



AUSTRALIS PROVIDES CORPORATE UPDATE

LAS VEGAS, May 26, 2021 – Australis Capital Inc. (CSE: AUSA) (OTC: AUSA) today provided the following corporate update:

Ground-Breaking University of Alberta Study, Co-Led by AUSA CSO Dr. Jason Dyck, Confirms Opioid Sparing Effects of Medical Cannabis.

Australis Chief Science Officer Dr. Jason Dyck, the co-lead author on a peer reviewed article, is pleased to share the ground-breaking study conducted by the University of Alberta. The objective of this study was to assess the effect of medical cannabis authorization on opioid use between 2013 and 2018 in Alberta, Canada. A strong correlation was found between reduced opioid use (by heavy consumers) and the adoption of medical cannabis in pain management regimes.

The study was conducted in Canada on the largest global population of federally legal medical cannabis patients. These medically prescribed patients were tracked comparing medical cannabis use with opioid use. The importance of this study is that it strengthens the evidence that use of medical cannabis for pain management may represent an alternative to opioid medication. The results from the study are anticipated to provide the rapidly growing number of physicians willing to consider prescribing cannabis with much needed information about alternatives to pain management plans.

Dr. Dyck commented, “The findings of this study are profound in that they provide more information to physicians who are seeking to help patients reduce their dependency on opioids for pain management. This work may assist with helping clinicians combat the opioid crisis that is ongoing in our society.”

Terry Booth, CEO commented, “AUSA is proud to have Dr. Jason Dyck as our Chief Science Officer. This study supports what we have thought for many years, and in my opinion proves that cannabis is a safe alternative to opioids.”

The full article can be found here: <https://pubmed.ncbi.nlm.nih.gov/33933061/>

Hanoz Kapadia Appointed Chairman of the Board

The Company today announced that Mr. Hanoz Kapadia has been appointed Chairman of the Board of Directors for AUSA.

Dr. Jason Dyck, Chairman of the Company's Compensation and Nominating Committee, stated, "Further strengthening our governance through the appointment of one of our independent directors as Chair was a straightforward decision. We are pleased Hanoz has accepted this new role."

Mr. Kapadia added, "I am honored to take on this position with the Company that in just the past few months has closed multiple excellent acquisitions, executed a successful corporate reset, and replaced senior management. The Company, without a doubt, has accelerated its entry into the U.S. cannabis sector and is leading the way in terms of innovation and execution. I look forward to working with Terry, the Board and the AUSA team as we take the Company to the next level and continue building towards the Company becoming a top tier MSO."

Mr. Kapadia has been the managing Partner at Kapadia & Associates, a high net-worth accounting and advisory firm, since 2003. Mr. Kapadia is an experienced entrepreneur, with over 23 years of experience advising on regulatory, tax and finance matters in public, private, and non-profit enterprises. Mr. Kapadia served as the Chair of Finance and Governance at Ontario Cannabis Retail Corporation, Chair of the By-law review committee and has also previously served as interim Chairman of the Board of Directors at Ontario Cannabis Retail Corporation. Mr. Kapadia serves on the board at AI – LP, a firm focused on early-stage technology startups, is currently the Chair of the advisory board at Huex Labs, a leading artificial intelligence company and is a former member of the board at Optimal Research Corporation, a medical research company. Mr. Kapadia holds a Bachelor of Arts from the University of Waterloo and a Masters of Accounting from the University of Waterloo.

ALPS Continues to Lead

Helping the university of Alberta to Attract the Best and Brightest in the Horticulture Industry

AUSA's majority owned subsidiary ALPS has completed an agreement with the University of Alberta ("UofA") to provide a business case and feasibility study to establish a state-of-the-art R&D greenhouse to be used by the Faculty of Agricultural, Life Environmental Sciences. Objective of the project is for the UofA to establish a leading agricultural infrastructure focused on innovation to help attract the best and brightest horticulture students who will lead the industry in the years to come.

ALPS have an exceptional track record in establishing industry-leading facilities that incorporate the latest innovations, while always taking economic realities and client-specific objectives into consideration.

Joel Fuzat, VP of Innovation at ALPS, stated, “We are excited about this project and look forward to applying the findings from this study, contingent on the go-ahead from the UofA, to help create and envision the future of agriculture and strengthen Canada’s leadership in this global sector.”

