



## AUDACIOUS FIRING ON ALL CYLINDERS

### INVESTOR UPDATE

**LAS VEGAS, NV, January 26, 2022** – Australis Capital Inc. (CSE: AUSA) (OTC: AUSA) (“AUSA”, “AUDACIOUS” or the “Company”) is pleased to provide the following corporate update:

“We are executing both within the U.S. and internationally, rapidly expanding our footprint, brand recognition and product offerings, while developing new revenue generating opportunities,” said Terry Booth, CEO. “Internationally, with Thailand approving the dropping of cannabis from the Health Ministry’s list of controlled drugs, we are exceptionally well positioned to drive growth through our partner Golden Triangle Health (GTH) <https://www.gthealth.com> and its parent company NR Instant Product (NRF) <https://www.nrinstant.com>.”

Booth added, “In the USA our cannabis brands LOOS, Provisions and others continue to meet with strong consumer demand in Nevada and California. Audacious is highly visible through our National partnership with PBR, with whom we are close to launching our Wreck Relief products ([www.wreckreliefcbd.com](http://www.wreckreliefcbd.com)) through our online store. We are also in conversations with box store and pharmacy chains throughout North America.”

#### Multi-Market Entry Strategy Accelerating

The Company continues to execute on its strategy rapidly to expand into multiple jurisdictions. To this end, the Company has engaged with key legal experts, as part of its business development team, with a strong track record in securing licenses. This month, the Company has entered, and intends to enter, license applications in the following jurisdictions:

State	Market Vertical	Market Type	Population	Licenses to be granted
Ohio	Dispensaries	Medical only	11.8M	73
New Jersey	Cultivation & Manufacturing	Med + Rec	9.3M	Up to 25 cultivation; manufacturing still TBD
New Mexico	Cultivation	Med + Rec	2.1M	

Leah Bailey, Chief Business Development Officer, commented, “These are three very significant markets when combined with the states we are already in, the total population opportunity is close to double that of Canada, which in 2020 had legal cannabis sales of \$2.6 billion, with medical cannabis sales coming in at around \$587 million<sup>1</sup>. While in certain markets M&A will be the method of choice for entry in order to accelerate the timeline to revenues, the early-stage nature of certain limited license market and the price tag associated with that for M&A have led to us making the decision to apply for our own licenses in specific market verticals. The head of our in-house applications team has a tremendous track record of securing licenses. Prior to joining AUDACIOUS, he secured 69 licenses in seven, predominantly limited license states. While the outcome of the process cannot be predicted, having such an all-star on our team does dramatically increase our chances of obtaining such licenses, especially as these applications are backed by our significant operational capabilities and track records throughout the value chain.”

### **Thailand Update – Partnership Off to Great Start - First Retail Franchise Stores Launched – CBD and THC off Controlled Drugs List – Major Distribution Partnerships Signed**

The Thai government recently removed both CBD and THC from the controlled drugs list, paving the way for market expansion. At this stage, licensed companies will be able to sell CBD products topical and edible through retail outlets, or as intermediary products and ingredients to third party CPG customers who intend to develop their own products or use white label producers, such as GTH. AUDACIOUS with our partners GTH are exceptionally well positioned to rapidly expand our retail footprint and significant distribution channels, to grow revenues in this important new Asian market. Revenues are already being reported through our sale of seeds to GTH.

GTH has also now launched its new retail franchise network, Hemp House, with the first four locations now operational. The Company intends rapidly to expand its network and is targeting more than 50 locations by year end.

Tom Kruesopon, principal in GTH, commented, “The Thai market is ready to explode, and we are in pole position to capitalize on this once in a lifetime opportunity. We have secured major distribution channels, have developed and successfully launched our own retail franchise network, Hemp House, which now has four locations but will see rapid expansion throughout the year, and we anticipate signing more partnership agreements with major retailers and producers of consumer goods. With the help of AUDACIOUS and ALPS, we will also be able to secure the best quality/value ratio in the market, positioning GTH for further success and rapid growth.”

