



AUSTRALIS CORPORATE UPDATE

LAS VEGAS, NV, April 29, 2021 – Australis Capital Inc. (CSE: AUSA) (OTC: AUSA) (“AUSA” or the “Company”) is pleased to provide the following corporate update:

Rapid Growth – Balance Sheet Strength

Jon Paul, CFO, commented, “Despite ALPS only contributing approximately 3 weeks to our year end, AUSA’s revenues are anticipated to more than double for the entire fiscal year ended March 31, 2021. With an array of current projects in progress and an expanding pipeline of new projects anticipated to be signed, the impact of ALPS on the first quarter of our fiscal 2022 will be even greater. Meanwhile, we expect the sale of a land asset held through our other acquisition, Green Therapeutics, to close shortly, which will add approximately C\$2.5 million in cash to our working capital position. With the anticipated growth at ALPS and GT, as well as other liquid assets held, AUSA is in robust shape financially for its current level of operations.”

Company Eying New York and East Coast Expansion

Following the legalization of adult use cannabis in New York, the Company is reiterating its intent to expand into this market. The Company is in discussions with a number of potential partners with a variety of partnership models to facilitate entry into the fourth most populous U.S. state (approximately 19.5 million people). The legal cannabis industry in New York State is expected to capture \$1.2 billion in sales by 2023 and \$4.2 billion by 2027.¹

To enable a sound market entry into New York and New Jersey, the Company is in the process of assembling an all-star team of operators, license application specialists and influencers. The AUSA team will be in New York next week to lock down the market entry team and determine its strategy for entering not only New York but the eastern U.S. in general.

Terry Booth, AUSA CEO, commented, “We intend to play a leading role in the Eastern U.S. market, which will take a variety of forms. We initiated discussions and negotiations with potential partners over 8 months ago in anticipation of this significant advancement in the American adult usage cannabis market. We will now accelerate these negotiations to determine the opportunities that these potential partners bring to strengthen our applications and negotiations. We also applaud the social equity components of the new legislation in New York. Diversity and Inclusion will not just be a check mark on our applications, it will be a pillar of our corporate culture. We also believe

¹ <https://bit.ly/3xxod5E>

the cannabis industry owes a debt to advocates, activists, innovators and early adopters. This legislation will enable many of these and otherwise disadvantaged groups to participate in the New York and eastern US markets, which we strongly believe is in the best interest of both the industry and society at large. The team we are putting together to tackle New York, New Jersey and the Eastern U.S. is of all-star caliber, substantially strengthening our execution ability in these exciting new markets.”

Terry Booth, CEO continued, “We will enter the Eastern US markets. based on the market opportunity, regulatory framework, population size and the cost of doing business will be key drivers with respect to prioritizing Eastern U.S. markets for entry. Beyond New York and New Jersey, other eastern U.S. markets we are targeting include Illinois, Massachusetts, Michigan, Pennsylvania, Florida, and others. As we have stated previously, we intend to enter new jurisdictions in a capital light fashion and will assess each opportunity on its accretive merits. This is an exciting time to be involved in these markets and we look forward to providing consumers in the Eastern U.S. with access to our award-winning brands. The U.S. cannabis industry will never be as small as it is today. Our commitment to ignite, excite and delight our shareholders remains at the top of our to do list.”

SAFE banking Act

U.S. Senator Jacky Rosen (D-NV), a member of the Senate Committee on Small Business and Entrepreneurship, on March 26, 2021 announced her co-sponsorship of the *Secure and Fair Enforcement (SAFE) Banking Act of 2021*. The bipartisan bill would allow access to banking services for licensed cannabis businesses operating in states, like Nevada, that have legalized the sale of marijuana.

If passed, the Act would enable financial institutions across the U.S. to engage with the cannabis industry. Many operations, to date, have been hamstrung in their development by lack of access to capital and by the inability to process credit card payments or other card-based transactions. Additionally, passing of the act likely will lift compliance restrictions with many investment houses that have been eager to enter into the space, but were precluded from doing so because of federal restrictions related to cannabis remaining a Schedule I substance.

Jon Paul, CFO of AUSA, stated, “Passing of the SAFE act will be a game changer for the industry. Not only will it facilitate normal banking for cannabis companies, but it is also expected to provide much greater access to capital, likely at lower cost than is presently the case. Rapidly growing companies, such as AUSA, are well positioned to benefit from this change and we look forward to capitalizing on new opportunities created if this Act is adopted by the House and the Senate.”

Company Establishes Committee on Equality, Diversity and Inclusion

The Company has established a Diversity & Inclusion Advisory Board, headed by Melissa Rolston, CEO of JADA, a highly regarded cannabis industry pioneer, to advise senior management on implementing measures to ensure that diversity and inclusion are at the core foundation of the company as it continues to grow. The new advisory board, reporting to senior management, will ensure the entire company is aligned in supporting the communities that have been greatly impacted by the war on drugs. Through corporate governance and lobbying efforts, the board will create a gold standard as it pertains to Social Equity in the USA and beyond.

“Equality and inclusion have to be fundamental to how we run AUSA,” said Terry Booth, CEO. “We strongly believe that formalizing this will send a strong signal to anyone looking to work for or partner with AUSA, strengthening our drive towards creating an excellent, innovative and impactful organization. We are very pleased that Melissa has agreed to take on this important role and help AUSA towards achieving its goal of being the preeminent and responsible corporate leader within our industry.”

"I'm excited to join as the Chair of AUSA's Diversity and Inclusion Advisory Board. I will strive to advance the group's established and future efforts. The company's decision to formalize its efforts towards diversity and inclusion speaks volumes of its dedication to social equity. Together, we will be able to build a more forward-thinking corporate structure, serve as role models to our peers, and aim to set the standard in our industry and beyond."

