

Body and Mind Highlights Recent Activities

Las Vegas, Nevada and Vancouver, British Columbia--(Newsfile Corp. - September 6, 2023) - Body and Mind Inc. (CSE: BAMM) (OTCQB: BMMJ) (the "**Company**" or "**BaM**"), a multi-state operations-focused cannabis company, is pleased to provide a corporate update, including the planned divestment of its Ohio processing operation and license, the commencement of construction at the Body and Mind branded dispensary in Lynnwood, Illinois, and the finalization of its building plans for its New Jersey dispensary.

"We are encouraged by last week's announcement from the U.S. Department of Health and Human Services, which called for cannabis to be reclassified to Schedule III and look forward to the next steps within the rescheduling process," stated Michael Mills, CEO of Body and Mind. "We are laser focused on advancing our operations and licenses in Illinois and New Jersey; in addition to the recently announced divestment of our Ohio dispensary (see July 24, 2023 press release), we have now executed definitive agreements to divest our Ohio processing operation and license. Funds from both asset sales are earmarked to reduce debt and create more balance sheet flexibility to support the development of our Illinois and New Jersey market opportunities."

Ohio Processor Divestment

The Company is pleased to announce that its wholly-owned subsidiary, DEP Nevada, Inc. ("**DEP**"), has entered into a membership interest purchase agreement with LMTB, LLC (the "**Purchaser**"), whereby DEP agrees to sell all of the issued and outstanding interests (the "**Interests**") in NMG OH P1, LLC ("**NMG OH P1**"), which owns and operates the Body and Mind Ohio processor, to the Purchaser.

The total consideration for the transaction is US\$2 million including US\$1 million cash placed in escrow within three days of execution of the definitive agreement and US\$ 1 million cash at closing. The purchase price is subject to adjustments based on estimated closing indebtedness, estimated transaction expenses, estimated closing cash, and a working capital adjustment. Closing shall occur on the later of: (i) the first calendar day of the month following the satisfaction or waiver, if applicable, of all closing conditions, including the receipt of all approvals for the transfer of the license by the State of Ohio Department of Commerce, or such earlier time as the parties agree; or (ii) seven days following the satisfaction or waiver, if applicable, of all closing conditions.

Lynnwood, Illinois Dispensary

Construction has commenced at the Lynnwood dispensary site with building permits approved, foundations complete and groundworks ongoing. The dispensary will be a 3,400 square foot Body and Mind branded store and is conveniently located on highway 83, less than 2 miles off both Highway 294 and Highway 30 in Eastern Illinois.

"We have been working closely with the Lynnwood administration to advance development of our second Body and Mind dispensary in the greater Chicago region ever since final award of our provisional license," stated Trip Hoffman, COO of Body and Mind. "I'd like to thank our landlord, development team and Lynnwood administration for advancing approvals and permits for construction. We are excited about this location and look forward to bringing our retail experience to more customers in the underserved greater Chicago area."

New Jersey Dispensary

The Company has completed final building plans to renovate an existing 4,100 square foot building in the Lawrenceville township area north of Trenton, New Jersey. The Company has received local authorization for the dispensary and state approval is in process.

"Currently, New Jersey (population estimate of 9.2 million) is home to only 37 recreational dispensaries

and according to the New Jersey Cannabis Regulatory Commission, recreational marijuana has generated about \$306 million in sales - and \$18.8 million in sales tax revenue - in the first two quarters of 2023 combined. We have been following the New Jersey market closely and feel New Jersey will be a key long-term strategic market for Body and Mind," stated Michael Mills. "We are looking forward to bringing our development and retail experience to the project and opening the Lawrenceville dispensary as soon as possible."

About Body and Mind Inc.

BaM is an operations-focused cannabis company with active retail operations in Ohio, Arkansas, Illinois and California, pending retail operations in Illinois and New Jersey, and craft cultivation and/or processing operations in Nevada, Ohio and Arkansas. We work daily to increase our market share through delighting customers while also continuing to hone our operational efficiencies to drive profits. We are primarily guided by the metric of return on investment. Currently, we believe the most significant return on investment projects in front of us are successful retail cannabis store launches in Illinois and New Jersey, which augment our existing retail footprint. We also believe that our team's core operational skillsets will create significant future shareholder value as the cannabis industry matures.

Please visit www.bodyandmind.com for more information.

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