Middle East - APIS Maintenance Contract

ALPS has signed an APIS Maintenance contract with an agricultural innovator in the Middle East for one of their facilities. APIS is an Internet-of-Things style solution that monitors equipment status across a number of mission critical facility operations, such as environment management, harvest time optimization, delivering quality outputs, essentially dialing in crops of any type for our clients’ best-in-class results. APIS also is a central repository of knowledge and scheduling tools, facilitating and streamlining maintenance operations. By creating streamlined standard operating protocols as well as pro-actively signaling the need for preventative maintenance, a facility’s operations are significantly de-risked while financial efficiencies increase.

Thomas Larssen, President of ALPS, commented, “We continue to see good traction for our APIS offering. The return on investment from deploying our APIS computer managed maintenance system is unsurpassed in our sector, truly reflecting the future for industrial greenhouse management. We have a close relationship with our partners in the Middle East and anticipate being able to make further announcement of new and exciting projects in this region in the very near future.”

GT – Continued Execution

Expanded Operations

In its release of April 29, 2021, the Company announced GT had entered into a management agreement with a Nevada based cultivator and producer of premium cannabis products, whereby GT will operate the partner's cultivation facility, with products sold under the GT and Mr. Natural brands. GT is pleased to report it has now taken over operation of the facility. Harvest under GT’s auspices have begun, which will result in an expansion of the volume of GT branded products available in Nevada dispensaries. In addition, GT and AUSA are consulting on the engineering and expansion of its partner’s indoor facility, further increasing capacity and expanding GT product availability.

Land Sale

The Company has now also completed the sale of land held in North Las Vegas as part of the unwinding of the original asset purchase, which was replaced with the previously reported

acquisition of all of GT. The sale of the land strengthened AUSA's working capital by approximately \$2 million.

Expanding Retail Penetration

GT has signed an agreement with leading Nevada retail brand Thrive Cannabis Marketplace ("Thrive") for its products to be carried by the chain. Currently operating four dispensaries in Nevada, Thrive is anticipated to grow to eight locations before year-end.

Dr. Duke Fu, AUSA COO, commented, "Having been able to complete this agreement with Thrive is a reflection of the quality and popularity of our products. With our expanded capacity, which we anticipate growing further as we complete additional production partnerships, we are now able to continue growing with the market and expand our position as a high-quality partner to leading retailers, such as Thrive."

Terry Booth, CEO, Expands Ownership Interest

As part of the ALPS transaction, AUSA had taken on an outstanding liability ALPS had with Mr. Booth. In consideration of the \$747,115 loan liability, Mr. Booth has agreed to accept settlement in shares. This equates to an additional 2,716,782 common shares in AUSA.

"I strongly believe that AUSA is one of the best investment opportunities in the cannabis industry today. I am very happy to settle this consideration for shares rather than cash. AUSA is incredibly well positioned to play a major role in the US cannabis space as we continue to execute on our unique expansion strategy. With ALPS and GT firing on all cylinders, we continue to grow while lining up numerous opportunities to enter the Eastern United States and other jurisdictions that suit our strategy and vision. The entire AUSA Team are passionate, professional, persistent and poised to execute. I am proud to be a part of the go forward with AUSA."

About AUSA

AUSA is at its roots a community and culture-based cannabis company, originally founded by Steve Dobler and Terry Booth, the founders of Aurora Cannabis Inc. 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 3 months closed multiple accretive transactions, improved legacy contracts, established a world class Executive Team, and resolved previous executive and board exits. AUSA is looking forward to becoming a profitable Multiple State Operator in the medical and adult usage cannabis sectors.

Also, in the same 3-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.A., the E.U., Australia, New Zealand, Iceland, the Middle East, South East Asia and Canada. Total Capex committed by ALPS' clients since Aurora divested its interest just 12 short months ago during the covid crisis, stands at approximately \$1 billion, with a rapidly growing business development pipeline approaching \$4 billion in total Capex to be spent by potential clients over the next 24 months.

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 (subject to regulatory state licensing approvals). AUSA also owns land assets in Bellingham, Washington - as well as the iconic West Coast brand Mr. Natural. 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 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 cannabis assets and ALPS cannabis projects are presently located in Arizona, Nevada, Washington, Michigan, Missouri, Oklahoma, and California with many other deals in other states presently being evaluated and negotiated.

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

"Terry Booth"

Terry Booth
Chief Executive Officer

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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 ability of ALPS to convert its pipeline into contracts; 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 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.

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