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**AUDACIOUS SIGNS LOI FOR \$20 MILLION CONVERTIBLE BOND  
FUNDING COMMITMENT**

**CLOSES \$3.1 MILLION FIRST TRANCHE OF NON-BROKERED PRIVATE  
PLACEMENT**

**LAS VEGAS, NV, December 9, 2021** – Australis Capital Inc. (CSE: AUSA) (OTC: AUSA) (“AUSA”, “AUDACIOUS” or the “Company”) is pleased to announce that it has entered into a term sheet with LDA Capital, LLC (“LDA”) for committed funding, (the Funding) in tranches, of up to \$20 million. Additionally, the Company announced it has closed the first tranche of a non-brokered private placement for proceeds of approximately \$3.1 million.

Terry Booth, CEO, commented, “We are very pleased with the response to both our private placement and the work done by DelMorgan securing the Funding. The proceeds of the Funding will go predominantly towards growth initiatives, including immediately scaling up our ability to deliver product into the Nevada and California markets where our brands are finding great resonance with consumers. The tranche-based nature of the LDA instrument provides us with the opportunity to withdraw funds at higher valuations as we continue to execute on our business plan. The Funding will help us accelerate development of the Company, and we look forward to continue to inform the market of our great progress in the near future. I am also pleased and am proud of the significant participation of company insiders, including senior management, board members and employees, reflecting our belief in the upside of the Company.”

**LDA Funding**

Under the terms of the agreement with LDA, AUDACIOUS has the right to draw up to \$10 million in tranches, with an option to draw down up to \$20 million subsequent to completion of the first five tranches of \$2 million each, with certain provisions for accelerated or larger tranches. The Funding is structured as a convertible bond with a zero coupon, issued at a 15% discount to the 5-day VWAP on the date a tranche is exercised. Maturation of the instrument is 24 months.

Rob Delgado, Chairman of DelMorgan & Co., exclusive strategic transaction advisor to AUDACIOUS, commented, “We are very excited about this transformative \$20 million capital raise, which represents an important step in AUDACIOUS realizing its vision of becoming a leading multi-state operator in the U.S. market.”

Neil Morganbesser, President & CEO of DelMorgan, commented, “This \$20 million commitment is an important validation of the AUDACIOUS vision, and is indicative of a broader trend we are seeing of increased interest from institutional investors looking to identify and support future winners in the cannabis sector.”

Chris Delgado, Senior Managing Director at DelMorgan, added, “As he did at Aurora, Terry Booth continues to execute with a focus on enhancing shareholder value. We are excited and privileged to be part of the Audacious growth story and very excited to assist the company as it aggressively pursues its multi-state, multi-pronged acquisition strategy focused on brands.”

### **Non-Brokered Placement**

The Company also closed the first tranche (the “**First Tranche**”) of its private placement of units (the “**Units**”) of the Company at a price of \$0.17 per Unit (the “**Offering**”). In this First Tranche, the Company issued 18,428,584 Units for aggregate gross proceeds of \$3,132,859.28

Each Unit consisted of one (1) common share in the capital of the Company (each, a “**Share**”) and one (1) Share purchase warrant (each, a “**Warrant**”). Each Warrant is exercisable into one (1) additional Share (each, a “**Warrant Share**”) at an exercise price of \$0.35 per Warrant Share on or before December 8, 2023. The Warrants contain an accelerated option clause that states that if the daily volume weighted average closing price of the Shares is greater than \$0.50 for ten (10) consecutive trading days on the Canadian Securities Exchange (the “**CSE**”), then the Warrants must be exercised within a 30-day period commencing on the date notice is provided for the same, or failing which, the Warrants shall expire as null and void.

Certain insiders of the Company acquired Units in the First Tranche of the Offering. The participation by such insiders in the Offering constituted a “related party transaction” subject to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). Such participation was exempt from the formal valuation and minority shareholder approval requirements provided under sections 5.5(a) and 5.7(a) of MI 61-101 as neither the fair market value (as determined under MI 61-101) of the subject matter of, nor the fair market value of the consideration for, the transaction, insofar as it involves interested parties, exceeded 25% of the Company's market capitalization.

In connection with the closing of the First Tranche of the Offering, the Company paid aggregate

cash finder's fees in the aggregate of \$15,989.99 and issued 94,058 finder's warrants (the "**Finder's Warrants**") to certain qualified arm's length finders. Each Finder's Warrant is exercisable into one (1) Share (each, a "**Finder's Warrant Share**") at an exercise price of \$0.35 per Finder's Warrant Share on or before December 8, 2023.

All securities issued in connection with the First Tranche closing of the Offering are subject to a statutory hold period of four months plus a day in accordance with applicable securities legislation ending on April 9, 2022.

The Company intends to use the proceeds from the Funding and the Offering for acquiring product, general working capital, acquisitions and investments.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "*U.S. Securities Act*"), or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

### **About AUDACIOUS**

AUDACIOUS (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 9 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 9-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 17 short months ago during the Covid crisis, stands at approximately \$1 billion, with a rapidly growing business development pipeline with over \$7 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. AUSA also owns the iconic West Coast brand Mr. Natural and the ingestibles brand LOOS with a footprint in the California market. AUSA furthermore anticipates closing shortly the acquisition of a dispensary in San Jose, which also serves as a distribution hub for Eaze, the largest legal cannabis delivery service in North America.

Additionally, AUSA has a supply partnership with Belle Fleur, founded by the team behind Rapper Weed, who have close relationships with key industry influencers.. AUSA and Belle Fleur are working towards a broader arrangement to include brand partnerships in Massachusetts and other jurisdictions the companies intend entering into.

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. Under the partnership, the Company is launching a PBR endorsed line of topical CBD products under the Wreck Relief brand. AUSA as well 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 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".

## **ON BEHALF OF THE BOARD**

*"Terry Booth"*

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Terry Booth  
Chief Executive Officer and Director

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**FORWARD-LOOKING STATEMENTS:**

*Cautionary Note Regarding Forward-Looking Statements: This release includes certain statements and information that may constitute "forward-looking information" within the meaning of applicable Canadian securities laws. All statements in this news release, other than statements of historical facts, including statements regarding future estimates, plans, objectives, timing, assumptions or expectations of future performance, including the Company's anticipated use of proceeds from the Offering, are forward-looking statements and contain forward-looking information. Generally, forward-looking statements and information can be identified by the use of forward-looking terminology such as "intends" or "anticipates", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would" or "occur". Forward-looking statements are based on certain material assumptions and analysis made by the Company and the opinions and estimates of management as of the date of this news release. These forward-looking statements are 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 statements or forward-looking information. Important factors that may cause actual results to vary include, without limitation: uncertainties affecting the Company's expected use of proceeds, the Company's ability to enter the Canadian tobacco market and the Company's ability to obtain any required provincial and federal licenses and registrations to operate in the tobacco industry. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. Readers are cautioned that reliance on such information may not be appropriate for other purposes. The Company does not undertake to update any forward-looking statement, forward-looking information or financial out-look that are incorporated by reference herein, except as required by applicable securities laws.*