

CONCERNED AUSTRALIS SHAREHOLDERS RECEIVE NO RESPONSE TO SETTLEMENT OFFER, GAIN SUPPORT OF SIGNIFICANT SHAREHOLDER AND CANNABIS INDUSTRY EXPERT TERRY BOOTH AND CALL FOR REFRESHED BOARD OF DIRECTORS

- *Group of Concerned Australis Shareholders Grows to Include Terry Booth.*
- *The Concerned Shareholders propose reconstituting the board with qualified cannabis industry and capital markets professionals, including Mr. Booth, who will execute an effective business strategy for Australis.*
- *Shareholders are encouraged to contact Laurel Hill Advisory Group to register their support for a change in leadership.*

TORONTO, August 17, 2020/CNW/ - Roger Sykes, 1703469 Alberta Ltd., Duke Fu, Green Therapeutics LLC and Jason Dyck (the “**Concerned Shareholders**”) of Australis Capital Inc. (“**Australis**” or the “**Company**”) (CSE: AUSA), are pleased to announce that Terry Booth has joined the Concerned Shareholders and will support their efforts to bring about change at Australis. Mr. Booth has also confirmed that he will serve as a board nominee of the Concerned Shareholders as set forth in greater detail below. The Concerned Shareholders now collectively own, direct or control 13,932,321 common shares or approximately 7.9% of Australis’ outstanding common shares, including common shares indirectly held by Mr. Booth through his holding company, Lola Ventures Inc. The Concerned Shareholders have received expressions of support from a significant number of Australis shareholders and believe they are in a position to command a strong plurality of shareholder support at the upcoming meeting of the shareholders of Australis. Furthermore, the Concerned Shareholders announce that they have taken steps to move Australis forward by proposing a new board of directors and are extremely disappointed by the actions taken by the current board of Australis (the “**Board**”) to entrench their position at the expense of shareholder value.

More than a week after the Company announced the termination of the Passport Technologies Inc. acquisition (the “**Passport Acquisition**”), the Board has still not addressed the litany of concerns regarding the transaction raised by the Concerned Shareholders. Despite the Board having formed a Special Committee tasked with reviewing the merits of the Passport Acquisition and conducting due diligence, the deeply flawed transaction was still approved by the Special Committee. Had the Special Committee fulfilled its obligation to critically evaluate the unfavorable terms and related party issues surrounding the Passport Acquisition, Australis could have avoided yet another failed transaction. This failure to act in shareholders’ interests demonstrates the poor judgment on the part of the Special Committee and accentuates the need for change.

The Concerned Shareholders believe that removal and replacement of the Board is necessary to preserve shareholder value, which has been severely undermined by the incumbent Board. Shareholder value has been destroyed through the Board’s pursuit of the failed, non-arm’s length Passport Acquisition, failures to advance any existing cannabis projects, and an inability to seek out new growth opportunities in the cannabis space. Without immediate change, shareholders must expect further erosion in the value of their shares as the Board continues to recklessly deplete the Company’s treasury.

The Concerned Shareholders, in an attempt to avoid a proxy contest and preserve the Company’s resources, had offered the Board a fair and gracious settlement agreement which would result in a refreshed board comprised of competent cannabis industry and capital markets professionals. Unfortunately, Australis elected not to respond to the proposed settlement offer.

Instead of providing a path forward for Australis, the Company proceeded to postpone the annual meeting of shareholders. Australis’ annual meeting of shareholders, previously scheduled for September 22, 2020 to elect directors, among other matters, could have easily proceeded, with nearly eight weeks between the termination of the Passport Acquisition and the date of the shareholder meeting. Clearly, this transparent delay tactic is only meant to serve the interests of the current Board and management, not the Company’s shareholders. This lack of strategic thought combined with the sequence of failed transactions only reaffirms that the current Board is not equipped with the qualities needed to lead Australis forward.

Given the history of poor oversight and in order to ensure proper governance procedures were adhered to, the Concerned Shareholders ask the Company to confirm that the meeting of shareholders was indeed

postponed by a properly called meeting of the Board and approved by a majority of Board members present at that meeting. The Concerned Shareholders understand from individual Board members that no such Board meeting was held and that the postponement was not properly approved by the Company's Board. If this is indeed the case, this reflects the continuing failure of proper governance by the current Board.

The Concerned Shareholders demand that the Company proceed with its previously established meeting date so shareholders can voice their concerns and exercise their rights. The Board, as currently constituted, should not be trusted to advance the interests of the Company and should let the shareholders vote.

