



EARLY WARNING NEWS RELEASE OF AUSTRALIS CAPITAL INC.

LAS VEGAS, NV, July 2, 2019 – Australis Capital Inc. (“**Australis**”), with an address at Suite 900, 510 Seymour Street, Vancouver, British Columbia, V6B 1V5 has agreed to convert unsecured convertible debentures of Body and Mind Inc. (the “**Company**”) in the principal amount of \$1,600,000 (the “**Debentures**”) at a price of \$0.55 per common share on July 1, 2020, to acquire 2,909,091 common shares of the Company (the “**Common Shares**”). The Debentures were acquired in a private placement on November 5, 2018. The head office of the Company is located at 750 – 1095 West Pender Street, Vancouver BC V6E 2M6.

Pursuant to a conversion agreement dated July 1, 2019, among Australis and the Company (the “**Conversion Agreement**”), Australis will acquire (the “**Acquisition**”) the Common Shares pursuant to the conversion of the Debentures on July 1, 2020. 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.

Prior to the Acquisition, Australis holds 34,873,628 common shares of the Company, and Debentures in the principal amount of \$1,600,000 convertible into common shares of the Company at \$0.55 per common share, which on a partially diluted basis is equal to approximately 37.71% of the issued and outstanding common shares of the Company and approximately 35.85% of the issued and outstanding common shares of the Company on an undiluted basis.

After the Acquisition, Australis will hold 37,782,719 common shares of the Company and no additional securities of the Company convertible into common shares of the Company, resulting in Australis holding 37.71% of the issued and outstanding common shares of the Company based on the number of common shares of the Company outstanding as of today’s date.

The Common Shares will be issued by the Company at the deemed value of \$0.55 per Common Share for the total consideration of \$1,600,000. The Common Shares will be issued as payment for the principal amount owing under the Debentures.

Australis agreed to acquire 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 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. Michael Carlotti, Chief Financial Officer of Australis, at 800.898.0648 or ir@ausacap.com.