



Audacious Brands Enters Massachusetts - Partners with Belle Fleur and Rapper Weed Bringing the Culture Back to the Bay State and Boston

Collaboration Will Include Cannabis Supply Arrangement, ALPS Facility Agreement & Recurring Revenue APIS Maintenance Contract, Once Again Validating the Execution of the Company's US Strategy

Audacious and Belle Fleur Exploring Additional Expansion Opportunities in the US

LAS VEGAS, June 23, 2021 /CNW/ - Australis Capital Inc., operating as Audacious Brands (CSE: AUSA) (OTC: AUSA) ("AUSA", "Audacious", or the "Company") today announced the Company has entered into a supply agreement and, through its majority owned subsidiary ALPS, a facility engineering and design services contract with Belle Fleur Holdings LLC ("Belle Fleur"). The agreement furthermore includes ongoing APIS Compliance and Maintenance services. Under the supply arrangement, (subject to local licensing requirements), Belle Fleur will dedicate a certain percentage of its canopy space for the cultivation of AUSA's proprietary cultivars under a cost +5% agreement. The Companies have agreed to jointly explore opportunities for brand collaboration and further expansion in the U.S.

Belle Fleur

Belle Fleur, founded by the powerhouse cannabis and music industry entrepreneurs behind Californian brand Rapper Weed, Roland Romelus, Irvin Whitlow and Domenico Cardarelli, are the holders of a license allowing the development of a Tier 11 high-tech indoor grow facility in Blandford. The Tier 11 license, the largest cultivation license tier available in Massachusetts, allows for up to 100,000 sq ft of canopy space.

Belle Fleur, through its roots in the California legacy market, has access to ultra-premium genetics not currently available in Massachusetts, and intends serving the market with luxury, premium high-end cannabis products.

Like Audacious Brands, Rapper Weed is an MSO. Following their success in California, Belle Fleur now transitions to an ownership model in Massachusetts where, with the assistance of ALPS, it will control the cultivation infrastructure to ensure it always has the high-quality product it is known for. The company is ambitious and intends to grow well beyond its footprint, with an eye on the Eastern U.S. markets. The companies have agreed jointly to explore further opportunities for collaboration in regard to brands and expansion into other jurisdictions.

The supply agreement will enable Audacious Brands to continue to expand its MSO footprint, which now includes Nevada, Arizona, Oklahoma, Missouri, Washington and Massachusetts. The Company continues to execute on its strategy and anticipates entering additional U.S. markets within the next few weeks.

Rapper Weed - Strong Connection to the Community and Culture – It's a Lifestyle Thing

Rapper Weed was founded in Los Angeles, California - the mecca of weed culture and the beating heart of cannabis innovation. The brand's core values consist of growing and manufacturing luxury high-end premium products 100% of the time. The founders of Rapper Weed are true connoisseurs of cannabis and are highly respected by the community and culture. They hold true to these values, never compromising creativity, consistency, quality and potency. Rapper Weed is more than a brand - it's a lifestyle.

The founders of Belle Fleur are from Boston, they then found success in the music and cannabis industry in California. Now the team is returning to their roots, bringing back the cannabis culture to Boston and throughout the Bay State. Rapper Weed has publicly been endorsed by a large number of lifestyle influencers, including Machine Gun Kelly (<https://www.rapperweed.com/>), who came to the Company through Irvin Whitlow, a highly successful music industry entrepreneur.

Machine Gun Kelly, when asked for a comment on Rapper Weed, stated, "I just bought \$1,000 worth of Rapper Weed at Cookies in Maywood. These guys have the best flower in the game."

Irvin Whitlow, Co-Founder

Irvin Whitlow, co-founder, commented, "Rapper Weed consumers reflect the lifestyle of which cannabis is an important part. Rather than signing big endorsement deals with single artists, Rapper Weed has a much broader reach, resonates with the culture, and consequently has been adopted as the herb of choice by many of the people we work and interact with. In turn, this creates a broad roster of influencers for Rapper Weed, magnifying our appeal with a larger experienced audience."

Irvin Whitlow is a highly successful, Grammy award-winning music industry executive, having sold over 30 million records throughout his career. In 2010, Irvin discovered Cleveland native Machine Gun Kelly, who soon after inked a major deal with Bad Boy and Interscope records under the team's independent imprint, EST 19XX.

In addition to Machine Gun Kelly, Irvin has cultivated relationships with some of the hottest artists and producers in the music industry, such as Travis Barker, Nicki Minaj, Cardi B, Wiz Khalifa, Black Bear, Migos, O.T. Genasis, Young Dro, and many others. His work with producers such as Cheeze Beatz and Ayo & Keys, as well as others, has resulted in widespread recognition within the industry and with fans. In 2019 he received a BMI award for his work (songwriter) on 2018 release: "Bartier Cardi" ft 21 Savage off her Grammy award winning/multi-platinum album, Invasion of Privacy.



