



AUSTRALIS CAPITAL REACHES SETTLEMENT AGREEMENT WITH PASSPORT TECHNOLOGY AND ANNOUNCES DEPARTURE OF EXECUTIVE CHAIRMAN SCOTT DOWTY

LAS VEGAS, NV, September 3, 2020 – Australis Capital Inc. (CSE: AUSA) (OTC: AUSA) (“AUSA” or the “Company”) today announced it has reached a settlement agreement (the “Settlement Agreement”) with Passport Technology Inc. (“Passport”) in respect of the termination of the share purchase agreement (the “Share Purchase Agreement”) pursuant to which the Company was to have acquired Passport. The Company also announced the departure of Executive Chairman Scott Dowty.

Under the terms of the Settlement Agreement, all obligations and entitlements of the parties, including all claims of any kind relating to the Share Purchase Agreement or its termination are fully and finally settled. AUSA will retain all fees generated from its customers, which were partially shared with Passport, and these fees will remain solely within its subsidiary Cocoon Technology LLC (“Cocoon”), while Passport acquires the Company’s full interest in Paytron, LLC. The license agreement between AUSA and Passport and its deliverables relating to Cocoon remains in place. No cash payments, including the break fee, will be exchanged resulting from the termination of the proposed acquisition.

Mr. Dowty has resigned from the Board of Directors and departed from his position as Executive Chairman. Under the mutually agreed terms of his departure, Mr. Dowty has agreed to forgo all cash severance and to surrender his unvested stock options. Mr. Dowty will retain his previously awarded Restricted Share Units and AUSA will issue 4.25 million common shares of the Company to him.

“We are pleased to have reached an amicable settlement agreement with both Passport and Mr. Dowty,” said Cleve Tzung, CEO of AUSA. “This settlement represents a fair and reasonable resolution between AUSA and Passport, and an equitable separation between the Company and Scott.”

As previously announced, the Company is in the process of reviewing its strategic focus, the composition of its Board of Directors and executive management and expects to announce further changes prior to the AGM. With today’s settlement, the Company is making a clean break with its recent past and getting back to its roots in U.S. Cannabis.

About Australis Capital Inc.

AUSA invests in, operates and builds differentiated companies primarily in the cannabis industry. AUSA focuses on significant near and mid-term opportunities with strong return potentials. AUSA’s assets include Cocoon Technology, a cloud-based, self-service point of sale kiosk designed for cannabis dispensaries and other highly-regulated industries. The purpose-built platform features data analytics, privacy, security and regulatory compliance to drive enhanced consumer experience and generate incremental revenue for dispensary owners. AUSA’s holds investments in Body and Mind Inc., Quality Green, and Folium Biosciences.

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

Contact:
Brent Reuter
Senior Vice President, Investor Relations & Strategy
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. 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.

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