225,313 stock options to purchase Common Shares ("**Options**") and 1,554,896 restricted share

units (“RSUs”) of the Company. Mr. Dowty will receive 29,415,708 Common Shares in the Acquisition and upon closing of the Acquisition, Mr. Dowty will have beneficial ownership, direction or control of 32,748,082 Common Shares, representing approximately 13.25% of the issued and outstanding Common Shares on an undiluted basis, 6,225,313 Options and 1,554,896 RSUs, assuming the minimum Financing. In the event that Mr. Dowty exercises his Options and RSUs, he would hold an aggregate of 40,528,291 Common Shares, or approximately 15.72% of the issued and outstanding Common Shares of the Company, on a partially diluted basis, assuming completion of the Acquisition and the minimum Financing.

Currently, John Dover has beneficial ownership, direction or control of an aggregate of 1,297,500 Common Shares (172,500 of which are held directly and 1,125,000 of which are held by Jax Financial Group, Inc., a company over which Mr. Dover has direction and control). An additional 90,000 Common Shares held by Mr. Dover’s partner will also be excluded from voting on the Acquisition at the AGM. Mr. Dover also holds an aggregate of 2,058,063 Options and 481,313 RSUs of the Company. Upon closing of the Acquisition, Mr. Dover will hold (directly or indirectly) an aggregate of 1,622,351 Common Shares, representing approximately 0.66% of the issued and outstanding Common Shares on an undiluted basis, 2,058,063 Options and 533,813 RSUs, assuming the minimum Financing. In the event that Mr. Dover exercises his Options and RSUs, he would hold an aggregate of 4,161,726 Common Shares, or approximately 1.61% of the issued and outstanding Common Shares of the Company, on a partially diluted basis, assuming completion of the Acquisition and the minimum Financing.

Currently, Max Aceituno has beneficial ownership, direction or control of an aggregate of 231,985 Common Shares. Mr. Aceituno also holds an aggregate of 260,000 Options and 88,000 RSUs of the Company. Upon closing of the Acquisition, Mr. Aceituno will hold (directly or indirectly) an aggregate of 427,490 Common Shares, representing approximately 0.17% of the issued and outstanding Common Shares on an undiluted basis, 260,000 Options and 88,000 RSUs, assuming the minimum Financing. In the event that Mr. Aceituno exercises his Options and RSUs, he would hold an aggregate of 775,490 Common Shares, or approximately 0.30% of the issued and outstanding Common Shares of the Company, on a partially diluted basis, assuming completion of the Acquisition and the minimum Financing.

#### *Review and Approval Process Adopted by the Board and the Special Committee*

The key highlights of the review and approval process adopted by the Company’s Board of Directors are as follows:

- Since the inception of the Company, 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. The Acquisition will ensure the Company’s total investment assets stay below the required threshold of the asset test under the Investment Act for the Company to continue to be able to avail itself of this safe harbor.

- Following the February 18, 2020 announcement terminating the Company’s proposed merger with Folium Bioscience, 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 “**Special Committee**”) was formed to evaluate a potential acquisition of Passport by the Company;
- The first Special 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, Executive Vice-President of the Company, and Kurt Sullivan of Passport Technology;
- The Special Committee held twelve meetings over the following 111 days to receive updates from the Company’s management and to provide direction with respect to any requests for additional information, analysis or evaluations; and
- The Special 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.

A more detailed discussion of the review and approval process of the Board and the Special Committee will be included in the management information circular (the “**Circular**”) of the Company that will be posted in advance of the Meeting and will be available on the SEDAR website at [www.sedar.com](http://www.sedar.com).

#### *Summary of Valuation and Fairness Opinion*

MI 61-101 requires that a “formal valuation” (as defined in MI 61-101) be obtained for a related party transaction unless an exemption is available. The Company is relying on the exemption provided in paragraph 5.5(b) of MI 61-101 which provides for an exemption to the requirement to have a formal valuation if no securities of the Company are listed or quoted on any of the markets specified in that section 5.5(b).

Notwithstanding the foregoing, the Special Committee retained Sycamore Valuation, a qualified independent valuator, to complete an independent valuation and fairness opinion in respect of the Acquisition. Further information in respect of the valuation and fairness opinion will be included in the Circular.

