



ALPS SIGNS \$1.9M FACILITY CONTRACT WITH BLUEHOUSE GREENHOUSE

High-Efficiency, Automated Facility to Save up to 90% on water use and 90% on labor compared to a traditional farm

Facility to Produce 48 Million Pounds of Produce on Footprint 1/30th of Traditional Farm

LAS VEGAS, NV, February 1, 2021 – Australis Capital Inc. (CSE: AUSA) (OTC: AUSA) (“AUSA” or the “Company”) announced today that ALPS - a company in the process of being acquired by AUSA - through its wholly owned subsidiary Larssen Greenhouse Consulting (“LGC”) has entered into an agreement with Bluehouse Greenhouse (“BHGH”) for the development of a 62 acre (2.7 million sqft), high-tech, fully integrated greenhouse for the sustainable production of vegetables in California.

Sustainable Facility Design

ALPS, through its wholly-owned subsidiary Larssen Greenhouse Consulting (“LGC”), was tasked to develop solutions for BHGH to operate a large-scale facility with a fully controlled environment and a sustainable eco-system. The new facility is designed to achieve significant savings on water, labor, energy and land use. Located in a relatively arid region, the BHGH facility will enable the cultivation of produce year-round, without volatility in quality, price, taste or look. One of the concepts behind the facility is ‘By locals for locals’, with a substantial percentage of output designated for local markets which to date have been served by out of state or regional producers. BHGH’s proximity to its primary markets significantly reduces the carbon footprint related to the transport of produce.

BHGH and LGC have also partnered with leading experts in sustainable energy technologies and as such, will be generating its own power through the establishment of a 15 MW Co-Generation plant. The CoGen plant will generate energy sustainably for the BHGH facility, while excess power will be delivered to the Local Community Choice Aggregate. Waste streams from the plant will also be utilized for cooling of the greenhouse, as well as for the supply of CO₂ for the plants. Extensive automation and computer control systems will be utilized throughout the facility, deploying advanced systems for the accurate monitoring and control of environmental parameters, such as CO₂, light, air flow, humidity, pH, etc.

Management Commentary

Dr. Duke Fu, Interim CEO of AUSA stated, “with this sizeable \$1.9 million project, ALPS continues to capitalize on opportunities and grow revenues at a rapid pace. Conversion of ALPS’s substantial business development pipeline in both the cannabis and traditional horticulture sectors will provide AUSA, once the acquisition is completed, with cash flow to further fuel the execution of its capital-light expansion strategy.”

Thomas Larssen, President of ALPS, stated, “The BHGH project is significant for ALPS both in terms of contract size and complexity, validating ALPS’ leadership in the design and development of boundary-pushing facilities. We are honoured and delighted to be working with the visionaries at BHGH on this important project in an area short of arable land and other resources to supply regional communities with locally, sustainably grown produce. This is a market dynamic we are seeing more and more, and the number of enquiries for facilities of this kind is increasing, supporting the further growth of our business development pipeline.”

Ari Kashani, CEO of BHGH, stated, “With an aging and shrinking pool of farmers, increasing wages and scarce and expensive natural resources, as well as increasingly stringent food-safety and traceability regulations, greenhouse grown produce has become a critical and essential component of the local food supply chain. ALPS has spearheaded many advances that will enable us to establish a sustainable and economically highly viable cultivation operation. We are very excited about this first BHGH facility in California, and intend to replicate our ‘by locals for locals’ approach in other regions as we expand our operations across the U.S.”

ALPS

AUSA is in the process of acquiring ALPS. 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 solution for both small and large cultivation facilities. With ALPS, AUSA will also be obtaining the iconic west coast connoisseur cannabis brand, Mr. Natural.

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 lines 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 interest 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 for horticultural crops, such as cannabis, fruits, vegetables, mushrooms and algae. The ALPS deal includes Terry Booth, founder and ex-CEO of Aurora Cannabis taking the reins of CEO for Australis. Through GT and ALPS, the Company believes it will be able to secure low-cost access to high quality cannabis to fuel the scale up of its award-winning brands across the U.S. and global cannabis markets.

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.

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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 transaction; the anticipated development of the ALPS business and its ability to grow revenues; the timing and ability to close the proposed transaction with Green Therapeutics; 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; the ability of management of ALPS 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. 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.

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