(CNW Group/Australis Capital Inc.)

Mr. Whitlow continued, "We believe in curating authentic moments in which everyone can feel comfortable consuming cannabis. Gone are the days when weed was looked down upon. Cannabis is a social and a medical herb, and we at Belle Fleur and Rapper Weed pride ourselves in creating experiences that show how cannabis is part of a lifestyle, including music, art, fashion and food. We are bringing urban culture to a high-end lifestyle, and now we are taking our brands and knowledge back to Massachusetts and from there to the Eastern U.S."



The Belle Fleur Team: Domenico Cardarelli, Rolandy Romelus, Irvin Whitlow (CNW Group/Australis Capital Inc.)

Genetics

Through its roots in California, Belle Fleur has access to ultra-premium genetics, such as Gelato 33, Gelato 42, Runtz, Sunset Sherbert, Mochi, Biscotti, Truffle and others. The Company is also working on expanding its library of proprietary genetics, which includes the XX strain, associated with Machine Gun Kelly.

Facility Agreement

Belle Fleur and ALPS have signed a significant facility agreement under which ALPS will provide facility design, construction management and (post) commissioning services. The design phase is progressing well, and the companies anticipate construction to commence in the next 30 days.

The facility will benefit from ALPS' intellectual property, including its proprietary APIS service suite, covering compliance and maintenance. The high-tech nature of the facility will result in the cultivation of GMP and GACP compliant world class cannabis, while operating costs will remain in check. ALPS, with over three decades and over 100 million project square feet under its belt, has a highly bankable track record. Its involvement in projects has enabled its customers to obtain financing, which companies had found difficult prior to engaging with ALPS, in large part due to the significant project de-risking that ALPS brings to design, construction and cultivation operations.

Supply Agreement

Under the supply agreement, Belle Fleur will dedicate a percentage of its canopy space to Audacious cultivars. When fully licensed, AUSA will acquire the produced cannabis under a cost plus 5% arrangement. The arrangement provides Belle Fleur with a solid anchor customer, while providing AUSA with long-term access to low-cost, high-quality cannabis.

Audacious intends to launch its award-winning brands - Provisions, Tsunami and Mr. Natural in Massachusetts. The arrangement between the companies includes a provision for marketing and delivery of the AUSA products by Belle Fleur, thereby further leveraging the partnership.

Terry Booth, Audacious CEO, stated, "This arrangement completely validates our strategy and is a great example of how synergies between AUSA/ALPS and our partners Rapper Weed create a win-win-win situation for everyone involved, while creating shareholder value. Our ownership of ALPS, the premier facility design firm in the business, is enabling us to execute on a strategy that is unique and very difficult to imitate. This strategy also de-risks our expansion as we do not have to deploy significant capital to develop cultivation infrastructure, while securing long-term access to low-cost, high quality cannabis to fuel the expansion of our brands across the U.S."

Mr. Booth continued, "Entering Massachusetts, a cannabis friendly market still in the first inning, is one of many amazing opportunities in the eastern U.S. We are really excited about the agreement with Belle Fleur, as we will be working with an exceptionally accomplished team of entrepreneurs who get what this industry is about: brands that are inclusive and resonate with a broad target audience, including the community and culture. What they have achieved to date is nothing short of remarkable, but not surprising once you meet the team and the influencers associated with the brand. We love what they stand for and we can't wait to work together and explore further projects and brand collaborations with Rolandy, Domenico, Irvin and the rest of the Belle Fleur team. These guys are solid, are true to the plant, true to the culture and will have a positive impact with their awesome genetics and entrepreneurial spirit"

Domenico Cardarelli, Belle Fleur CFO, added, "In AUSA we have found a partner that is the perfect complement to Belle Fleur in many ways. Through ALPS we will be able to develop a facility that will be the benchmark in cannabis production in Massachusetts, enabling us to grow products to our very exacting standards, while at the same time ensuring our production costs are among the lowest in the industry. That provides us with a massive competitive advantage. Furthermore, the agreement with Audacious will provide us with an anchor customer, an important signal to the market and investors. We look forward to completing our construction project and providing the people of Massachusetts with a new experience that was not accessible to them previously."

Massachusetts Cannabis Market

With a population of 6.9 million, Massachusetts is the 15th most populous U.S. state and has legalized both medical and adult use of cannabis. Currently, the state has only approved approximately 1 million square feet of cultivation. With an estimated demand of approximately \$1.1 billion by 2024¹ this means that despite the anticipated expansion, cultivation will continue to operate at a premium in the state, positioning Belle Fleur and Audacious to capitalize on this opportunity. Average wholesale prices for indoor grown cannabis remain very strong in the state at approximately \$4,200 per pound for flower, with a derivative price point equivalent to north of \$6,800 per pound.

