

Australis Provides Commercial Update

Alps Enters into Initial \$1.4 Million Engagement with Pure Harvest Smart Farms

1,000,000 sq. ft. High-Tech Growing Solution to Supply the Sultan Center, Kuwait's Leading

LAS VEGAS, Oct. 5, 2021 /CNW/ - Terry Booth, CEO, is proud to announce - Australis Capital Inc., (CSE: AUSA) (OTC: AUSA) ("AUSA"), announced today that its majority owned subsidiary ALPS has entered into an agreement with Pure Harvest Smart Farms ("Pure Harvest"), the pioneer in controlled-environment agriculture in the Middle East, for the development of a 1,000,000+ square foot, high-tech, fully integrated facility to achieve year-round cultivation of high-quality, fresh fruits and vegetables in Kuwait.

Pure Harvest – The Sultan Center Partnership

The new facility is a foundational complement to the partnership recently signed between Pure Harvest and The Sultan Center ("TSC"). The Sultan Center (TSC) is the largest independent and publicly traded retailer in the Middle East, serving millions of customers across Kuwait, Oman, Jordan, and Bahrain and others. Pure Harvest and TSC have entered into a multi-year commercial off-take agreement. Under the terms of the agreement, Pure Harvest will be supplying TSC with a broad variety of locally grown, premium-quality fresh fruits & vegetables, serving TSC's supermarkets across the region.

ALPS High-Tech Approach Enables Premium Food Grown in Harsh Climates

Historically Kuwait has depended on the import of most fresh produce offered in its local supermarkets, as the country does not have a climate suitable for sustainable outdoor cultivation of many types of fruits & vegetables. As TSC decided it wanted to reduce its reliance on food imports and improve its environmental footprint, this created the challenge to create a facility that would deliver premium-quality fresh produce under these harsh climatic conditions. Pure Harvest and ALPS partnered to meet this challenge, designing and delivering a growing solution that utilizes the abundant sunlight in Kuwait while at the same time being economical with scarce resources, including water and medium.

ALPS is specialized in designing facilities that deliver the highest-possible quality and return on investment, taking all climate and economic realities into consideration that a local operator is faced with. Based on over 30 years of experience in operating under a wide variety of conditions and economic parameters, ALPS has developed some of the highest-yielding, most profitable operations globally. This expertise is in part based on the very strong relationships ALPS has with its constellation of technology partners, who in many cases, under the direction of ALPS, have developed solutions that can be marketed to ALPS customers only. ALPS, furthermore, has developed significant know-how in relation to AgTech systems integration and operational optimization through its end-to-end involvement in projects, from pre-planning, through design, to post-commissioning optimization services.

Management Commentary

Thomas Larssen, President of ALPS, commented, "The ALPS brand continues to generate sizeable and exciting business opportunities across the globe, enabling us to grow revenues rapidly. Both TSC and Pure Harvest are run by visionaries with clear goals and ambitious objectives that require a high degree of technological innovation. Through our deep experience in delivering and operating environmentally controlled facilities across the entire global spectrum of climates, while delivering a high ROI, we are able to meet these challenges. We are very proud to be selected by Pure Harvest, a fast-growing technology-enabled agribusiness focused on the MENASA region (Middle East, North

Africa, and South East Asia), and we expect to collaborate on other projects in the near future."

Sky Kurtz, Cofounder & CEO of Pure Harvest Smart Farms, added, "We are very pleased to be partnering with ALPS on this project. ALPS's capabilities complement our own perfectly, and they have a long, successful track record supporting clients to design and deliver high-tech, integrated production facilities. In TSC we have a market-leading partner that fully embraces the value that a producer-retailer partnership brings and what we can do together to improve quality, variety, flavour and food safety for Kuwaiti consumers. Through this partnership, TSC and Pure Harvest will deliver enhanced food safety, water conservation, economic diversification and sustainability within Kuwait and the MENASA region,"

About ALPS

ALPS, formerly Aurora Larssen Projects, is a global leader in facility design, construction management and (post) commissioning services to the horticultural sector across a wide variety of commercial crops. Going back over 30 years, ALPS has built a stellar reputation as the leading innovator for greenhouse, indoor and outdoor controlled-environment agriculture facility design, having successfully delivered over 100 million square feet of projects. ALPS' approach centers on vendor agnostic designs geared towards optimizing economic returns under all possible market and environmental conditions.

