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AUSTRALIS CAPITAL ANNOUNCES AMENDED TERMS FOR THE PURCHASE OF PASSPORT TECHNOLOGY INC.

LAS VEGAS, July 6, 2020 – Australis Capital Inc. (CSE: AUSA) (OTC: AUSA) (“**AUSA**” or the “**Company**”) today announced that certain terms for the purchase of Passport Technology Inc. (“**Passport**”) have been updated to reflect additional contract signings by Passport since the announcement of the transaction. As disclosed in a June 25 press release, AUSA agreed to pay an earnout to Passport as follows:

- \$2 million in shares of AUSA and Body and Mind Inc. (“**BaM**”) if the Company achieves over \$7 million in revenue in 2021
- An additional \$2 million in shares of AUSA and BaM if the Company achieves over \$8 million in revenue in 2021
- 25% of revenue in excess of \$7 million in 2021 if Passport EBITDA for 2021 is above \$3 million

Since the June 25 announcement, Passport has announced signing 16 additional Gateway Casinos in British Columbia and Alberta. Based on this signing, Passport provided an expectation of achieving \$12 million of revenue in 2021 and \$4 million of operating income. AUSA and Passport have agreed to amend the terms of the earnout as follows:

- \$2 million in shares of AUSA and BaM if the Company achieves over \$8.5 million in revenue in 2021
- An additional \$2 million in shares of AUSA and BaM if the Company achieves over \$9.5 million in revenue in 2021
- 25% of revenue in excess of \$8.5 million in 2021 if Passport EBITDA for 2021 is above \$3 million

Based on the purchase price plus revised earnouts, AUSA will pay roughly 9.1x 2021 operating income if Passport achieves its expectations.

“We are pleased with the progress that Passport continues to make in its markets and are happy that Passport is willing to back up its confidence with these amended terms,” said Cleve Tzung, CEO of AUSA. “With the increase in the threshold of Passport’s earn-out structure, AUSA

shareholders now will retain even more upside value that will be generated from this combined transaction.”

All other terms of the transaction announced June 25 remain unchanged. For further details please refer to the June 25 press release at: <https://ausa-corp.com/news/australis-capital-announces-expansion-of-fintech-platform-to-include-gaming-through-proposed-acquisition-of-passport-technology-and-private-placement-of-units/>.

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. Initially focused on investments in the cannabis industry, AUSA has expanded its business 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 initially 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*”

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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. 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 news release includes financial outlook related to future revenue and operating income of Passport, which is subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs. Such financial outlook contained in this news release were made by management of Passport and are provided for the purpose of providing readers with an understanding of the amendments to the Company's share purchase agreement with Passport. 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 financial projections are only estimates and are necessarily speculative in nature.

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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