### **New York – Project Progressing**

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<sup>1</sup> Source: Statistics Canada

The Company and its local partner, First Americans, LLC, have now fully defined the scope of the project on the St Regis Mohawk territory. The Company's ACHIEVE12 facility will be augmented with processing and manufacturing, enabling the partnership to offer a full complement of high velocity products, including flower, pre-rolls, edibles, high-end solventless and hydrocarbon produced vapes and other lines.

### **ALPS – Continued Traction with APIS**

The Company's subsidiary ALPS signed an expanded contract with Vertical Harvest ("VH"), with whom the Company is engaged for the engineering and design of a 27-level urban greenhouse for the cultivation of microgreens, leafy greens and lettuce in Maine. VH's goal it is to enhance urban community access to exceptional farm fresh foods year-round using less land, water and fuel, while creating jobs serving the underemployed.

The new contract includes commissioning, handover and the Company's maintenance solution: APIS CMMS. The latter services offering will include system configuration, master data collection, setup and training for the facility areas and equipment currently operational within VH.

The project continues to advance as planned with construction expected to commence this spring.

Thomas Larssen, President of ALPS, commented, "The clear ROI our APIS CMMS system delivers through increased efficiencies, reduced downtime and more optimal operational systems performance is a unique selling point that clearly differentiates ALPS from the competition. The consistent delivery of high-quality work also means that existing and historical clients come back to us, which is the case with VH. Not only will we be implementing APIS, VH will also leverage our deep operational experience by engaging us for the commissioning and handover of their new facility. We anticipate seeing more similar deals with other new and existing customers."

### **ALPS – Project Updates and Further Commercial Progress**

#### **BlueHouse GreenHouse**

The Company's project with BlueHouse GreenHouse continues to develop in line with timelines. Final selection of project vendors is currently taking place, and ALPS management anticipates the client will commence construction shortly.

#### **Pre-Project Study for Algae Project**

ALPS has signed a contract with a Dutch company with operations in China for the completion of a pre-project study, which will focus on developing the optimal solution in terms of technologies used and ROI for the development of an algae facility for the production of EPA rich oil. Algae

increasingly are seen as a sustainable source for wellness supplements, such as omega-3 acids. Commencement of this project add significant capacity to fuel expansion of the use of algae. The global algae market was valued at US\$ 717.14 Mn in 2018 and is projected to reach US\$ 1,365.8 Mn by 2027<sup>2</sup>, The Omega 3 acid market, which algae are anticipated to play a major role in due to its much more sustainable nature as compared to the current dominant source (fish oil), is anticipated to grow to \$3.7 billion by 2028<sup>3</sup>. ALPS intends to be an important player in facilitating the cultivation and production of algae for these markets.

### **Middle East Feasibility Study Completed**

The Company's feasibility study for a client in the Middle East was completed. Senior management at the client is anticipated to make the final go ahead decision for this major cultivation project shortly.

### **Aldershot**

ALPS is involved in the development of a facility for the cultivation of miniature roses. The project is progressing well on design and permitting, and all milestones were met within customer dictated timelines.

### **European Baby Leaf Project**

ALPS recently engaged with a major crop producer in Europe for the development of a 2 hectare (5 acre) facility for the cultivation of baby leaves. The first phase of the project has commenced and is progressing according to pre-set timelines.

### **Little Leaf Farms**

This North American baby leaves project is on track and on time.

Thomas Larssen, commented, "Our existing projects are progressing well and within set timelines. Meanwhile, we are signing new clients and continue to successfully expand our pipeline of potential new projects. With discussions on projects with a total CapEx to be committed by our clients of over 7 billion, ALPS continues to lead the way in large scale facility design and continues to grow as a company. We are very pleased with where we are today, as it sets us up for accelerated growth driven by market forces, client demand, and continued innovation."

### **Continued Traction for AUDACIOUS' Brands – Mr. Natural Launch in Nevada Imminent**

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<sup>2</sup> Source: <https://www.transparencymarketresearch.com/algae-market.html>

<sup>3</sup> Source: <https://bit.ly/3rMpmo7>

It has been a productive quarter for all of our AUDACIOUS brands. The Company's multi award-winning Tsunami brand continued its winning streak after taking top prize at the inaugural NuWu Cup in Las Vegas, NV, winning Best Extract with our Peach Pie Badder.