¹ Source: Statista - <https://bit.ly/2ROY2HG>

Rolandy Romelus, CEO and Co-Founder

While running his record label, Rolandy, CEO of Belle Fleur, noticed the strong link between rappers and cannabis and decided to launch his own brand. He set to create an inclusive brand experience that encompassed the entire culture and lifestyle, which resulted in the founding of Rapper Weed.

"Three things set us apart from other cannabis companies in Massachusetts: our genetics, a relentless focus on quality, and an inclusive approach to lifestyle and the culture. While we were very successful in California with our brand, we believe in giving back to the community that we come from and decided to take our brand back to Boston and introduce Massachusetts to the lifestyle and our products. The partnership with AUSA/ALPS enables us to do this and we are very excited be working with Terry Booth and the Audacious team and execute on our vision in Massachusetts and potentially other U.S. states as well."

He continued, "Like the industry as a whole owes a huge debt to the advocates who have fought to have cannabis become socially acceptable and legally permitted at the state level, I owe a huge personal debt to my close friend Shezi Rosewood, who no longer is with us. He introduced me to the people that made things happen in the industry, he was a great help in me understanding what this industry is about, and he helped me to become the success I am today. He used to say something that I think describes how we approach business more clearly than anything else I have heard – "Nobody has to lose, for us to win". That's the truth, that's Rapper Weed, that's Belle Fleur and that's the philosophy underlying this new partnership with Audacious Brands."

Domenico Cardarelli, CFO

A Philadelphia and East Coast native, with over 10 years in his primary profession in the real estate industry, Mr. Domenico Cardarelli has laid the groundwork essential to becoming a leader in the cannabis industry. Having successfully closed over 400 sales, from wholesale and multi-unit rentals to ground-up developments, his experience has been well received since he has transitioned into the cannabis Industry. Domenico's role with Belle Fleur Holdings LLC is Chief

Financial Officer. He attended college at The Pennsylvania State University and Temple University Fox School of Business & Management.

Mr. Cardarelli concluded, "Belle Fleur is set up to become a success in Massachusetts and beyond. The partnership with Audacious enables us to execute on our vision and introduce our philosophy to new audiences."

About AUSA

Audacious is at its roots a community and culture-based cannabis company, originally founded by Steve Dobler and Terry Booth, the founders of Aurora Cannabis Inc. After the completion of a dissident shareholder battle that ended with convincing shareholder approval, Terry Booth, former Aurora CEO, who had to step away from AUSA upon spin off, re-joined AUSA as CEO on March 9, 2021. Since then, the company has reset the direction of AUSA and in just 3 months closed multiple accretive transactions, improved legacy contracts, established a world class Executive Team, and resolved previous executive and board exits. Audacious is looking forward to becoming a profitable Multiple State Operator in the medical and adult usage cannabis sectors.

Also, in the same 3-month time frame, AUSA with its acquisition of ALPS has entered the global Sustainable Controlled Environment Agriculture Industry, a rapidly growing segment of the global horticulture market. ALPS provides customized designs along with multiple services that allow operators to maximize yield and quality while minimizing inputs and resources, including labor. ALPS at present is active in cannabis and traditional horticulture projects across the globe, including the U.S.A., the E.U., Australia, New Zealand, Iceland, the Middle East, South East Asia and Canada. Total Capex committed by ALPS' clients since Aurora divested its interest just 12 short months ago during the covid crisis, stands at approximately \$1 billion, with a rapidly growing business development pipeline approaching \$4 billion in total Capex to be spent by potential clients over the next 24 months.

AUSA's business assets include: a 51% ownership interest in ALPS, a milestone weighted deal with an option to acquire the remaining 49% of ALPS — AUSA and Green Therapeutics, an award-winning MSO, have finalized and agreed to all terms with respect to AUSA's 100% acquisition (subject to regulatory state licensing approvals). AUSA also owns land assets in Bellingham, Washington - as well as the iconic West Coast brand Mr. Natural. AUSA furthermore has investments in Body and Mind Inc., a U.S. MSO, Quality Green, a Canadian licensed producer and Cocoon, a company changing the dispensary customer user experience through self-service kiosks. The Company also has executed a term sheet for a JV partnership with U.S. and Canada based 3 Rivers Biotech for plant tissue culture, genetics clean-up and micro propagation.

AUSA cannabis assets and ALPS cannabis projects are presently located in Massachusetts, Arizona, Nevada, Washington, Michigan, Missouri, Oklahoma, and California with many other deals in other states presently being evaluated and negotiated.

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

"Terry Booth"

Terry Booth
Chief Executive Officer

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 ability of ALPS to convert its pipeline into contracts; the impact of the changes to U.S. federal and state statutory 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.

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.

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.

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