In the past seven years, ALPS has established itself as a leader in the cannabis space, having been involved in over 50 projects globally, including the highly automated, low-cost, high-quality, 800,000+ sq. ft, flagship facility Aurora Sky. 'Designed by ALPS' has become a badge synonymous with quality and favorable returns on investment.

About Pure Harvest Smart Farms

Pure Harvest Smart Farms is a technology-enabled agribusiness headquartered in the United Arab Emirates, focused on year-round, sustainable production of premium quality fresh fruits & vegetables. As innovators of the Middle East's first commercial-scale, semi-automated high-tech hybrid growing systems, Pure Harvest leverages innovative growing technologies & horticultural best practices to enable local-for-local production of affordable, sustainably grown, European-standard fresh produce anywhere. Pioneering controlled-environment agriculture in the MENASA region, Pure Harvest's mission is to tackle some of the world's biggest problems and improve lives using technology, providing solutions that address food security, water conservation, economic diversification, and sustainability needs. For more information, please visit www.pureharvest.ae.

About AUSA

AUSA is at its roots a community and culture-based cannabis company. 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 6 months closed multiple accretive transactions, improved legacy contracts, established a world class Executive Team, and resolved previous executive and board exits.

Also, in the same 6-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., Canada, Denmark Finland, Iceland, Germany, Netherlands, Bahrein, United Arab Emirates, Southeast Asia, Australia, as well as other jurisdictions.

Total Capex committed by ALPS' clients since Aurora divested its interest just 16 short months ago

during the Covid crisis, stands at approximately \$1.5 billion, with a rapidly growing business development pipeline with over \$5 billion in total Capex planned to be spent by potential clients.

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 and the ingestibles brand LOOS with a footprint in the California market. The Company is in the process of closing the acquisition of Herb in San Jose, which comes with the ability to cultivate, distribute and manufacture, as well as a state-wide partnership with Eaze, the largest legal delivery services in the U.S.

AUSA also has a partnership with the Endeavour PBR, the professional bull riders association. Under the partnership, the Company is launching a PBR endorsed line of topical CBD products under the AUDACIOUS Wreck Relief brand.

AUDACIOUS also has a supply partnership with Belle Fleur, founded by the team behind Rapper Weed. Machine Gun Kelly, recently stated: "I just bought \$1,000 worth of Rapper Weed at Cookies in Maywood. These guys have the best flower in the game." AUSA and Belle Fleur are working towards a broader arrangement to include brand partnerships in Massachusetts and other jurisdictions the companies intend entering into. ALPS has been contracted to build the Belle Fleur facility, construction commenced in August. ALPS partner Dawson Wallace is also involved in the Belle Fleur project.

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 entered into a sponsorship agreement with Endeavour owned Professional Bull Riders, as well as 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 and ALPS have secured contracts or are in late stage negotiations in the following jurisdictions: Australia, UAE, Bahrain, Canada, Finland, Germany, Iceland, Jordan, Kuwait, Netherlands, Saudi Arabia, Denmark, Massachusetts, Arizona, Nevada, Washington, Michigan, Missouri, Oklahoma, Colorado, Florida, Illinois, Maine, Maryland, New Mexico, Pennsylvania, Wyoming, and California, with other deals in other states presently being evaluated and negotiated. Audacious are laser focused on New York and New Jersey as well.

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; 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 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.

View original content:

<https://www.prnewswire.com/news-releases/australis-provides-commercial-update-301392619.html>

SOURCE Australis Capital Inc.

View original content: <http://www.newswire.ca/en/releases/archive/October2021/05/c7781.html>

%SEDAR: 00045457E

For further information: Marc Lakmaaker, T: +1.647.289.6640, Marc.lakmaaker@ausa-corp.com

CO: Australis Capital Inc.

CNW 07:30e 05-OCT-21