With a view towards putting Australis back on track, the Concerned Shareholders are proposing a reconstituted board of directors comprised of individuals qualified to execute on a sound business strategy. When the Board finally provides shareholders their right to vote the Concerned Shareholders will provide a comprehensive circular outlining a detailed plan for the future of Australis and our exhaustive concerns with the incumbent Board and leadership. Accordingly, the Concerned Shareholders have submitted their notice of director nominations to Australis (in accordance with the Company's advance notice by-law), in which the Concerned Shareholders have put forward a new slate of director nominees the ("**Concerned Shareholder Nominees**"). The Concerned Shareholders believe passionately that a bright future for Australis can be achieved under the qualified, independent and motivated leadership of the Concerned Shareholder Nominees who are better aligned with the interests of all Shareholders. The Concerned Shareholder Nominees consist of the following cannabis industry and capital markets professionals:

- Terry Booth
- Dr. Jason Dyck, PhD
- Dr. Duke Fu, Pharm D., MBA
- Avi Geller
- Hanoz Kapadia
- Paul Vandenbosch

Biographies of each of the Concerned Shareholders' nominees are provided below.

The Concerned Shareholders are grateful for the significant strength of support received from other Australis shareholders who share their concerns regarding the failed Passport Acquisition and the actions taken by the current Board and management. The Concerned Shareholders commit to keeping fellow Australis shareholders abreast of developments.

The Concerned Shareholders encourage other Australis shareholders who wish to register their support for a reconstituted board to contact Laurel Hill Advisory Group by phone, toll-free at 1-877-452-7184 (North American shareholders) or +1 416-304-0211 (shareholders outside North America) or by e-mail at assistance@laurelhill.com to register their support for change.

Concerned Shareholder Nominees

Terry Booth

Mr. Booth was one of the original founders of Aurora Cannabis Inc. ("Aurora"), (ACB: NYSE). In 2013 he personally provided over \$3.0 million in start-up capital to the building of a new from-the-ground-up high quality purposeful built medical cannabis production facility in Mountain View County. This facility was the first in the world to be certified as 100% EU GMP compliant for the production of Medical Cannabis. Appointed CEO in December 2014, he skillfully led Aurora from its infancy into one of the world's largest and fastest growing cannabis companies, with a focus on providing high-quality medical and adult usage cannabis and inspiring better days for medical and recreational consumers around the world. A visionary and passionate leader, Mr. Booth has a deep knowledge of highly regulated environments. He was instrumental in Aurora receiving its initial licensing and approval from Health Canada to produce medical cannabis, as well as building Aurora's state of the art cultivation facility, Aurora Sky. The Aurora Sky and Polaris projects, both located at the Edmonton International Airport, encompass well over 1.2 million square feet, producing high quality cannabis and derivative cannabis products largely considered the best in the world.

With this strong entrepreneurial vision running through the Aurora culture, Mr. Booth assembled a diverse and highly skilled team of experts from a broad range of disciplines to execute Aurora's business strategy around the world. He oversaw Aurora's organic growth as well as its expansion through the acquisitions of companies such as MedReleaf, CanniMed and Whistler MMC, all of which were successfully integrated into the parent company. Mr. Booth was also a leader in ensuring Aurora was approved for listing on the Toronto Stock Exchange and on the New York Stock Exchange. Uniquely skilled at seizing M&A opportunities, (over 30 transactions and acquisitions in the last five years) Mr. Booth also has more than 25 years of experience in creating, growing and leading companies in highly regulated industries. He has served as President/CEO of six other highly successful companies, including Superior Safety Codes Inc., which was recognized as one of Canada's top 50 fastest-growing companies.

Mr. Booth currently sits on the board of Binovi Technologies and Psyched Wellness Ltd. and has sat on the board of other organizations, including Aurora Cannabis, Radiant Technologies, Quinsam Capital and Alcanna (formerly Liquor Stores N.A.).

Dr. Jason Dyck, PhD

Dr. Dyck is a distinguished research scientist in the Department of Pediatrics at the University of Alberta and currently directs the University of Alberta Cardiovascular Research Centre and co-directs the pan-Alberta program known as Alberta HEART. Dr. Dyck is the former Research and Science team lead at Aurora Cannabis Inc. (TSX: ACB). Dr. Dyck is the Canada Research Chair in Molecular Medicine, having published over 230 peer-reviewed research papers in this area. Dr. Dyck has extensive experience in the field of drug discovery and commercialization, is co-founder of a successful University of Alberta spin-off company, currently holds more than 100 patents and has numerous collaborations with large pharmaceutical companies. Dr. Dyck serves on the board of Nutritional High International Inc. (CSE: EAT), a U.S. multi-state cannabis company engaged in the manufacturing, branding and distribution of cannabis consumer products. Dr. Dyck also serves on the board of CTT Pharmaceutical Holdings, Inc., and is the co-chairman of the National Research Council at Diabetes Canada. Dr. Dyck received a PhD in Medical Sciences from the University of Alberta in 1995 and trained at Dartmouth Medical School (Hanover, New Hampshire) and Baylor College of Medicine (Houston, Texas).

