DEPLOY TECHNOLOGIES INC.

(A Development Stage Company)

CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited)

Three and nine months ended 30 April 2017

(Expressed in U.S. Dollars)

NOTICE TO READER

Under National Instrument 51-102, Part 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of Deploy Technologies Inc. for the nine months ended 30 April 2017 have been prepared in accordance with International Accounting Standard 34 for Interim Financial Reporting under International Financial Reporting Standards. These interim financial statements are the responsibility of the Company's management and have been approved by the Board of Directors. The Company's independent auditors have not performed an audit or review of these interim financial statements.

Deploy Technologies Inc. <u>Statement 1</u>

(A Development Stage Company)

Condensed Interim Statements of Financial Position

(Unaudited)

(U.S. Dollars)

ASSETS		As at 30 April 2017		As at 31 July 2016 (Audited)
Current				
Cash	$	691,523	$	-
Amounts receivable and prepaid		9,022		7,355
Available-for-sale securities		1		1
		700,546		7,356
Property, plant and equipment		-		5,099
	$	700,546	$	12,455
LIABILITIES				
Current				
Trade payables and accrued liabilities	$	198,482	$	242,109
Due to related parties *(Note 5)*		-		41,714
Loans payable *(Note 6)*		-		76,048
		198,482		359,871
SHAREHOLDERS' EQUITY (DEFICIENCY)				
Share Capital – *Statement 3 (Note 7)*				
Authorized:				
900,000,000 Common Shares – Par Value $0.0001				
20,000,000 Class A Preferred Shares – Par Value $0.0001				
Issued and Outstanding:				
34,157,974 (31 July 2016 – 6,557,974) Common Shares		3,304		544
2,325,500 (31 July 2016 – 2,475,500) Preferred Shares		233		248
Contributed Surplus		4,292,165		3,358,082
Foreign Currency Translation Reserve		322,145		266,749
Deficit		(4,115,783)		(3,973,039)
		502,064		(347,416)
	$	700,546	$	12,455

Nature and Continuance of Operations *(Note 1)*
Subsequent Events *(Note 11)*

Approved and authorized for issue by the Board on 29 June 2017

ON BEHALF OF THE BOARD:

"Chris MacLeod" , Director

"Murray Simser" , Director

The accompanying notes are an integral part of these condensed interim financial statements.

Deploy Technologies Inc.

(A Development Stage Company)

Statement 2

Condensed Interim Statements of Loss and Comprehensive Loss

(Unaudited)

(U.S. Dollars)

	Three Month Period Ended 30 April		Nine Month Period Ended 30 April	
	2017	2016	2017	2016
General and Administrative Expenses				
Accounting and legal *(Note 5)*	$ 167	$ 10,753	$ 12,139	$ 23,394
Consulting fees *(Notes 5)*	37,259	6,792	59,392	20,177
Depreciation	(4)	1,444	1,588	5,548
Management fees *(Notes 5)*	7,547	13,584	7,547	40,354
Office and miscellaneous	16,643	4,004	27,459	8,933
Travel	22,177	-	22,177	-
Loss Before Other Items	(83,789)	(36,577)	(130,302)	(98,406)
Other Items				
Other income	-	5	-	942
Foreign exchange, net	(5,195)	18,211	(74,425)	(58,021)
Settlement of liabilities	57,839	-	61,983	-
Write off of accounts receivable	-	(1,055)	-	(1,055)
Loss for the Period	$ (31,145)	$ (19,416)	$ (142,744)	$ (156,540)
Other Comprehensive Income				
Foreign currency translation adjustment	(9,482)	(108,338)	55,396	23,731
Comprehensive Loss for the Period	$ (40,627)	$ (127,754)	$ (87,348)	$ (132,809)
Loss per Share – Basic and Diluted	$ (0.01)	$ (0.01)	$ (0.02)	$ (0.02)
Weighted Average Number of Shares Outstanding	10,638,655	6,557,973	7,878,194	6,557,973

Deploy Technologies Inc. Statement 3

(A Development Stage Company)

Condensed Interim Statements of Changes in Shareholders' Deficiency

(Unaudited)

(U.S. Dollars)

