



AUDACIOUS REPORTS FISCAL Q3 2022 FINANCIAL RESULTS

Continued Execution

2,400% YoY Revenue Growth

49% Growth in Gross Margins Over Q2

Reduced Losses, Positioned for further Growth

Earnings Conference Call Wednesday 2 March 2022 at 11am EST

LAS VEGAS, NV, March 1, 2022 - Australis Capital Inc. (CSE: AUSA) (OTC: AUSA) ("AUSA", "AUDACIOUS", or the "Company"), today announced that the Company has filed its financials and management discussion and analysis for the three-month period ending December 31, 2021, its fiscal third quarter of fiscal 2022 (the year ending March 31, 2022). The Company's results are filed on www.sedar.com.

Terry Booth, CEO of AUDACIOUS, commented, "The third quarter saw us expand internationally through our partnership with Green Triangle Health ("GTH"), where we have already started generating revenues. Our partner is exceptionally well-connected, which is translating into commercial arrangements with major regional and international distributors. In the U.S., we continue to make good headway too, with an important partnership with First Americans of the Saint Regis Mohawk Tribe, which sees us move into New York well ahead of statewide commencement of adult use sales, providing us with a significant early mover advantage. Our partnership with PBR has seen us launch our Wreck Relief brand, which is now starting to generate online sales, and our Provisions and LOOS brands continue to do very well in California, in part through our partnership with EAZE, the world's largest legal cannabis delivery company."

Jon Paul, CFO of AUDACIOUS, added, "The third quarter was an important pivot for us, as we spent heavily towards future growth opportunities while moving further from our past. We successfully launched the AUDACIOUS brand at our highly trafficked booth at MJBizCon and

the Roll-Up Launch Event featuring Machine Gun Kelly. We had our first sales in California while also investing heavily in key raw materials to expand our capacity for future quarters. We began funding our relationship with PBR and built inventory in Wreck Relief for the Q4 release. Even with loss of revenue from past fintech and consulting lines, we still grew sales over Q2 and have multiple opportunities for even faster sales growth in the quarters ahead.”

Financial Highlights Q3 Fiscal 2022

Income Statement	3 months ended 31-Dec-21	3 months ended 31-Dec-20	Change Year Over Year	3 months ended 30-Sept-21	Change Q3 Over Q2	Pro Forma 31-Dec-21
	\$	\$	%	\$	%	\$
Revenue	2,371,218	90,378	2,623%	2,271,830	4.4%	2,940,876
Gross profit (loss)	1,843,437	(166,048)	n.a.	1,233,766	49.4%	
Operating expenses	6,164,519	4,898,793	25.8%	5,637,907	9.3%	
Loss from operations	(4,321,082)	(5,064,841)	-14.7%	(4,404,141)	-1.9%	

Outlook

In the months ahead, AUDACIOUS will continue to execute on its strategy with further growth in its current markets and anticipates entering new jurisdictions, including New York, New Jersey, and others, as well as further expansion of its product line portfolio. Additionally, the Company will be pursuing multiple initiatives to increase production volume, further driving growth. The Company is following rigorous financial discipline and anticipates reducing certain operating expenses in the coming months. Additionally, following conversations with the regulators in Nevada, the Company is confident the license transfers relating to the GT acquisition will be completed shortly, following which the Company can consolidate the GT results, further boosting growth.

3Q 2022 Financial Highlights

- Total revenues of \$2.37 million, an increase of 2,623% year-over-year from \$90,378 in the third fiscal quarter of 2021 and even grew 4% compared to the second quarter of fiscal quarter of 2022. During the quarter under review, the Company recorded its first billings in California, offset by lower kiosk income as the Cocoon business is wound down. Furthermore, as the Company had commenced exiting its investment in Body and Mind, no further consulting fees were generated from this relationship.
- Gross profit for the fiscal second quarter of 2022 was \$1.84 million compared to a gross profit loss of (\$166k) in the comparable period of 2021 and increased by 51% from the second fiscal quarter of 2022. The increase in gross profit is predominantly from stronger utilization rates in the Company's high-margin ALPS business and management fees from Green Therapeutics.
- Operating expenses increased to approximately \$6.16 million, or by 25.8%, as compared to the same period in the prior year, well below the recorded revenue growth rate of over 2,400% for the same period, showing the leverage built into the business as commercial activity increases. Cost increases driving this revenue growth were increases in personnel with the acquisition of ALPS and key management, the Company's successful rebranding as Audacious launched at MJBizCon, annual governance meeting costs, and investment in the relationship with the Professional Bull Riders (PBR) association.
- A 16% reduction in operating loss was recorded \$(4.3) million as compared to \$(5.1) million for the prior year, with growth in margins offsetting increased operating costs.

Q3 Highlights and Subsequent Events

- **LDA Funding – securing growth capital**
 - The Company announced a term sheet on staged funding with LDA Capital, a U.S. based investment firm. Subsequent to the quarter, the Company announced it had closed its financing facility with LDA, bringing, initially, up to \$10 million in funding, with the option to extend the facility with an additional \$10 million. Much of the facility will be used towards working capital for high growth activities and initiatives.