#### *Prior Valuations*

Except as provided herein, no “prior valuation” (as such term is defined in MI 61-101) relating to subject of the Acquisition or otherwise relevant to the Acquisition has been made in the 24 months preceding the date of this Material Change Report, the existence of which is known after reasonable inquiry, to the Company or to any director or senior officer of the Company.

### *Other Agreements*

Except as provided herein, the Company did not enter into any agreement with an “interested party” (as defined in MI 61-101) or a “joint actor” with an interested party (as defined in MI 51-101) in connection with the Acquisition. To the Company’s knowledge, no related party to the Company entered into any agreement with an interested party or a joint actor with an interested party, in connection with the Acquisition.

### *Additional Information Relating to the Acquisition*

Further information regarding the Acquisition will be included in the Circular. Copies of the Passport Agreement and the Circular will be available on SEDAR at [www.sedar.com](http://www.sedar.com). The description of the Passport Agreement in this Material Change Report and the News Release incorporated herein is qualified in its entirety by reference to the complete text of the Passport Agreement.

#### **5.2 Disclosure for Restructuring Transactions**

Not applicable.

#### **6. Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

#### **7. Omitted Information**

Not applicable.

#### **8. Executive Officer**

For further information, please contact:  
 Brent Reuter  
 Senior Vice President, Investor Relations & Strategy  
 Telephone: 702-538-8400

#### **9. Date of Report.**

July 3, 2020

### **Forward-Looking Statements**

*This material change report contains forward-looking statements relating to statements in respect of the completion of the Transactions and the Company’s future development plans, and other statements that are not historical facts. Forward-looking statements are often identified by terms such as “will”, “may”, “should”, “anticipate”, “expects” and similar expressions. All statements other than statements of historical fact, included in this release are forward-looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the expectations of Australis include the failure to satisfy the conditions to completion of the Transactions set forth above and other risks detailed from time*

*to time in the filings made by Australis under securities regulations.*

*The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of Australis. As a result, Australis cannot guarantee that the Transactions will be completed on the terms and within the time disclosed herein or at all. The reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this material change report are expressly qualified by this cautionary statement. The forward-looking statements contained in this material change report are made as of the date of this material change report and Australis will update or revise publicly any of the included forward-looking statements as expressly required by Canadian securities law.*

## SCHEDULE “A”

**/NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR RELEASE, PUBLICATION, DISTRIBUTION OR DISSEMINATION DIRECTLY, OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES./**

**AUSTRALIS CAPITAL ANNOUNCES EXPANSION OF FINTECH PLATFORM TO INCLUDE GAMING THROUGH PROPOSED ACQUISITION OF PASSPORT TECHNOLOGY AND PRIVATE PLACEMENT OF UNITS**

**LAS VEGAS, NV, June 25, 2020** – Australis Capital Inc. (CSE: AUSA) (OTC: AUSA) (“AUSA” or the “**Company**”) is pleased to announce two transactions that are each contingent on the successful conclusion of the other. The Company has entered into an agreement to acquire Passport Technology Inc. (“**Passport**”), upon the terms set forth below (the “**Passport Acquisition**”), leveraging Passport’s international footprint in brick and mortar casinos with AUSA’s Cocoon Technology serving cannabis dispensaries in North America and AUSA’s Paytron Merchant Services (“**Paytron**”). In connection with and contingent on completion of the Passport Acquisition, AUSA also announces a non-brokered private placement of units of the Company (the “**Units**”) at \$0.28 (CAD) per Unit, to raise gross proceeds of a minimum \$5,000,000 and maximum \$8,000,000 (CAD) (the “**Private Placement**”).

Passport and Cocoon Technology operate in highly regulated compliance centric environments with growth driven by emerging markets, demographic shifts, and evolving technology. This consolidation adds a unique fintech business to AUSA’s portfolio of assets, poised to capture significant market share through the Platform-as-a-Service (“**PaaS**”) technology stack delivering recurring revenue through long-term exclusive agreements and highly scalable profitability. Passport and Cocoon Technology’s PaaS resides in the cloud and is easily duplicated to new jurisdictions and markets. The platforms are purpose-built ensuring data analytics, privacy, security, and regulatory compliance are cornerstones emboldening customer confidence.