	Share Capital								
	Common Shares		Class A Preferred Shares			Foreign Currency			
	Number	Amount	Number	Amount	Contributed Surplus	Translation Reserve	Shares to be Issued	Deficit	Total
Balance – 31 July 2015	6,557,974	$ 544	2,475,500	$ 248	$ 3,358,082	$ 192,464	$ 560	$ (4,429,130)	$ (877,232)
Reclassified as a liability	-	-	-	-	-	-	(560)	-	(560)
Foreign currency translation adjustment	-	-	-	-	-	23,731	-	-	23,731
Loss for the period	-	-	-	-	-	-	-	(156,540)	(156,540)
Balance – 30 April 2016	6,557,974	$ 544	2,475,500	$ 248	$ 3,358,082	$ 216,195	$ -	$ (4,585,670)	$ (1,010,601)
Foreign currency translation adjustment	-	-	-	-	-	50,554	-	-	50,554
Income for the period	-	-	-	-	-	-	-	612,631	612,631
Balance – 31 July 2016	6,557,974	$ 544	2,475,500	$ 248	$ 3,358,082	$ 266,749	$ -	$ (3,973,039)	$ (347,416)
Conversion of preferred shares *(Note 7)*	1,500,000	150	(150,000)	(15)	(135)	-	-	-	-
Private placements *(Note 7)*	26,100,000	2,610	-	-	982,333	-	-	-	984,943
Share issue costs *(Note 7)*	-	-	-	-	(48,115)	-	-	-	(48,115)
Foreign currency translation adjustment	-	-	-	-	-	55,396	-	-	55,396
Loss for the period	-	-	-	-	-	-	-	(142,744)	(142,744)
Balance – 30 April 2017	34,157,974	$ 3,304	2,325,500	$ 233	$ 4,292,165	$ 322,145	$ -	$ (4,115,783)	$ 502,064

The accompanying notes are an integral part of these condensed interim financial statements.

Deploy Technologies Inc. <u>Statement 4</u>

(A Development Stage Company)

Condensed Interim Statements of Cash Flows

(Unaudited)

(U.S. Dollars)

	Nine Month Period Ended 30 April	
Cash Resources Provided By (Used In)	2017	2016
Operating Activities		
Loss for the period	$ (142,744)	$ (156,540)
Items not affecting cash:		
Accrued interest *(Note 6)*	1,343	2,001
Depreciation	1,588	5,548
Settlement of liabilities	(61,983)	-
Foreign exchange	3,442	6,483
Amounts receivable and prepaid	(1,667)	(1,711)
Trade payables and accrued liabilities	(26,690)	11,259
Due to related parties	(41,714)	109,237
	(268,425)	(23,723)
Financing Activities		
Shares issued, net of issuance costs *(Note 7)*	936,828	-
Short term loans	19,276	-
Loans repaid	(51,552)	-
	904,552	-
Effect of exchange rate changes on cash and cash equivalents	55,396	23,731
Net Increase in Cash and Cash Equivalents	691,523	8
Cash and cash equivalents – Beginning of period	-	-
Cash and Cash Equivalents - End of Period	$ 691,523	$ 8

Supplemental Disclosures with Respect to Cash Flows *(Note 9)*

The accompanying notes are an integral part of these condensed interim financial statements.

1. Nature and Continuance of Operations

Deploy Technologies Inc. (the "Company") was originally incorporated on 5 November 1998 in the State of Delaware, USA, under the name Concept Development Group, Inc. In May 2004, the Company acquired 100% of Kaleidoscope Venture Capital, Inc. (formerly Vocalscape Networks, Inc.) ("Kaleidoscope") and changed its name to Vocalscape, Inc. In November 2005, the Company changed its name to Nevstar Precious Metals Inc. and in September 2008, the Company changed its name to Deploy Technologies Inc.

On 15 September 2010, the Company completed a merger with its newly incorporated and wholly-owned subsidiary, Deploy Acquisition Corp., a Nevada corporation, formed for the sole purpose of changing the Company's state of incorporation from the State of Delaware to the State of Nevada. Although Deploy Acquisition Corp. was the surviving corporation, upon the completion of the merger it assumed the name of the Company and all the assets, obligations and commitments of the Company. Concurrent with the merger, the authorized capital of the Company decreased to 10,000,000 common shares from 50,000,000 common shares. The Company's Nevada Charter authorizes it to issue two classes of equity securities. Accordingly, on 29 September 2011, the Company increased its authorized capital to include 2,900,000 Class A Preferred Shares. On 2 July 2014, the Company revised the authorized Class A Preferred Shares from 2,900,000 to 20,000,000 with a par value of $0.0001 per share.

On 11 April 2017, the Company revised the authorized capital of the Company to 900,000,000 common shares with a par value of $0.0001 and 20,000,000 Class A Preferred Shares with a par value of $0.0001 per share *(Note 7)*.

On April 24, 2017, shareholders representing 2,325,500 Class A Preferred Shares and 1,500,000 common shares (150,000 Class A Preferred Shares post conversion to common shares) entered into a Pooling Agreement whereby their shares would be pooled for a period of 12 months from the date of signing the agreement. The shares will be released after 12 months from date of signing unless various release events occur.

On May 8, 2017, 2,325,500 Class A Preferred Shares were converted to 23,255,000 common shares and continued to be subject to the Pooling Agreement. Subsequent to May 8, 2017, the Company had Nil Preferred Shares issued and outstanding. The Company anticipates amending its authorized capital to remove Class A Preferred Shares.

The head office and principal address of the Company is 750 – 1095 West Pender Street, Vancouver, B.C. V6E 2M6.