- **MJBizCon**
 - The Company hosted a booth at MJBizCon in October 2021. MJBizCon is the largest industry trade show. At the event, the Company was able to showcase its products and operations to a broad audience of industry professionals, consumers, capital markets professionals, investors and potential partners. At the event, the Company signed an LOI with Thailand based Golden Triangle Health (GTH), a spinoff of \$400m+ public Thai food company Instant Produce PCL.
- **Excellent start to global activities – GTH partnership in Thailand**
 - Subsequent to the quarter, the Company completed a definitive agreement with GTH, pursuant to which the Company will acquire, in stock, 25% of GTH. GTH is a spin off from \$400M+ Thai public company NR Instant Produce PCL (“NRF”), who sell ethnic foodstuffs around the globe. Through NRF, GTH can access major distribution channels, ensuring wide availability of AUDACIOUS products, increasing brand awareness and sales opportunities.
- **Bringing APIS to a new and significant audience - Priva partnership**
 - ALPS signed a partnership with Priva, the global pre-eminent environment control company for the horticultural industry. With over 12,500 projects worldwide, Priva is exceptionally well positioned to help market ALPS’ APIS solution to its customers.
- **Speeding up high-quality cultivation – The AUDACIOUS ACHIEVE series**
 - At MJBizCon, the Company announced the launch of its turn-key all-in grow solution, the AUDACIOUS ACHIEVE series. The ACHIEVE facilities benefit from faster time to market, enabling customers to start generating revenues more quickly, especially through the Company’s QuickGrow solution, which are prefab grow solutions ready to be installed. The Company has received significant interest in its ACHIEVE series and the first projects are under development.
- **From the desert to the arctic – ALPS develops profitable facilities anywhere - Pure Harvest \$1.4M Kuwait deal**
 - ALPS, the world leader in sustainable agriculture greenhouse design, entered a contract with Pure Harvest of the United Arab Emirates for project work concerning a large greenhouse facility in Kuwait, in itself a partnership between Pure Harvest and TCS, the largest public grocery chain in the Middle East. The Company indicates it anticipates further projects with Pure Harvest, a leading innovator in the region.

- **Making waves in California - Herbs + EAZE**
 - The Company launched its LOOS brand in the California market through its pending acquisition of the Herbs dispensary in San Jose, and an accompanying partnership with EAZE, the world’s largest legal cannabis delivery company with over 2 million registered customers. The Company also launched a limited product line under its Provisions brand in California. First batches of both brands sold out in short order, with LOOS products ranking second in popularity in California in their category, achieved without advertising or a large marketing spend.
- **PBR partnership off to successful start**
 - As part of its partnership agreement with PBR, the Company launched its CBD infused pain relief brand, Wreck Relief, on Thursday February 10th. The launch was successful and customer orders are coming in through the Company’s eCommerce site www.wreckrelief.com
 - As the PBR Spring Season has kicked off, we've been seeing an increase in traffic to our website. In less than one week, close to 2,000 unique users visited our site from all over the United States.
 - On March 5, Wreck Relief will be providing product samples and will be taking orders at the highly attended PBR Global Cup in Arlington Texas.
- **License applications**
 - The Company announced it is applying for a variety of licenses in several jurisdictions, including Ohio, New Jersey and New Mexico.
- **Award streak continues**
 - The Company’s Tsunami brand won the inaugural NuWu cup in Las Vegas for best extract, further validating the exceptional quality of the AUDACIOUS product line.

Conference Call Details

The Company will be hosting a conference call to discuss its results for the quarter on Wednesday, March 2, 2022, at 11am ET.

Conference call details

Canada:	1.647.794.4605
North American Toll Free:	1.888.204.4368
Webcast URL:	https://produceredition.webcasts.com/starthere.jsp?ei=1532386&tp_key=0ca289c8c0
Confirmation #:	5701328

A replay of the call will be available until March 9, 2022. The replay can be accessed as follows:

Encore Replay Canada:	1.647.436.0148
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Encore Replay North American Toll Free:	1.888.203.1112
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Encore Replay Entry Code:	5701328
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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.”

“Terry Booth”

Terry Booth
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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 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 because 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.

AUSTRALIS CAPITAL INC.

Condensed Interim Consolidated Statements of Financial Position
(Unaudited – in Canadian Dollars)