Dr. Duke Fu, Pharm D., MBA

Dr. Fu is the co-founder and current CEO of Green Therapeutics, a premier cannabis cultivation and manufacturing company operating in Nevada since 2015. Prior to that Dr. Fu was the President of MedMen from 2014-2015. Dr. Fu holds a Doctor of Pharmacy and MBA from the University of New Mexico and is a Board-Certified Nuclear Pharmacists in the state of Nevada. Dr. Fu is the former Manager and Equity Partner of Biotech Pharmacy. As a start-up, Biotech Pharmacy grew to become the largest independent nuclear pharmacy chain in the Southwest of the United States. In 2009, Biotech Pharmacy exited to healthcare giant Cardinal Health (ranked 19th on the Fortune 500 list). Dr. Fu is active in the Las Vegas community having been involved with several local charitable organizations, such as the Crohn's and Colitis Foundation of America from 2007 to present, and the Alzheimer's Association from 2004 to present.

Avi Geller

Mr. Geller has extensive experience in the small and microcap markets and has worked on a variety of debt, equity and hybrid deals across multiple industries. Since 2017 Mr. Geller has been the Chief Investment Officer of Leonite Capital LLC, a diversified family office investment vehicle with extensive holdings in real estate, venture capital, private equity, public equities (with a focus on small-cap and micro-cap public companies), alternative lending, and hedge funds. Since October 30, 2018, Mr. Geller has been the Interim Chief Executive Officer of Parkit Enterprise Inc. (TSXV: PKT), a company engaged in the acquisition, optimization and asset management of income producing parking facilities across North America. Mr. Geller is also a Non-Executive Director of Nova Minerals Ltd. (ASX: NVA), a mining company based in Australia focused on gold exploration and a member of the board of directors of DealFlow Financial Products Inc., an information services provider to investment banks, investment funds and financial services companies.

Hanoz Kapadia

Mr. Kapadia has been the managing Partner at Kapadia & Associates, a high net-worth accounting and advisory firm since 2003 and is a former accountant with PriceWaterhouseCoopers from 1998 to 2002. Mr.

Kapadia is an experienced entrepreneur, with over 23 years of experience advising on regulatory, tax and finance matters in public, private, and non-profit enterprises. Mr. Kapadia serves as the Chair of Finance and Governance at Ontario Cannabis Retail Corporation, Chair of the By-law review committee and has also previously served as interim Chairman of the Board of Directors at Ontario Cannabis Retail Corporation. Mr. Kapadia serves on the board at AI – LP, a firm focused on early stage technology startups, is currently the Chair of the advisory board at Huex Labs, a leading artificial intelligence company and is a former member of the board at Optimal Research Corporation, a medical research company. Mr. Kapadia holds a Bachelor of Arts from the University of Waterloo and a Masters of Accounting from the University of Waterloo.

Paul Vandenbosch

Mr. Vandenbosch is currently the managing partner of Cram & Associates, a law firm located in London, Ontario and has been a lawyer with this firm since 1982. Mr. Vandenbosch's areas of expertise include corporate/commercial, real estate and wills & estates. Mr. Vandenbosch is a director of Middlesex Mutual Insurance Co and a former Director of Torque Energy Inc. (TSXV: TQE) (2001 to 2011), a publicly traded oil & gas company. Mr. Vandenbosch received his LL.B. in 1982 from Osgoode Hall Law School, York University.

Additional Information

The information contained in this news release does not and is not meant to constitute a solicitation of a proxy within the meaning of applicable securities laws. Company shareholders are not being asked at this time to execute a proxy in favour of the Concerned Shareholder Nominees. In connection with the Australis annual meeting of shareholders (the "**Meeting**"), the Concerned Shareholders intend to file a dissident information circular in due course in compliance with applicable corporate and securities laws.

Notwithstanding the foregoing, the Concerned Shareholders are voluntarily providing the disclosure required under section 9.2(4) of National Instrument 51-102 – Continuous Disclosure Obligations (NI 51-102) and have filed a document (the "**Document**") containing the disclosure required under section 9.2(6) of NI 51-102 in respect of the Concerned Shareholder Nominees in accordance with corporate and securities laws applicable to public broadcast solicitations. The Document is available under the Company's profile on SEDAR at www.sedar.com.

