



EARLY WARNING NEWS RELEASE OF AUSTRALIS CAPITAL INC.

LAS VEGAS, NV, June 23, 2020 – Australis Capital Inc. (“**Australis**”), with an address at Suite 190, 376 East Warm Springs Road, Las Vegas, Nevada, 89119, disposed (the “**Disposition**”) of an aggregate of 2,618,574 common shares (the “**Common Shares**”) of Body and Mind Inc. (the “**Company**”).

The head office of the Company is located at 750 – 1095 West Pender Street, Vancouver BC, V6E 2M6.

Transfer of Shares to Passport Technology Canada Ltd.

Pursuant to a license, development and services agreement (the “**Passport Agreement**”) dated October 29, 2019 between Australis and Passport Technology Canada Ltd. (“**PTC**”) as amended, Australis transferred to PTC 1,802,542 Common Shares (the “**Passport Shares**”) on June 18, 2020 as part of the consideration payable for certain services and rights under the Passport Agreement. Pursuant to the Passport Agreement, PTC has agreed to adapt Passport Technology Inc.’s (“**Passport Technology**”) self-service platform to service the cannabis industry, undertake prototype development and ongoing product enhancements, and has granted to Australis exclusive software rights and exclusive use of vendor relationships at cost (the “**Passport Services**”). The Passport Agreement contemplates an exclusive 10-year relationship between the parties. Passport Technology is the parent company of PTC.

The Passport Shares were transferred by Australis in consideration for the Passport Services at a deemed price of \$0.47 per Passport Share for total consideration of \$855,423.

Sale of Shares

Through transactions (the “**Transactions**”) conducted through the facilities of the Canadian Securities Exchange between April 6, 2020 and June 12, 2020, Australis disposed of 816,032 Common Shares for aggregate consideration of \$346,813.60 at an average price of \$0.425 per Common Share.

Prior to the Disposition, Australis held 18,996,128 Common Shares and unsecured convertible debentures (the “**Debentures**”) of the Company in the principal amount of \$1,600,000 convertible into 2,909,091 Common Shares at a price of \$0.55 per Common Share. Assuming conversion of all Debentures, Australis held approximately 20.4% of the issued and outstanding Common Shares on a partially diluted basis and approximately 18.2% of the issued and outstanding Common Shares on a undiluted basis.

After the Disposition, Australis holds 16,377,554 Common Shares and the Debentures in the principal amount of \$1,600,000. Assuming conversion of all Debentures, Australis holds approximately 18.0% of the issued and outstanding Common Shares on a partially diluted basis and approximately 15.7% of the issued and outstanding Common Shares on a undiluted basis.

Pursuant to a conversion agreement dated July 1, 2019 (the “**Conversion Agreement**”), Australis agreed to convert the Debentures into 2,909,091 Common Shares on July 1, 2020.

Australis acquired the Common Shares and Debentures 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 continues to evaluate numerous potential transactions and in connection therewith may exchange Common Shares for other assets or may sell Common Shares to increase its cash position. 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 Brent Reuter, Senior Vice President, Investor Relations & Strategy of Australis, at 705.538.8400 or ir@ausacap.com.