



AUSTRALIS PROVIDES ACQUISITION AND CORPORATE UPDATE

Further Innovation and Execution at ALPS and GT

Clearview Capital Consult Appointed for IR

LAS VEGAS, NV, February 9, 2021 – Australis Capital Inc. (CSE: AUSA) (OTC: AUSA) (“AUSA” or the “Company”) today announced that the Company is progressing well towards completion of the previously announced proposed acquisitions of ALPS and Green Therapeutics LLC (“GT”).

Acquisitions Update

The Company is working towards the completion of the acquisition of a 51% interest in ALPS and the acquisition of 100% of the outstanding membership interest in Green Therapeutics, which includes the discontinuation of all previous litigation with Green Therapeutics. As per the Company’s commitment to keep our shareholders fully informed and apprised, we are expecting to enter into definitive agreements with ALPS in short order.

The GT transaction is also advancing, and definitive agreements are being drafted to meet applicable U.S. state regulatory requirements. ALPS and AUSA have agreed to extend the completion of the definitive agreements to February 22, 2021. It is anticipated by the Company that the ALPS transaction will close first, with the close of the GT closing following shortly thereafter.

Green Therapeutics

GT continues to turn out exceptional, high-end products. Three of the Company’s Cultivars, sold under the GT Flowers brand, have tested for high potency with exceptional terpene profiles:

- London Poundcake tested at 35% THC with 18.9 mg/g terpenes;
- Sliver Hawks Haze tested at 30% THC with 23.4 mg/g terpenes, and
- Phatt Fruity tested at 29.8% THC with 21.1 mg/g terpenes.

The high quality of these products, due to GT’s science-based approach to cultivation, is reflected in GT products consistently selling out in the Nevada adult usage space in which GT has achieved a 52% penetration rate.

Additionally, GT is in the process of operationalizing assets in Missouri and Oklahoma. In Missouri, GT has completed work on a processing and manufacturing facility in which GT principal and AUSA Interim CEO, Dr. Duke Fu, holds a 25% ownership stake, and is in the process of securing distribution for GT's brands. It is anticipated that AUSA will obtain this ownership interest at a future time once permitted by applicable Missouri State licensing authorities. GT remains on target to commence production at its facility in Oklahoma in the second half of calendar 2021.

Dr. Fu, Interim CEO of AUSA, commented, "Being able to consistently produce connoisseur cultivars that deliver exceptional potency and superb terpene profiles is an achievement that we are rightly proud of. We believe that the combined Team with AUSA, and through them with ALPS, will enable us to execute on the scale-up of our brands. This combination will provide consumers and patients across the U.S. with access to our unique product portfolio. We look forward to GT becoming an official member of the AUSA family and jointly building an innovative, capital efficient MSO with national and global reach."

The acquisition of GT is contingent on approval by the State of Nevada's Cannabis Control Board and subsequent local approval by Clark County Department of Business Licensing.

ALPS – Continued Execution and Innovation

ALPS is engaged in a number of projects incorporating innovation and new intellectual property. One such project is with a Scandinavian grower of tomatoes and cucumbers. At this new facility, ALPS has developed an ultra-precise environment control system, significantly improving propagation success rates and therefore economic output. ALPS retains the rights to the intellectual property developed and will be able to use this technology in the cannabis sector.

Thomas Larssen, President of ALPS, stated: "The project in Scandinavia, where we developed a new micro-precision climate control system is a great showcase of how our innovations have immediate commercial applications. We are proud of this innovation and look forward to seeing the results as new facilities incorporating our innovations come online and deliver the enhanced return on investment our customers have become accustomed to."

Since the AUSA/ALPS transaction was announced on January 5, 2021, ALPS have signed four contracts for combined revenues in excess of \$5 million:

- Cann Group, Australia – high tech cannabis facility with ongoing APIS compliance and maintenance contract;
- Aldershot Greenhouses, Canada – high-tech flower growing facility;

- Bluehouse Greenhouse, U.S. large-scale, high-tech greenhouse complex for the supply of local markets with vegetable production
- Vertical Harvest, U.S. – multi-story urban grow facility.