ALPS Adds APIS Contract and Continues to Expand Potential Project Pipeline

The Company's majority owned subsidiary ALPS has signed a contract with Sigg in Finland, a nursery supplying 8 million plants per year to tomato and cucumber growers, for the provision of its APIS maintenance offering. Based on a computerized maintenance management system (CMMS), Sigg will utilize the new services module, which is proven to deliver significant operational costs savings. In particular, predictive scheduling and preventative maintenance help optimize cultivation operations and reduce facility downtime.

Thomas Larssen, President of ALPS, commented, “Interest in our APIS CMMS offering is growing, both within the cannabis and traditional horticultural industries because of the very significant return on investment our platform delivers. Having applied our over three decades of growing experience, we have been able to identify the bottle necks and risk points in a grower's operation. Through APIS, we prevent these from occurring, delivering significant economic benefits to our customers, while generating a recurring and high-margin revenue stream for the Company.”

Currently, ALPS is executing as the design, engineering and construction management consultancy on projects with a total Capex value close to \$1 billion. The ALPS present potential pipeline continues to grow, now reflecting projects with a total additional Capex value of close to \$4 billion.

Mr. Booth commented, “The sheer size of the projects ALPS is working and negotiating on is a reflection of their leadership in design of cultivation facilities in both the cannabis and sustainable horticulture industries”

Green Therapeutics – Continued Execution

Green Therapeutics (“GT”) signed a management agreement with a Nevada based cultivator and producer of premium cannabis products in Nevada. Under the terms of the agreement, GT will operate the partner’s cultivation facility, with products sold under the GT brands. In consideration, GT will receive a royalty on all products sold.

Dr. Duke Fu, COO of AUSA, stated, “This agreement is a good reflection of our exceptional operational capabilities, our standing in the market and the strength of our brands. The agreement provides GT with the ability to grow high margin revenues, without having to deploy Capex for cultivation infrastructure.”

Additionally, GT is close to completing an agreement with another cannabis operator whereby in consideration for operating the facility, GT will get biomass, in line with the Company’s capital light expansion strategy.

GT is also in the final stages of completing the acquisition of a 23-acre plot of land in Nevada where it intends building a nexus for cannabis operators in this state. The intention is for ALPS to help develop facilities for third party operators, while securing access to a steady supply of competitively priced biomass to fuel the further scale up of the GT brands in Nevada. The Company is currently going through a 45-day due diligence process prior to completing the land acquisition.

As part of the unwinding of the original transaction between GT and AUSA, the Company is in the process of completing the divestment of a non-operational plot of land. The Company anticipates closing this transaction shortly, which it expects will add close to C\$2.5 million on AUSA’s balance sheet.

Green Therapeutics is also in the process of launching new product categories in Nevada and other jurisdiction it intends, or is in the process of expanding into, such as Oklahoma and Missouri. The

categories include water soluble tinctures and edibles lines, anticipated to be formally launched in the coming months.

First Cocoon Kiosk Installed in Canada

The Company installed its first Cocoon kiosk outside of the U.S. in British Columbia, Canada. Kiario is a leading independent dispensary chain with 7 operational locations across B.C. and Saskatchewan and plans to expand further across Canada.

Daniel Petrov, CEO of Kiario, commented, “Utilizing technology to redefine how we transact with our customers is very much part of our corporate philosophy. We are therefore very pleased to be the first company in Canada to deploy the Cocoon Kiosk and be able to assess its potential of having a major positive impact on the customer experience.”

Company retains Hybrid Financial to Increase Investor Outreach and Visibility

Hybrid Financial actively helps issuers connect with the investment community across North America. Using a data driven approach and a team of over 70 professionals, Hybrid offers comprehensive coverage of both Canadian and U.S. markets.

Jon Paul, CFO, commented, “We were attracted to the Hybrid model due to its data driven approach that helps connect companies more accurately with potential investors. As we execute on our growth strategy, it is important that we share our developments with investment decision makers and influencers to ensure our capital markets visibility and footprint develop in lockstep. We look forward to working closely with the Hybrid team and share the exciting AUSA story with a growing audience.”

About Australis Capital Inc.

AUSA is laser focused on a growth strategy towards establishing a highly competitive and profitable MSO in the U.S. and the global cannabis markets. AUSA's business lines and assets include a 51% ownership interest in ALPS with an option to acquire the remaining 49%, along with investments in Cocoon, Body and Mind Inc., Quality Green and land assets in Washington. The Company also owns the iconic Mr. Natural Brand, has a joint venture partnership with 3 Rivers Biotech for plant tissue culture, genetics clean-up and micro propagation. AUSA has also completed the first phase in the transaction to acquire Green Therapeutics LLC, an award-winning MSO with operations in Nevada, and is taking steps to operationalize related assets in California, Oklahoma and Missouri.

The Company's common shares trade on the CSE under the symbol "AUSA" and on the OTCQB under the symbol "AUSAF".

“Terry Booth”

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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 second stage of the GT transaction; the anticipated development of the GT business and its ability to complete proposed agreements and grow revenues; the ability of the Company to scale up the GT assets across multiple jurisdictions; the ability of GT to complete the land acquisition and execute on its stated strategy for this land; the ability for the Company to be able to execute on its plans for expansion in new York, New Jersey, Massachusetts, Pennsylvania, Oklahoma, Missouri and other markets; the ability of ALPS to convert its pipeline into contracts; 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; and the Company's current liquidity. 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 proposed transaction; the ability of the Company to successfully execute on its plans for the Company and GT; 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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