



EARLY WARNING NEWS RELEASE OF AUSTRALIS CAPITAL INC.

LAS VEGAS, NV, July 2, 2020 – Australis Capital Inc. (“**Australis**”), with an address at Suite 190, 376 East Warm Springs Road, Las Vegas, Nevada, 89119, acquired (the “**Acquisition**”) an aggregate of 2,909,091 common shares (the “**Common Shares**”) of Body and Mind Inc. (the “**Company**”) pursuant to the conversion of unsecured debentures of the Company in the principal amount of \$1,600,000 (the “**Debentures**”) at a price of \$0.55 per Common Share.

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

Conversion of Debentures

Pursuant to a conversion agreement dated July 1, 2019 among Australis and the Company, Australis converted the Debentures into 2,909,091 Common Shares on July 1, 2020. The Debentures were acquired in a private placement on November 5, 2018. In consideration for its agreement to convert the Debentures, the Company paid to Australis \$148,339.72 as an advanced payment of interest payable under the Debentures for the period beginning November 2, 2018 and ending July 1, 2020.

Australis converted the Debentures into the 2,909,091 Common Shares a price of \$0.55 per Common Share. The Common Shares were issued to Australis in payment of the principal amount of the Debentures of \$1,600,000.

Prior to the Acquisition, Australis held 16,377,554 Common Shares and 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 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.

After the Acquisition, Australis holds 19,286,645 Common Shares and approximately 18.0% of the issued and outstanding Common Shares on an undiluted basis.

Australis acquired the Common 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 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.