



## AUSTRALIS PROVIDES CORPORATE UPDATE ON COMMERCIAL PROGRESS

*Green Therapeutics LLC. Reports Record Growth, Executes on Product Expansion*

*ALPS Signs Multiple Engineering and Design Contracts for Grow Facilities*

**LAS VEGAS, NV, January 19, 2021** – Australis Capital Inc. (CSE: AUSA) (OTC: AUSA) (“AUSA” or the “Company”) today provided the following corporate update, in line with its commitment to maintain a continuing dialogue with investors and other stakeholders on the progress and development of the Company.

### **Green Therapeutics**

AUSA is in the process of acquiring Green Therapeutics (“GT”), as announced in the Company’s press release dated January 5, 2021. GT today provided the following update on its progress:

- **Accelerating sales:** Sales for the month of December, despite limited production capacity and the continuing impact of COVID, saw a 47% year-over-year increase. Growth was driven by the Company’s ability to source more raw material economically, while GT’s brands continue to meet with strong demand, with everything produced selling out in short order.
- **Expansion of product portfolio:**
  - GT has entered into an agreement with a nationally recognized high-end bakery operation for the production of infused baked goods. The baked goods will be sold under the Provisions® brand. Initially to be launched in Nevada, it is anticipated that the product line will also be made available in new jurisdictions that GT intends to expand into.
  - GT is also in the process of launching its latest product innovation, infused pre-rolls. GT will be using its solventless extraction process to deliver full-spectrum extracts with which pre-rolls will be infused. These pre-rolls will be brought to market under GT’s Tsunami brand.
- **Sale of land:** further to the Company’s press release on the settlement agreement with GT, issued on January 5, 2021, GT has reached an agreement on the sale of land in North Las Vegas, originally purchased from an affiliate company of GT (“Meridian”). In accordance with the settlement arrangement with Meridian, if the transaction is completed, AUSA will receive approximately US\$1.95 million upon closing, anticipated in the next 60 days, subject to the satisfaction of the applicable closing conditions.

## **ALPS – Larssen Greenhouse Consulting**

AUSA is in the process of acquiring ALPS, which includes the iconic west coast connoisseur cannabis brand, Mr. Natural. ALPS is the world's premier design, construction management, commissioning and post commissioning consultancy company for horticultural crops, such as cannabis, fruits, vegetables, mushrooms and algae (see press release dated January 5, 2021), and includes APIS, its institutional level compliance solutions for both small and large cultivation facilities. ALPS today provided the following update on its progress:

ALPS, through its wholly owned subsidiary Larssen Greenhouse Consulting (LGC), has executed a number of contracts for the development of facilities for the cultivation of high-quality, low-cost crops such as fruits, vegetables and microgreens. Since its management buyout from Aurora Cannabis, ALPS has developed a rapidly growing pipeline of business, LGC has signed new contracts and anticipates converting on multiple opportunities currently under negotiation.

### **ALPS Contract with Vertical Harvest**

ALPS, through LGC, has been engaged by Vertical Harvest (“VH”) for the engineering and design of a four-story, urban greenhouse for the cultivation of microgreens, leafy greens and lettuce. VH's goal it is to enhance urban community access to exceptional farm fresh foods year-round using less land, water and fuel, while creating jobs serving the underemployed. The multi-story, multi-layer concept allows for high output based on a small footprint, ideal for urban areas. Under the terms of the contract, ALPS, through LGC, will provide design, project management and post commissioning services.

The Maine facility will measure a total of 200,000 sqft of hydroponic grow space over four floors, with a total of 27 grow layers. Vertical farming is a growing industry that uses environmentally sound practices to produce nutrient-dense food grown locally year-round, and yields more crops per square-foot than traditional farming. The new facility will have a footprint of approximately one quarter of one acre, with a projected output equivalent to that of a 40-acre traditional farm. VH's facility, in Jackson, Wyoming, which was also developed by LGC, was the first vertical (3-story) greenhouse in the Northern Hemisphere. Measuring 13,500 square-feet, this greenhouse utilizes a one tenth of one acre site to grow an annual amount of produce equivalent to ten acres of traditional farming.