With a strong pipeline of potential new projects on which ALPS continues to convert, the Company is expected to add considerable revenues to AUSA upon closing of the transaction, as well as make positive, accretive contributions towards the Company’s bottom line. ALPS milestones, when met, will secure the Company’s position as a leader in the U.S. cannabis space.

BAMM Achieves Record-Level Revenues and Adjusted EBITDA Positive Operations

Body and Mind Inc (CSE: BAMM), in which AUSA holds a material ownership interest, recently announced record revenues for its fiscal Q1 2021 ending October 31, 2020. Some of the highlights were:

- Revenues of \$5.3 million were up by 144% sequentially from Q4 FY2020 and up by 267% Year-over-Year;
- A gross profit of \$1.8 million;
- Positive Adjusted EBITDA achieved;
- Managed Q1 FY2021 revenues of \$6.49 million.

BAMM management advises that their premium brands continue to resonate very well with its target audiences, and with operating assets in California, Nevada, Ohio and Arkansas, BAMM is well positioned to achieve continued growth. With the official transfer of ownership of previously acquired assets, BAMM going forward will be able to consolidate the successes of its new assets, complete current development projects and further expand its footprint. AUSA and BAMM continue to be in discussions on realizing optimal potential synergies going forward. See the Body and Mind press release February 2, 2021 and SEDAR filings (www.sedar.com) for more details.

Clearview

The Company has retained Clearview Capital Consult to assist AUSA with its investor relations efforts. Founded by Marc Lakmaaker, former VP of IR and Director of Corporate development at Aurora Cannabis Inc., Clearview, a strategy and communications consultancy, brings a deep understanding and network in the cannabis industry and the capital markets.

Terry Booth, who is expected to be appointed as CEO of AUSA upon completion of the acquisition of ALPS, stated: “We worked with Marc for several years at Aurora where he did an exceptional job in crafting and connecting the Aurora story with its stakeholders. The appointment of Clearview is fully in line with AUSA’s promise to run an active IR program, and I look forward

to working with Marc and his team as AUSA continues to execute and inform its shareholders and the markets on its progress, execution and achievements.”

Under the terms of the agreement, Clearview is paid \$10,000 monthly and has been granted 100,000 options priced at \$0.475 per share. The options have been granted conditionally on the ratification of the Company’s stock option plan at its next meeting of shareholders.

About Australis Capital Inc.

AUSA is implementing a growth strategy towards establishing a highly competitive and profitable MSO in the U.S. and global cannabis markets. AUSA's business and assets include investments in Cocoon, Body and Mind Inc., Quality Green, Folium Biosciences, and land assets in Washington and Michigan. AUSA is currently working towards the closing of a transaction whereby it will acquire 100% of the membership interest in Green Therapeutics LLC, an award-winning MSO with operations in Nevada, Missouri and Oklahoma. Furthermore, the Company is finalizing a definitive agreement to acquire 51% of the issued and outstanding shares of ALPS, the world’s premier design, construction management, commissioning and post commissioning consultancy for horticultural crops, such as cannabis, fruits, vegetables, mushrooms and algae. If completed, the Company will also hold an option for the acquisition of the remaining 49% of ALPS. Through GT and ALPS, the Company believes it will be able to secure low-cost access to cannabis biomass to fuel the scale up of its award-winning brands across the U.S. and global cannabis markets.

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

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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 proposed transactions with GT and ALPS; the anticipated development of the GT and ALPS businesses; the ability of the Company to execute on its strategy to establish a low capex model MSO; 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. 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 ALPS and GT transactions; the ability of management of ALPS, GT and the Company to successfully execute on their respective business plans; 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.

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.