Closing consideration for the proposed transaction includes 58,651,552 of AUSA common shares valued at \$12,200,000 based on a 15 day trading volume weighted average, \$9,600,000 cash, \$3,000,000 payable from AUSA’s holdings of shares of Body and Mind, Inc. (“**BaM**”), and \$6,600,000 payable in real property (or cash if the real property is sold prior to closing). If the company achieves over \$7 million in revenue in 2021, Passport shareholders will be entitled to \$2 million in shares of AUSA and BaM. If the company achieves over \$8 million in revenue in 2021, Passport shareholders will earn an additional \$2 million in shares of AUSA and BaM. In addition, as long as EBITDA in 2021 is above \$3 million, Passport shareholders will receive 25% of revenue in excess of \$7 million in 2021.

The Private Placement to be conducted in connection with the Passport Acquisition is an offering of Units in the amount of not less than \$5,000,000 nor more than \$8,000,000 (CAD). Each Unit consists of one common share in the capital of the Company (the “**Shares**”) and one-half of a common share purchase warrant (a “**Warrant**”). Each whole Warrant will entitle the holder to purchase one additional Share at a price of \$0.38 (CAD) on or before the Warrant expiry date which will be 2 years following the closing. Finders fees may be payable in connection with the Private Placement.

Closing the Private Placement is expressly contingent on the Company obtaining shareholder approval of the Passport Acquisition at the Company's next annual general meeting of shareholders ("AGM"). If the Company does not consummate the Passport Acquisition then Passport will be entitled to a break fee payment of \$2.5 million (USD). All securities to be issued in connection with the Private Placement will be subject to a statutory hold period of four months plus a day in accordance with applicable securities legislation. The net proceeds from the Private Placement will be used by the Company to close the Passport Acquisition, fund on-going operations, and for investments that adhere to the Company's Investment Policy.

Passport was formed in 2016 by Scott Dowty and Kurt Sullivan and currently operates in 5 countries, 72 brick and mortar casinos with 124 unattended kiosks installed at some of the world's most storied casinos. Headquartered in Las Vegas, Nevada, Passport holds privileged gaming licenses and provides custom payment technologies through unattended kiosks and related solutions commercially branded as CashValet®, CashlessValet™, POSpod®, ACMowl®, and ActiveDataRT®. Passport has expanded revenue and EBITDA by double-digits annually since inception characterized by high margins relative to the broader fintech landscape, dependable long term recurring revenue with significant organic growth prospects, and M&A opportunities. The proposed acquisition results in virtually zero employee and infrastructure overlap with material cost-saving synergies from third party reductions.

Scott Dowty is the Chief Executive Officer (CEO) and a director of AUSA and is the majority shareholder of Passport making the proposed acquisition a "related party transaction" as such term is defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*. Accordingly, the Passport Transaction will require AUSA minority shareholder approval and as a related party, Scott Dowty and any other interested parties in the Proposed Transaction will not be eligible to vote their AUSA shares on the Passport Acquisition at the AGM.

"AUSA ensures strong corporate governance guides the Company and with the proposed acquisition of Passport being a related party transaction, the Board of Directors immediately formed a three-member Special Committee comprised of independent board members chaired by myself to oversee negotiations, review the merits of the proposed transaction, and provide oversight on due diligence and complete a thorough examination of Passport's business," states Roger Swainson, independent board member of AUSA.

"Passport provides immediate revenue and profitability to AUSA with significant growth opportunities and Passport shareholders enthusiastically support the proposed acquisition and are happy to accept almost half the consideration in AUSA stock. Passport shareholders are committed, excited, and all-in on AUSA's long term growth trajectory," states Scott Dowty, the Executive Chairman, former CEO and director of AUSA and Chairman of Passport.

"The acquisition of Passport allows AUSA to maximize development efforts in these and other high barrier to entry verticals pushing the envelope on unattended kiosk and omnichannel technology, solving pain points for industries through a solution and sales-oriented culture," states Cleve Tzung, Chief Revenue Officer of AUSA. "With the acquisition of Passport and growth in the Cocoon Technology and Paytron business lines, AUSA expects to be EBITDA



positive in 2021 with exciting growth prospects beyond.”

“I’m excited to report Cocoon Technology is open for business in every legal cannabis jurisdiction in North America without excessive overhead and legislative uncertainty,” states Scott Dowty, CEO of AUSA.

Post-closing, 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 with a global market expected to surpass \$46 Billion by 2026. The COVID-19 virus highlights the importance of providing omnichannel payment optionality and advanced social distancing measures as consumer-facing businesses seek to reassure customers and improve loyalty while reducing labor costs. AUSA’s differentiated revenue strategy is based on a cloud-based, highly portable infrastructure deployed through unattended kiosks into high barrier to entry verticals.