Vertical Harvest Co-Founder Nona Yehia said, “At Vertical Harvest, we have reimagined the food systems and the jobs they create to make them more nourishing, resilient, and sustainable. We are excited to bring Vertical Harvest to Westbrook and work alongside valued community members in these industries and beyond. We are very pleased to be working on this project with LGC, who

were instrumental in helping us meet the technical challenges related to the development of our highly successful first vertical facility in Wyoming.”

Thomas Larssen, President of LGC, commented, “We love the Vertical Harvest projects for their community engagement, employment of underserved populations and for taking on the challenge of creating high-output facilities with a small footprint in high-density urban areas. Working with Vertical Harvest has proven to be not only rewarding professionally, but also very much on a personal level for everyone involved in the project. We are very pleased that the first facility we developed for Vertical Harvest in Wyoming has proven so successful that we are now going to help develop the next one in Maine, with further developments likely to follow in other municipalities.”



**Rendering of the to be built Vertical Harvest facility in Westbrook, Maine**

### **ALPS Contract with Aldershot Greenhouses**

ALPS, through LGC, has entered into an agreement with Aldershot Greenhouses in Aldershot, Ontario, for a 200,000 sqft expansion to its existing facility for the cultivation of miniature roses. The project will incorporate many of ALPS' high-tech solutions towards delivering high-quality, low-cost crops, such as highly automated workflow, including mobile bench systems, automatic spacing, harvesting and table movement. At full capacity, the facility is projected to deliver up to 600,000 plants per week, which will enable Aldershot to consistently supply the market throughout the year, including during times of peak demands, such as Mother’s Day. The facility is anticipated to be finalized in Q4, 2021. Under the terms of the contract, LCG will provide design, project management and post commissioning services.

Mr. Larssen added, “These contracts are great examples of how the customer satisfaction realized from work delivered in the past continues to result in new business for ALPS. Furthermore, the brand strength, name recognition and word of mouth resulting from our existing relationships have resulted in ALPS entering into discussions and negotiations with a rapidly growing number of new connections in both the cannabis and more traditional horticulture sectors.”

Dr. Duke Fu, Interim CEO of AUSA, added, “While our main focus is on the cannabis industry, we anticipate that ALPS' ability to drive growth in the traditional horticulture sector will create a secure and diversified revenue stream for AUSA. We expect that the profitable nature of these operations will generate cash flows that will help fuel AUSA's MSO expansion across multiple states as transactions close.”

### **Cocoon**

The Company, through its wholly owned subsidiary Cocoon Technology (“Cocoon”), has installed its third CocoonPod self-service kiosk at a THRIVE Cannabis Marketplace. Cocoon's CocoonPod, CocoonCove, and CocoonRewards deliver 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. Built on a cloud-based platform, Cocoon integrates with dispensary Enterprise Resource Planning (ERP) systems allowing for seamless operational efficiencies and revenue generation.

### **Reduced Operational Burn**

The recently renewed leadership team at AUSA continues to progress well towards completion of its thorough review of AUSA assets. The transition to the new board and management at AUSA has been completed successfully and the Company has made significant progress in right sizing the organization and reducing its operational burn rate.

Jon Paul, AUSA's recently appointed CFO commented “Personnel headcount and base salary costs have been reduced by 54% from fiscal year-end 2020, along with related savings in benefits, bonuses, and share-based compensation costs. Meanwhile we maintain our focus on execution, including the closing of the recently announced transactions with ALPS and Green Therapeutics, as well as progressing negotiations with other strategic targets, thus establishing AUSA as a meaningful and profitable MSO in numerous jurisdictions across the U.S.”

### **Additional Management Commentary**

Dr. Duke Fu, Interim CEO of AUSA, stated, “ALPS is firing on all cylinders, is executing on existing projects and is successfully converting its rapidly growing pipeline of opportunities into contracts. Demand for ALPS-designed installations is strong across both the cannabis and traditional horticultural sectors, the Company anticipates announcing a steady deal flow with respect to ALPS over the coming months. Green Therapeutics also continues to perform well, with growing sales and numerous initiatives on the go to expand its footprint across the U.S. with a growing portfolio of designer and innovative products.”

Terry Booth, CEO designate (upon the completion of the ALPS transaction), added, “The new board is rapidly changing AUSA from an “investment” company into a multi-state operator with expected meaningful revenue growth, resulting in profitable operations. The ALPS and GT deals are progressing very well. The newly appointed and highly motivated management team is executing to capitalize on the enormous opportunity in the U.S. cannabis market, and looks forward to continuing its high-frequency dialogue with shareholders and other stakeholders as AUSA moves to the next level.”