	Notes	December 31, 2021 \$	March 31, 2021 \$
Assets			
Current			
Cash and cash equivalents		655,597	3,531,357
Accounts receivable	4	3,803,803	1,696,656
Inventory		659,395	473,185
Prepaid expenses		418,273	470,479
Current portion of deposits		1,303,734	649,464
Current portion of annuity receivable - SubTerra		59,576	66,070
Loans receivable		2,386,414	-
Marketable securities held for sale	5	2,890,022	12,803,638
Land held for sale	6	-	4,151,551
		12,176,814	23,842,400
Non-current			
Investment in ALPS technology solution APIS	8	3,034,309	1,130,233
Property, plant, and equipment	9	2,122,250	298,258
Right-of-use assets	9	754,156	1,097,361
Intangible assets	11	13,287,857	14,227,461
Goodwill	11	15,057,796	15,057,796
Derivative financial instrument – NCI call option	8	7,320,630	7,320,630
Annuity receivable – SubTerra		679,492	672,998
Long-term deposits	10	3,219,387	4,130,168
Other assets – acquisition deposit	7	14,797,896	14,677,674
TOTAL ASSETS		72,450,587	82,454,979
Liabilities			
Current			
Accounts payable and accrued liabilities	17	5,448,113	5,915,674
Deferred revenue		8,858	17,813
Current portion of lease liability	12	438,641	459,895
Provisions	10	-	1,029,014
		5,895,612	7,422,396
Non-current			
Contingent consideration payable	8	3,698,980	3,698,980
Lease liability	12	369,991	686,191
Loan payable	15	-	747,115
Deferred tax liability		3,205,244	3,205,244
TOTAL LIABILITIES		13,169,827	15,759,926
Shareholders' equity			
Share capital	13	112,002,679	104,617,900
Treasury shares	7,13	(11,367,770)	(11,367,770)
Exchangeable shares reserve	13	10,383,426	11,114,175
Reserves	13	14,173,098	9,640,106
Accumulated other comprehensive income		323,717	234,035
Accumulated deficit		(71,303,420)	(52,937,270)
Equity attributable to owners of the Company		54,211,730	61,301,176
Non-controlling interest	8	5,069,030	5,393,877
TOTAL SHAREHOLDERS' EQUITY		59,280,760	66,695,053
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		72,450,587	82,454,979

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	Notes	Three months ended December 31,		Nine months ended December 31,	
		2021	2020	2021	2020
Revenue		\$	\$	\$	\$
Revenue-Services		1,993,131	8,430	5,137,007	43,102
Revenue-Kiosks		94,522	35,181	315,787	71,510
Revenue-Consulting		283,565	46,767	918,617	143,368
		2,371,218	90,378	6,371,411	257,980
Cost of goods sold		(527,781)	(256,426)	(2,229,669)	(484,534)
Gross profit (loss)		1,843,437	(166,048)	4,141,742	(226,554)
Operating expenses					
Wages and benefits		1,183,865	3,451,617	3,825,604	5,097,118
Share-based payments	13	1,097,784	(1,263,126)	3,759,580	391,507
Selling, general and administrative	14	3,476,327	2,557,961	7,415,624	4,137,737
Depreciation and amortization	9,11	406,543	152,341	1,281,555	496,355
		6,164,519	4,898,793	16,282,363	10,122,717
Loss from operations		(4,321,082)	(5,064,841)	(12,140,621)	(10,349,271)
Other income (expense)					
Gain on asset disposal		(83,460)	82	(83,496)	138
Loss on investment in associate		-	(427,739)	-	(1,282,451)
Gain (loss) on sale of marketable securities		(142,217)	-	(180,880)	-
Loss on settlements		-	(3,000,000)	(237,338)	(4,025,477)
Loss on true-up provision		-	-	-	(1,615,835)
Loss on impairment - intertangle assets		-	(7,684,824)	-	(7,684,824)
Loss on remeasurement of land held for sale		-	(2,250,241)	-	(2,250,241)
Net change on investment at fair value through profit or loss	5	(275,278)	(796,163)	(6,202,654)	(992,718)
Other income		-	70	-	483
Other expense – merger and acquisition costs		-	(118,311)	-	(286,846)
Foreign exchange gain (loss)		323,052	(88,989)	214,362	(87,192)
Income tax expense		(77,596)	-	(77,596)	-
Interest and other expense		(184,599)	(12,712)	(94,436)	(23,195)
Interest expense - leases		(4,616)	(4,880)	(33,670)	(38,685)
Interest income		62,259	26,460	145,332	86,120
		(382,455)	(14,357,247)	(6,550,376)	(18,200,723)
Net loss		(4,703,537)	(19,422,088)	(18,690,997)	(28,549,994)
Other comprehensive income (loss)					
Foreign currency translation		(175,046)	6,010	89,682	(247,153)
Share of OCI from investments in associates		-	144,441	-	(51,976)
Total comprehensive loss		(4,878,583)	(19,271,637)	(18,601,315)	(28,849,123)
Net loss attributable to:					
Shareholders of the Company		(4,714,729)	(19,422,088)	(18,366,150)	(28,549,994)
Non-controlling interest		11,192	-	(324,847)	-
Net loss		(4,703,537)	(19,422,088)	(18,690,997)	(28,549,994)
Total comprehensive loss attributable to:					
Shareholders of the Company		(4,889,775)	(19,271,637)	(18,276,468)	(28,849,123)
Non-controlling interest		11,192	-	(324,847)	-
Total comprehensive loss		(4,878,583)	(19,271,637)	(18,601,315)	(28,849,123)
Net loss per share attributable to shareholders of the Company					
Basic and diluted		(0.02)	(0.11)	(0.08)	(0.17)
Weighted average number of shares outstanding					
Basic and diluted		247,284,636	176,512,309	239,885,621	172,937,978