Our Provisions brand expanded into the California market with its 1g rechargeable, disposable vaporizer line and is already available in select dispensaries as well as the Eaze delivery platform statewide. Our sales distribution channel will further grow throughout California with the closing of the LOOS deal and its innovative new beverage that is selling out at dispensaries across Northern California. Already in over 30 retailers, the brand is organically generating earned media from customers and industry players alike and was recently announced as a top three beverage for 2022 by High There News.

The world-famous Mr. Natural will soon launch in Nevada with a fresh batch of its renewed products as we ramp up our reintroduction of the Veteran forward, medically focused brand to all of our markets. Provisions continues to expand in Nevada with two new edibles offerings: Salted Vanilla Bean Caramels and the Roasted Peanut Butter Nougat. Provisions will also launch products in Missouri that fit into its mission of providing high quality cannabis provisions for everyday life.

Our national CBD pain relief topical Wreck Relief took major steps towards its forthcoming launch, all of which are driving interest in and requests for product information at [wreckreliefcbd.com](http://wreckreliefcbd.com). We kicked off our sponsorship with Professional Bull Riders at the 2021 PBR World Finals in Las Vegas. The AUDACIOUS Wreck Relief brand is featured in arenas nationwide throughout the PBR touring schedule and the PBR Sports Performance Center in Pueblo, CO will feature Wreck Relief branding. We recently sponsored the 2021 Taste of Texas Hemp Cup in Austin, TX which featured a mechanical bull named Sour Diesel.

While the Company continues executing on its expansion, AUDACIOUS is advancing its plans to develop its Sandy Valley property into a Nevada cannabis hub. To this extent, the Company is in talks with multiple parties interested in establishing operations on the property. In the meanwhile, AUDACIOUS is advancing on permitting of the Sandy Valley property.

Dr. Duke Fu, COO, commented, "The Sandy valley property is strategically located at about a 45 minute drive from Las Vegas. With AAUDACIOUS owning the last remaining water rights in the area, the Company is well positioned to attract partners and develop new sources of supply for the continuously growing Nevada market and, of course, our own expansion. With multiple product lines launched and the new brands we are bringing to the state (LOOS, Mr. Natural), we anticipate strong demand for our products and this is one initiative to secure long-term supply of raw material

to help meet this demand. In the meanwhile, we continue to work on short term opportunities to increase our capacity in the state.”

## **Missouri**

The Company is making final preparations towards operationalizing its 25% license ownership in Missouri. Following a thorough assessment of the Missouri market, AUDACIOUS, through its Provisions brand, will initially be launching edibles lines, followed later by a broader portfolio of products.

## **Housekeeping**

The Company has now reached a final settlement with a former executive who departed following the November 2020 special meeting. In relation to and as part of the settlement, the Company has issued 3.75 million common shares and warrants.

Terry Booth commented, “We have now materially dealt with all legacy issues and are fully focused on the road forward. With a really strong foundation of people, brands, assets and partnerships, and so many opportunities to drive growth, we are exceptionally well positioned to continue on the road we mapped out when we took over and generate very substantial value for our shareholders.”

## **Social Equity**

The Company sponsored the first ever Black CannaConference in New Orleans, the only national conference for cannabis founders, professionals and consumers of color.

Melissa Rolston, Chair of the Company’s Diversity and Inclusion Board, commented, “We were at Black CannaConference to listen, learn and show support for this historic event. As AUDACIOUS continues to grow, we are exploring the ways in which we can strengthen our social equity efforts within the company, and contribute to a better, more equitable future for the cannabis industry as a whole.”

D&IB appointee Ika Washington, CEO of [Diversity Talk](#), participated on multiple panels. Ika Washington had this to say, "The Black CannaBusiness Conference was a great stepping stone to more inclusive conversations as it was the first of its kind for [our] community. The decision to host the first conference in New Orleans carries deep rooted historical relevance to the black community and makes a bold statement of reclaiming power and resilience; as it is a city that was originally built by African slaves in the 1700's. The conversations I witnessed and participated in were our community members asking one another what we all needed assistance with or what

resources we could provide one another. I believe that as this amazing initiative continues to grow, it will to empower black communities not just in the United States, but on a global scale."

## **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 design and optimization 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](#).

AUDACIOUS 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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