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

AUSA is implementing a capital light growth strategy towards establishing a highly competitive and profitable MSO in the U.S. and global cannabis markets. AUSA's business and assets include investments in Cocoon, Body and Mind Inc., Quality Green, Folium Biosciences, and land assets in Washington. AUSA is currently working towards the closing of a transaction whereby it will acquire 100% of the membership interests in Green Therapeutics LLC, an award-winning MSO with operations in Nevada, Missouri and Oklahoma. Furthermore, the Company is working towards completing the acquisition of ALPS, the world's premier design, construction management, commissioning and post commissioning consultancy company for horticultural crops, such as cannabis, fruits, vegetables, mushrooms and algae. Through GT and ALPS, the Company believes it will be able to secure low-cost access to cannabis biomass to fuel the scale up of its award-winning brands across the U.S. and global cannabis markets.

This press release contains information relating to the businesses of Green Therapeutics and ALPS. As noted elsewhere in this press release, AUSA has entered into letters of intent to acquire Green Therapeutics and ALPS in separate transactions (see press releases dated January 5, 2021). Completion of the transactions is subject to customary closing conditions, including completion of due diligence, negotiation of definitive agreements and receipt of all necessary approvals. If such conditions are not satisfied it is possible that the proposed transactions will not be completed on the terms set forth in the January 5, 2021 press releases or at all.

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, contact the Company by e-mail at [ir@ausa-corp.com](mailto:ir@ausa-corp.com).

“Dr. Duke Fu”

---

Dr. Duke Fu  
Interim Chief Executive Officer

**Contact:**

**For investors:** [IR@ausa-corp.com](mailto:IR@ausa-corp.com)

**For media:** Corey Herscu  
VerbFactory  
[corey@verbfactory.com](mailto:corey@verbfactory.com)  
416-300-3030

**Forward-Looking Statement**

*This press release contains “forward-looking information” within the meaning of applicable securities legislation. All statements, other than statements of historical fact, included herein is forward-looking information. Generally, forward-looking information may be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “proposed”, “is expected”, “budgets”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases, or by the use of words or phrases which state that certain actions, events or results may, could, would, or might occur or be achieved. In particular, this press release contains forward-looking information in relation to: the timing and ability to close the proposed transactions to acquire GT and ALPS; the anticipated development of the ALPS and GT businesses; the ability for ALPS to generate profits to help the Company grow its MSO business; the ability of the Company to execute on its strategy to establish a low capex model MSO; the impact of the changes to U.S. federal and state developments with respect to the cannabis industry and the opportunities this may present for the Company. This forward-looking information reflects the Company's current beliefs and is based on information currently available to the Company and on assumptions the Company believes are reasonable. These assumptions include, but are not limited to: the ability of the Company to successfully satisfy the conditions to closing the ALPS and GT transactions; the ability of management of ALPS, GT and the Company to successfully execute on their respective business plans; legal changes relating to the cannabis industry proceeding as anticipated; and the Company's continued response and ability to navigate the COVID-19 pandemic being consistent with, or better than, its ability and response to date.*

*Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information. Such risks and other factors may include, but are not limited to: general business, economic, competitive, political and social uncertainties; general capital market conditions and market prices for securities; the actual results of the Company's future operations; competition; changes in legislation affecting the Company; the timing and availability of external financing on acceptable terms; lack of qualified, skilled labour or loss of key individuals; risks related to the COVID-19 pandemic including various recommendations, orders and measures of governmental authorities to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, service disruptions, quarantines, self-isolations, shelters-in-place and social distancing, disruptions to markets, economic activity, financing, supply chains and sales channels, and a deterioration of general economic conditions including a possible national or global recession; and a deterioration of financial markets that could limit the Company's ability to obtain external financing. A description of additional risk factors that may cause actual results to differ materially from forward-looking information can be found in the Company's disclosure documents on the SEDAR website at [www.sedar.com](http://www.sedar.com). Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking information. Readers are cautioned that the foregoing list of factors is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking information as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. 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 information contained in this press release is expressly qualified by this cautionary statement. The forward-looking information contained in this press release represents the expectations of the Company as of the date of this press release and, accordingly, are subject to change after such date. However, the Company expressly disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities law.*

*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.*

###