

AUDACIOUS™

AUDACIOUS SUBSIDIARY CLOSES SALE OF ALPS ASSETS

Sale of ALPS Assets Transformative Financial Transaction

Provides Working Capital to Accelerate New York and New Jersey Projects

Companies Retain Strategic Relationship

February 27, 2023, Edmonton, Alberta – Australis Capital Inc. (CSE: AUSA) (OTC: AUSA) (“AUSA”) (“AUDACIOUS” or the “Company”) today announced that the Company’s subsidiaries have closed an asset sale of the ALPS assets by way of a definitive asset purchase agreement with CEAd Holdings Inc and affiliated parties (together the “Purchaser”), a group that includes ALPS President Thomas Larssen. Under the terms of the agreement, the Purchaser has assumed ownership of the operational assets of ALPS, Larssen GC and APIS.

Continued Involvement with New York and New Jersey Projects

The companies have signed a services agreement whereby AUDACIOUS will continue to have access to the services and intellectual property owned by CEAd. A significant portion of the funds raised through this transaction are destined for the Company to further and accelerate its projects in New York and New Jersey. Under the terms of the transaction, AUDACIOUS and CEAd intend to continue to collaborate on these projects. With these two projects set in motion prior to this transaction being contemplated, AUDACIOUS will receive a significant discount with respect to engineering, design, construction and commissioning. Present estimates equate to approximately \$3 million in cost savings.

Management Commentary

Terry Booth, AUDACIOUS CEO, commented, “This is transformational for both companies. For AUSA, the sale provides AUDACIOUS with an injection of cash for us to accelerate and further our projects in New York and New Jersey. Raising cash through equity is not an option at this juncture. The dilutive effect of that would be significant and not in the best interest of AUSA shareholders. We look forward to working with Thomas and the CEAd team on our east coast projects and will certainly maintain the friendship we have developed over the years.

Thomas Larssen, CEAd President, added, “For us, this provides greater opportunity to engage with non-cannabis clients, who previously may have been hesitant to work with a company that was majority-owned by a cannabis company. As we will continue to work with AUDACIOUS, we will

continue to be active in the sector, but this provides additional bandwidth for us to pursue greater growth in controlled environment agriculture (CEA), which has been a very dynamic space, driven, among others, by environmental concerns. Terry and the Audacious team have been great to work with and we are sure this will continue as these global industries continues to mature.”

Transaction Terms

The Purchasers will acquire all of the vendors’ respective rights, title and interest in all of the assets, properties and rights in connection with the business of the vendors’ (the “Purchased Assets”) for an aggregate purchase price of \$6,251,400 (the “Purchase Price”). In addition to the purchase price, CEAd will provide a significant discount to market for the proposed New Jersey and New York cannabis facilities. These projects are subject to successful graduation of existing licenses.

The Purchase Price will be satisfied by (i) cash payment by the Purchaser in the amount of \$1,000,000.00 (the “Closing Cash Payment”) on the closing date of the Transaction (the “Closing Date”), which has occurred, (ii) the assignment and assumption by the Purchaser of certain accrued liabilities, and (iii) a secured promissory note payable by the Purchaser in the amount of \$4,277,572 (the “Promissory Note”) bearing no interest for 90 days following the Closing Date and 7.5% per annum thereafter.

Audit Update

The Company has appointed new auditors to help the Company complete its filings. The new auditors, BF Borgers CPA PC have commenced work. While this will cause some additional delay towards filing, management believes that its financial reporting is in good standing and in leveraging the work done to date, the Company anticipates completing its required filings in the coming weeks.

Terry Booth added, “Having to change auditors before completing the filing process is not ideal but this was due to circumstances not under our control. We apologize for the additional delay and appreciate the patience of our shareholders. As frustrating as this cease trade has been, do know that AUDACIOUS continued to advance the company’s projects, and we are looking forward to our re-entry onto the capital markets.”

About AUDACIOUS

AUDACIOUS is a next-generation MSO growing the cannabis industry of tomorrow from the ground up, led by industry pioneer Terry Booth and an accomplished management team with proven

industry track records. With operations that range from providing industry-leading sustainable cultivation to retail storefronts, growing flower in-house, and manufacturing award-winning brands, AUDACIOUS has products and solutions for everyone. Quickly expanding through innovative partnerships and collaborations, AUDACIOUS is forging the inclusive cannabis community of tomorrow, today. Learn more about AUDACIOUS [here](#).

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Neither the Canadian Securities Exchange nor its regulation services provider accepts responsibility for the adequacy or accuracy of this news release.

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. These statements involve known and unknown risks, uncertainties, and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Forward looking statements in this news release include, but are not limited to, the anticipated timing of the Company making the Annual Filings and Interim Filings.

The forward-looking statements contained in this news release are based on certain key expectations and assumptions made by the Company, including, without limitation, information based on the current state of the Annual Filings and Interim Filings; the Company's belief that its external auditor will complete its audit and release its audit opinion in a timely manner that will allow the Company to file the Annual Filings; that the ability of the Company's management to execute its business strategy, objectives and plans. Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Company can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, risks and uncertainties arising from any delay in filing the Annual Filings and Interim Filings; the Company's ability to satisfy the requirements of NP 12-203; the revocation of the MCTO and replacement with a cease trade order; general

business, economic, competitive, political and social uncertainties; the impact of the COVID-19 pandemic on the Company's operations and other factors, many of which are beyond the control of the Company.

The forward-looking statements contained in this news release represent the Company's expectations as of the date hereof and are subject to change after such date. The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required under applicable securities regulations.

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