



EARLY WARNING NEWS RELEASE OF AUSTRALIS CAPITAL INC.

LAS VEGAS, NV, DECEMBER 5, 2018 – Australis Capital Inc. (“**Australis**”), with an address at Suite 900, 510 Seymour Street, Vancouver, British Columbia, V6B 1V5, has acquired (the “**Acquisition**”) ownership of 1,105,083 common shares of Body and Mind Inc. (the “**Company**”) at a deemed price of CAD \$0.72 per share (the “**Loan Shares**”) as consideration for a USD \$4,000,000 loan advanced by Australis to the Company. In connection with the loan, Australis also acquired the right to receive up to 0.4337 share purchase warrants of the Company (the “**Loan Warrants**”) for each earn out share which may be issued by the Company to David Barakett pursuant to an agreement dated November 28, 2018 between the Company, Green Light District Holdings Inc, and David Barakett, for a total of up to 4,881,683 warrants. The Loan Shares and Loan Warrants were acquired pursuant to a loan agreement dated November 28, 2018 entered into between the Company and Australis (the “**Loan Agreement**”). In addition, on November 30, 2018, Australis exercised 3,206,160 warrants of the Company at a price of CAD \$0.50 per common share to acquire 3,206,160 common shares (the “**Warrant Shares**”). The head office of the Company is located at 750 – 1095 West Pender Street, Vancouver BC V6E 2M6.

Prior to the Acquisition, and assuming the exercise of all convertible securities of the Company held by Australis, Australis held 34,909,091 common shares of the Company (“**Common Shares**”), which on a partially-diluted basis is equal to approximately 42.0% of the issued and outstanding Common Shares. As a result of the issuance of the 1,105,083 Loan Shares and the 3,206,160 Warrant Shares, Australis, assuming the exercise of all convertible securities of the Company held by Australis, would hold 36,014,174 Common Shares, which on a partially-diluted basis is equal to approximately 42.8% of the Common Shares.

Australis acquired the Loan Shares, Loan Warrants and Warrant Shares for investment purposes. In pursuing such purposes, Australis takes a long-term view of its investment. It reserves the right to formulate other plans or make other proposals, and take such actions with respect to its investment in the Company. Depending on market conditions and other factors, Australis may acquire additional securities of the Company as Australis may deem appropriate, whether in open market purchases, privately negotiated transactions or otherwise. Australis may dispose of some or all of such securities. Australis may also reconsider and change its plans or proposals relating to the foregoing.

This press release is issued pursuant to early warning requirements of National Instrument 62-104 and National Instrument 62-103, which also requires a report to be filed with regulatory authorities in each of the jurisdictions containing additional information with respect to the foregoing matters (the “**Early Warning Report**”). A copy of the Early Warning Report will be available under the Company’s SEDAR profile at www.sedar.com and may be obtained by contacting Mr. Scott Dowty, Chief Executive Officer of Australis, at 702-817-2214 or scott@ausacap.com.