



## NEWS RELEASE

### AUSTRALIS CAPITAL INVESTS IN BODY AND MIND INC'S NEVADA AND OHIO EXPANSION

**LAS VEGAS, NV, October 30, 2018** – Australis Capital Inc. (CSE: AUSA) (“**Australis**” or the “**Company**”) is pleased to announce that the Company has entered into a definitive agreement (the “**Investment Agreement**”) with Body and Mind Inc. (CSE: BAMM, US OTC: BMMJ) (“**BaM**”) to purchase units and debentures of BaM. BaM is a publicly traded company investing in high quality medical and recreational cannabis cultivation and production and retail. BaM products include dried flower, edibles, topicals, extracts as well as GPEN Gio cartridges. BaM marijuana strains have won numerous awards including the Las Vegas Hempfest Cup 2016, High Times Top Ten, the NorCal Secret Cup and the Emerald Cup.

Pursuant to the terms of the Investment Agreement, Australis will acquire (i) 16,000,000 units of BAM, each comprised of one common share and one common share purchase warrant (the “**Warrants**”), at a purchase price of \$0.40 per unit for \$6,400,000, and (ii) \$1,600,000 principal amount 8% unsecured convertible debentures of BaM (the “**Debentures**”) maturing two years following the date of issue (collectively, the “**Financing**”).

“We are solely focused on leveraging our resources and penetrating markets aligned with our growth vectors,” stated Scott Dowty, Chief Executive Officer of Australis. “BaM checks all the boxes with preminent brands, first rate domain experience, ideal market positioning and a superb culture. Together with our strategic partners and expansive eco-system, BaM’s vertically integrated, multi-state operations will super charge our move into key geographic regions in the United States. We are fully committed to supporting BaM’s expansion into Ohio, building out operations in Nevada and supplying additional brands into distribution channels with a keen focus on creating value for our collective shareholders.”

Under the terms of the Investment Agreement, the parties have agreed to negotiate in good faith a license agreement pursuant to which Australis will gain an exclusive and assignable license to use the BaM brand outside of the United States on commercially reasonable terms.

“We are delighted to partner with Australis, the premier influencer in the sector, in what is a transformational endorsement for BaM,” said Leonard Clough, Chief Executive Officer of BaM. “Not only does this relationship provide capital for on-going initiatives, it provides resources for assessing and executing on additional opportunities, operational expertise and a global platform to showcase our quality brands beyond Nevada and Ohio.”

In addition, in connection with the Financing, Australis Capital (Nevada) Inc. (“**Australis Nevada**”), a wholly-owned subsidiary of the Company, will enter into a commercial advisory agreement with BaM, pursuant to which Australis Nevada will provide advisory and consulting services to BaM for a term ending on the date that is the earlier of: (i) five years following the closing of the transactions contemplated by the Investment Agreement, and (ii) the date Australis no longer holds 10% or more of the issued and outstanding common shares of BaM. Subject to

certain exceptions, Australis will be entitled to maintain its' pro rata interest in BaM until such time as it no longer holds 10% or more of the issued and outstanding Common Shares.

Assuming that no share purchase warrants and/or stock options outstanding prior to the Financing are exercised, upon closing of the Financing Australis will hold approximately 25% of the currently issued and outstanding common shares of BaM. Further, using the same assumptions as above, and assuming the exercise of the Warrants and the conversion of the Debentures by Australis, Australis will hold approximately 35,142,000 common shares, representing approximately 42% of the issued and outstanding common shares of BaM.

### **About Australis Capital Inc.**

Australis Capital identifies and invests in the cannabis industry predominately in the United States, a highly regulated, fragmented, rapidly expanding and evolving industry. Investments may include and are not limited to equity, debt or other securities of both public and private companies, financings in exchange for royalties or other distribution streams, and control stake acquisitions. Australis Capital adheres to stringent investment criteria and will focus on significant near and mid-term high-quality opportunities with strong return potentials while maintaining a steadfast commitment to governance and community. Australis Capital's Board, Management and Advisory Committee members have material experience with, and knowledge of, the cannabis space in the U.S., extensive backgrounds in highly regulated industries, adherence to stringent regulatory compliance, public company and operational expertise.

Australis' Common shares trade on the CSE under the symbol "AUSA".

For further information about Australis, please visit the website at [ausacap.com](http://ausacap.com) or contact the Company by e-mail at [ir@ausacap.com](mailto:ir@ausacap.com).

### **About BaM**

BaM is a publicly traded company investing in high quality medical and recreational cannabis cultivation and production and retail. Our wholly-owned Nevada subsidiary was awarded one of the first medical marijuana cultivation licences and holds cultivation and production licenses. BaM products include dried flower, edibles, topicals, extracts as well as GPEN Gio cartridges. BaM marijuana strains have won numerous awards including the Las Vegas Hempfest Cup 2016, High Times Top Ten, the NorCal Secret Cup and the Emerald Cup. BaM continues to expand operations in Nevada and Ohio and is constantly reviewing accretive expansion opportunities.

ON BEHALF OF THE BOARD OF DIRECTORS

*"Scott Dowty"*

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Scott Dowty  
Chief Executive Officer

**Contact:**

Michael J. Carlotti  
Chief Financial Officer  
IR@ausacap.com

**Forward-Looking Information Statement**

*This news release contains statements and information that, to the extent that they are not historical fact, constitute "forward-looking information" within the meaning of applicable securities legislation, including statements in respect of completion of the Financing. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. There can be no assurance that the Financing will be completed as proposed or at all. The Financing remains subject to customary closing conditions.*

*Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking information. Accordingly, readers should not place undue reliance on any such forward-looking information. Further, any forward-looking statement speaks only as of the date on which such statement is made. New factors emerge from time to time, and it is not possible for the Company's management to predict all of such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. The Company does not undertake any obligation to update any forward-looking information to reflect information, events, results, circumstances or otherwise after the date hereof or to reflect the occurrence of unanticipated events, except as required by law including securities laws.*

*The CSE has in no way passed upon the merits of the Transaction and has neither approved nor disapproved the contents of this news release. Neither the CSE nor its Regulation Services Provider (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.*

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