

Australis Capital Inc

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Australis Capital merging with Folium Biosciences to create vertically integrated producer of CBD

Australis Capital Inc (CSE:AUSA) (OTCMKTS:AUSAF) announced Wednesday it is merging with Folium Biosciences to create a vertically integrated producer of CBD.

Under the merger plan signed on December 10, Folium will become a wholly owned subsidiary of Australis -- which will be rebranded as Folium Biosciences and will carry on the current business of Folium.

"AUSA made a strategic investment in Folium almost a year ago after spending six months getting to know (Folium CEO Kashif Shan), his exceptional team, and their unparalleled proprietary ecosystem all supported by significant due diligence on the non-psychoactive cannabinoid space in the US and abroad," said Australis CEO Scott Dowty in a statement.

READ: Australis Capital's Cocoon Technology partners with THRIVE Cannabis Marketplace to install kiosks across Nevada

"AUSA is uniquely positioned to add immediate and material value to Folium with a management team with combined decades of experience in public companies to guide Folium as the newly-legal CBD market in the US continues to grow," Dowty added.

Founded in 2014, Colorado Springs, Colorado-based Folium has grown into a substantial vertically integrated B2B producer, manufacturer, and distributor of broad-spectrum hemp-derived non-psychoactive cannabinoids in North America. Folium's proprietary processes and infrastructure deliver high-quality products to diverse industries across the US and to 27 countries.

Folium is on track to achieve in excess of 60% sales growth in 2019 and expects continued growth with a new purpose-built extraction facility, which is anticipated to come online in early 2020 and deliver approximately 10 times Folium's current extraction capacity.

Folium, privately held, has invested heavily in producing broad-spectrum hemp oil in its most natural form through an innovative extraction and purification process. Most importantly, Folium Bioscience has achieved this growth while being profitable from its first year of operation.

Additional information concerning Folium, including financial information and costs associated with the construction of Folium's new purpose-built extraction facility, will be contained in Australis' management information circular to be prepared in connection with a meeting of shareholders.

"Folium is truly unique in that our exponential growth has been all organic and funded through our sales which has enabled us to demonstrate a track record of consistent profitability," said Folium CEO Kashif Shan.

"Now, with access to the public markets and the strategic addition of key seasoned management personnel experienced in operating a public company, we are positioned to navigate to the next level of success in concert with

Price: 0.245

Market Cap: \$41.02 m

1 Year Share Price Graph



February 2019 July 2019 February 2020

Share Information

Code: AUSA

Listing: CSE

52 week High Low
1.4 0.235

Sector: Cannabis

Website: www.ausacap.com

Company Synopsis:

A spin-out of Aurora Cannabis (NYSE: ACB TSX: ACB) in September 2018, Australis identifies and invests in the cannabis industry predominantly in the United States, a highly-regulated, fragmented, rapidly-expanding and evolving industry.

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the existing leadership team here at Folium."

Folium's existing management team has over 100 years of collective experience in consumer products, food, and pharmaceuticals, with an overall team of 242 employees. With this experience, Folium drives innovation in cannabinoid research, development, and extraction. Folium's goal is to exceed the standards for analytical test methodology with a full suite of testing at every step of the process.

Australis shares halted

Currently, Australis' shares have been halted at the Canadian Securities Exchange until the filing of the management information circular and the completion of all filings with the exchange.

Once the transaction is completed, members of Folium will exchange their units for common shares of Australis such that current shareholders will hold about 11% of Australis shares and current members of Folium will hold about 89% shares, resulting in a reverse takeover of Australis, which will re-incorporate under the laws of the State of Delaware.

A special meeting of Australis shareholders, which has yet to be scheduled, is needed to approve the merger, reverse stock split, and Delaware re-incorporation.

Also in order to avoid being classified as an investment company under the US Investment Company Act of 1940, Australis said it intends to divest certain investment assets prior to the completion of the merger.

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