This news release and any solicitation made by the Concerned Shareholders in advance of the Meeting is, or will be, as applicable, made by the Concerned Shareholders, and not by or on behalf of the management of Australis. All costs incurred for any solicitation will be borne by the Concerned Shareholders, provided that, subject to applicable law, the Concerned Shareholders may seek reimbursement from Australis of the Concerned Shareholders' out-of-pocket expenses, including proxy solicitation expenses and legal fees.

The Concerned Shareholders are not soliciting proxies in connection with the Meeting at this time, and shareholders are not being asked at this time to execute proxies in favour of the Concerned Shareholders (in respect of the Meeting). Proxies may be solicited by the Concerned Shareholders pursuant to an Information Circular sent to shareholders after which solicitations may be made by or on behalf of the Concerned Shareholders, by mail, telephone, fax, email or other electronic means as well as by newspaper or other media advertising, and in person by the Concerned Shareholders, who will not be specifically remunerated therefor. The Concerned Shareholders may also solicit proxies in reliance upon the public broadcast exemption to the solicitation requirements under applicable Canadian corporate and securities laws, conveyed by way of public broadcast, including through press releases, speeches or publications, and by any other manner permitted under applicable Canadian laws. The Concerned Shareholders may engage the services of one or more agents and authorize other persons to assist in soliciting proxies on behalf of the Concerned Shareholders.

The Concerned Shareholders are not requesting that Australis shareholders submit a proxy at this time. If and when the Concerned Shareholders commence a formal solicitation of proxies in connection with the Meeting, proxies may be revoked by a registered holder of the Company's shares (i) by completing and signing a valid proxy bearing a later date and returning it in accordance with the instructions contained in the accompanying form of proxy; (ii) by depositing an instrument in writing executed by the shareholder or

by their attorney authorized in writing, as the case may be: (a) at the registered office of the Company at any time up to and including the last business day preceding the day the Meeting or any adjournment or postponement of the Meeting is to be held; or (b) with the Chairman of the Meeting prior to its commencement on the day of the Meeting or any adjournment or postponement of the Meeting; or (iii) in any other manner permitted by law. If and when the Concerned Shareholders have commenced a formal solicitation of proxies in connection with the Meeting, proxies may be revoked by a non-registered holder of the Company's shares at any time by written notice to the intermediary in accordance with the instructions given to the non-registered holder by its intermediary.

None of the Concerned Shareholders or the Nominees or, to their knowledge, any of their associates or affiliates (i), has any material interest, direct or indirect, in any matter proposed to be acted on at the Meeting, other than the election of directors or (ii) has had any material interest, direct or indirect, in any transaction or proposed transaction since the commencement of the Company's last financial year that has materially affected or could materially affect the Company or any of its subsidiaries (if applicable) other than as set forth below in respect of Dr. Fu.

Green Therapeutics, LLC, a company in which Dr. Fu owns, directs or controls 49.5% of the shares, completed a transaction with Australis in May 2019 to acquire Green Therapeutics, LLC's Tsunami™, Provisions™, and GT Flowers cannabis brands, certain operating assets, intellectual property and the right to assume, complete and expand the construction of a state-of-the-art 55,000 square foot cultivation and production facility in North Las Vegas, Nevada. Pursuant to the terms of the transaction Australis issued 7,831,855 common shares valued at \$6.4 million upon the signing of the definitive agreement. An additional \$800,000 are to be issued when a new cultivation and production facility in North Las Vegas is fully licensed and operational and an additional \$800,000 in shares are to be issued if certain performance goals are reached utilizing the acquired assets within specified timeframes per the definitive agreement. In a separate transaction completed in May 2019, Australis acquired from Meridian Companies LLC, a company in which Dr. Fu owns, directs or controls 37.5% of the outstanding shares, an 8.9-acre parcel of land in North Las Vegas in exchange for \$2.93 million USD of its common stock or 3,585,521 Australis common shares where the new cultivation and production facility will be located. Full details of these transactions can be found in the Australis public disclosure record.

Based on public disclosure documents, it is our understanding that the head office of Australis is 376 E. Warm Springs Road, Suite 190, Las Vegas, Nevada 89119.

The Concerned Shareholders have filed this press release, which contains the information required by section 9.2(4)(c), and the Document which contains the information required by section 9.2(6) of NI 51-102 and Form 51-102F5 Information Circular in respect of the Concerned Shareholders Nominees, under Australis' profile on SEDAR at www.sedar.com.

For Further Information

For further information, please contact the Concerned Shareholders' shareholder communications advisor:

Laurel Hill Advisory Group

Toll Free: 1-877-452-7184,

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