- **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](http://www.PassportTechnology.com).
- **Cocoon Technology’s** CocoonPod™, CocoonCove™, and CocoonRewards™ deliver retail dispensaries similar core competencies by providing interactive unattended kiosks for consumers and retailers with rich feature functionality encompassing mobile, order ahead, online delivery, loyalty, rewards, data analytics, e-wallet, ATM functionality, and cash recycling technology. Cocoon Technology’s platform is agnostic, integrates to leading Enterprise Resource Planning (ERP) systems through proprietary Application Protocol Interfaces (APIs) allowing for transformative operational efficiencies and revenue generation. 2025 revenue for US legal cannabis sales is estimated at \$41 Billion with numerous associated retail verticals the Cocoon Technology platform can penetrate leveraging proprietary technology and a solution-oriented mandate. For more information on Cocoon Technology, visit [www.CocoonTechnology.com](http://www.CocoonTechnology.com).
- **Paytron**, acquired by AUSA in April 2020, supports both Passport and Cocoon Technology in providing breadth and depth in payment and fulfillment technology as a Merchant Service Provider (MSP). Passport, Cocoon Technology, and Paytron assist customers in increasing revenue, lowering operational costs, and maximizing customer loyalty with a steadfast commitment to privacy, security, and regulatory compliance. Paytron partners with leading payment processors to

provide industry-leading payment solutions driven by an in-house sales organization of 1099 sales agents and referral-based lead generation. For more information on Paytron, visit [www.Paytron.com](http://www.Paytron.com).

For additional information concerning Passport's business, as well as AUSA's Cocoon Technology and Paytron Merchant Services businesses, see the AUSA corporate presentation available on the Company's website at <https://ausa-corp.com/investors/>.

With the proposed transaction, Scott Dowty will step down as CEO of AUSA and take on responsibilities as Executive Chairman while Cleve Tzung, AUSA's Chief Revenue Officer, will assume CEO responsibilities. "Cleve's extensive operational, M&A, corporate development, investment banking and strategic planning experience over two decades with the likes of Mattel and PepsiCo alongside business degrees from the Wharton School of Business and UCLA provide AUSA the leadership required to calibrate and grow the expanded enterprise while Scott is fully engaged on revenue growth," states Roger Swainson, independent board member of AUSA.

In addition, Alex Han, currently the acting Chief Financial Officer of AUSA, will assume the full-time CFO role. "Alex has proven her ability and value to AUSA over the last few months and the board and management are delighted to have such an accomplished executive in the CFO role in anticipation of accelerated growth," states Roger Swainson, independent board member of AUSA. "Alex's experience in highly regulated industries and public entities such as Bally Technologies and Scientific Games along with assurance and advisory services to Ernst & Young coupled with a Master of Science Degree in Accounting further strengthens AUSA's commitment to corporate governance."

Closing of the Passport Acquisition is subject to shareholder approval, closing of Private Placement, and customary regulatory approvals.

AUSA will also seek shareholder approval at its upcoming AGM to change the name of the Company to "AUSA Corporation" with the ticker symbols remaining (CSE: AUSA) (OTC: AUSA). "The name change to AUSA Corporation signifies our move to an operating company model with diverse yet related business lines in the United States and abroad while highlighting our broadly recognized ticker symbol AUSA," states Scott Dowty, CEO of AUSA.

AUSA is hosting a corporate update call at 1:00 PM EST on Friday, June 26, 2020. The conference call may be accessed by dialing 1.888.664.6392 (Toll-Free North America) or 1.416.764.8659 (Canada). The webcast and presentation materials will be available at <https://producerediton.webcasts.com/starthere.jsp?ei=1336822&tp key=994164692d>.

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.

### **About Australis Capital Inc.**

AUSA invests in, operates and builds transformative, differentiated companies operating in highly regulated industries. AUSA offers 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](http://ausa-corp.com) or contact the Company by e-mail at [ir@ausa-corp.com](mailto:ir@ausa-corp.com).

ON BEHALF OF THE BOARD OF DIRECTORS

"Scott Dowty"

Scott Dowty  
Chief Executive Officer

Contact:

Brent Reuter  
Senior Vice President, Investor Relations & Strategy  
[IR@ausa-corp.com](mailto:IR@ausa-corp.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 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.*