

**AUSTRALIS WARNS THAT THOSE FEIGNING CONCERN WITH PASSPORT TRANSACTION HAVE SELFISH MOTIVATIONS; THEIR INACCURATE AND MISLEADING COMMUNICATIONS SHOULD NOT BE RELIED ON BY AUSTRALIS SHAREHOLDERS**

**LAS VEGAS, NV, July 23, 2020** – Australis Capital Inc. (CSE: AUSA) (OTC: AUSA) (“AUSA” or the “Company”) today warned shareholders about the motivations of a group of shareholders including Roger Sykes (“Sykes”) 1703469 Alberta Ltd., Duke Fu, Amy Fu and Green Therapeutics LLC (“Green Therapeutics”) (collectively the “Concerned Shareholders”), related to the Company’s proposed acquisition of Passport Technology Inc. (“Passport”).

Australis is concerned about inaccurate and misleading information coming from those with alternative agendas that could harm the interests of all AUSA shareholders. Accordingly, the Company feels a responsibility to warn shareholders to disregard the information disseminated by the self-professed Concerned Shareholders.

Shareholders should note that all but one of the members of the dissident group are involved in litigation against Australis alleging breach of contract, the primary remedy sought being the rescission of the disputed contract and the return of Australis’ common shares to the Company. This group’s expressions of concern for the long-term interests of shareholders of the Company are spurious at best given that they would no longer be shareholders of the Company if their legal maneuvering is successful. In that regard, AUSA shareholders are right to be concerned by the following facts and sequence of events:

- On June 26, Sykes issued the initial Concerned Shareholders press release,
- On June 30, Green Therapeutics announced litigation against Australis with an objective to unwind the deal it made with the Company and to **put their Australis shares back to AUSA**,
- Concerned Shareholders Green Therapeutics, its CEO Duke Fu, and its Vice President Amy Fu (collectively, the “Green Therapeutics Group”) hold 9,274,496 of AUSA’s issued and outstanding shares or ~5.4% of the total 6.2% of shares held by the Concerned Shareholders, meaning that the majority of the group that purports to be acting in the interest of shareholders is engaged in litigation to directly and negatively impact all the Australis shareholders,
- On July 13, Sykes and the other Concerned Shareholders disclosed that they “may be considered to be acting jointly or in concert”, calling into question why Roger Sykes, a former employee of Aurora Cannabis, would be acting in concert with a group that is solely concerned with its own interests at the expense of Australis shareholders

Based on their actions, it strains credulity for the Concerned Shareholders to purport to be concerned with the interests of AUSA's shareholders, while in the case of the Green Therapeutics Group doing their utmost to cease being shareholders of the Company. Their participation in the Concerned Shareholder group should be seen for what it is, a thinly veiled ploy to ransom the Company's future for a favorable resolution of their litigation. The Concerned Shareholders certainly are concerned about some shareholders; it just happens to be themselves.

To cite but one of the more egregious examples of misinformation from the Concerned Shareholders, they have incorrectly stated that Passport has run rate monthly revenues of USD \$23,000 and USD \$50,000 in Canada and the U.K., respectively. As noted in the investor presentation available on the Company's website, however, these figures represent revenues from a single casino in each region presented only as an example to illustrate profitability rather than an expression of aggregate profitability. By misunderstanding and misrepresenting the magnitude of Passport's Canadian and UK businesses, the Concerned Shareholders are grossly underestimating the value of Passport and the economics of the proposed acquisition and misleading shareholders into believing that the Company has overpaid.

The Company's Board and Management team remain focused on operating Australis and on completing the compelling acquisition of Passport, which, pending requisite approvals, will provide immediate revenue and profitability to Australis and create value for *all* shareholders – even those who have initiated costly litigation and are providing misleading information to fellow shareholders.

Australis is pleased with the early unsolicited expressions of support it has received from shareholders regarding the Passport acquisition, despite an information circular with all of the background details and supportive financial and economic information not yet having been issued.

Closing of the Passport Acquisition is subject to approvals typical for a transaction of this nature, including shareholder approval, closing of a private placement and customary regulatory approvals. The Company will issue a management information circular in advance of the AGM, which will include detailed information regarding the proposed Passport transaction and voting instructions.

## **Advisors**

AUSA has retained Stikeman Elliott 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](http://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 including Body and Mind Inc., Quality Green, and Cocoon Technology, 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 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

*“Cleve Tzung”*

---

Cleve Tzung  
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, the receipt of shareholder and regulatory approvals, the revenue, profitability and value to shareholders as a result of any completion of the Passport Acquisition, the Company's position in any litigation, 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.*

*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.*

###