At 30 April 2017, the Company had cash of $691,523 (31 July 2016 – $Nil) and working capital of $502,064 (31 July 2016 – working capital deficit of $352,515). The funds on hand at 30 April 2017 are not sufficient to meet the Company's planned corporate, administrative and development activities for the next 12 months. Additional financing will be required to meet the Company's obligations as they fall due. Because of this uncertainty, there is significant doubt about its ability to continue as a going concern.

These unaudited condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. Several adverse conditions cast significant doubt upon the validity of this assumption. Consistent with other entities in the development stage, the Company has incurred operating losses since inception, is generating minimal revenue, is unable to self-finance operations, and has significant cash requirements to meet its overhead and continue its development activities.

1. Nature and Continuance of Operations – *Continued*

The Company's ability to continue as a going concern is dependent upon management's ability to secure additional financing. While management has been successful in obtaining funding in the past, there can be no assurance that it will be able to do so in future. If the going concern assumption were not appropriate for these financial statements then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the classifications on the statement of financial position used, and such adjustments would be material.

2. Basis of Preparation

a) Basis of Presentation

These unaudited condensed interim financial statements have been prepared on a historical cost basis except for certain financial instruments, which are measured at fair value. These financial statements are presented in US dollars except where otherwise indicated.

b) Statement of Compliance

These unaudited condensed interim financial statements, have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Therefore, these unaudited condensed interim financial statements comply with International Accounting Standards ("IAS") 34, "*Interim Financial Reporting*". These unaudited condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's annual financial statements for the fiscal year ended 31 July 2016 prepared in accordance with and using accounting policies in full compliance with IFRS.

c) New Standards Not Yet Adopted

On 20 June 2016, the IASB issued amendments to IFRS 2 clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for: the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; share-based payment transactions with a net settlement feature for withholding tax obligations; and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The amendments apply for annual periods beginning on or after 1 January 2018. As a practical simplification, the amendments can be applied prospectively, retrospectively, or early application is permitted if information is available without the use of hindsight. The Company intends to adopt the amendments to IFRS 2 in its financial statements for the annual period beginning on 1 January 2018. The extent of the impact of adoption of the standard has not yet been determined.

The final version of IFRS 9, Financial Instruments, was issued by the IASB in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces a model for classification and measurement, a single, forward looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. The new single, principle-based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses. It also includes changes in respect of own credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognized in profit or loss.

2. Basis of Preparation – *Continued*

IFRS 9 is effective for annual periods beginning on or after 1 January 2018, however is available for early adoption. In addition, the elements of IFRS 9 related to presentation of gains from changes in an entity's own credit risk can be early applied in isolation without otherwise changing the accounting for financial instruments. The Company is in the process of assessing the impact of IFRS 9 and has not yet determined when it will adopt the new standard.

The IASB issued IFRS 15, Revenue Recognition, in June 2014. The objective of IFRS 15 is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. It also contains new disclosure requirements. IFRS 15 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. The Company is in the process of assessing the impact of IFRS 15 and has not yet determined when it will adopt the new standard.

The IASB issued IFRS 16, Leases, in January 2016, which replaces the current guidance in IAS 17. Under IAS 17, lessees were required to make a distinction between a finance lease and an operating lease. IFRS 16 requires lessees to recognize a lease liability reflecting future lease payments and a "right-of-use asset" for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets. IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Earlier adoption is permitted, but only in conjunction with IFRS 15. The Company is in the process of assessing the impact of IFRS 16 and has not yet determined when it will adopt the new standard.

3. Significant Accounting Policies

These unaudited condensed interim financial statements follow the same accounting policies and methods of their application as the Company's full annual financial statements prepared in accordance with IFRS and as such should be read in conjunction with the Company's full annual financial statements for the fiscal year ended 31 July 2016. There have been no changes to the accounting policies and methods applied in the nine month period ended 30 April 2017. Certain comparative figures have been reclassified in accordance with the current period's presentation.

4. Fair Value of Financial Instruments

	As at 30 April 2017	As at 31 July 2016
FINANCIAL ASSETS		
FVTPL, at fair value		
Cash	$ 691,523	$ -
Available-for-sale, at fair value		
Kaleidoscope (5,694 common shares)	1	1
Total financial assets	$ 691,524	$ 1
FINANCIAL LIABILITIES		
Other liabilities, at amortized cost		
Trade payables	$ 198,482	$ 168,276
Due to related parties	-	41,714
Loans payable	-	76,048
	$ 198,482	$ 286,038

4. Fair Value of Financial Instruments – *Continued*

Fair value

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due to the short term maturity of these instruments and the nature of the loans.

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data. As at 30 April 2017, the Company does not have any Level 3 financial instruments.

As at 30 April 2017		Level 1		Total
Financial assets at fair value				
Cash	$	691,523	$	691,523
Available-for-sale		1		1
Total financial assets at fair value	$	691,524	$	691,524

As at 31 July 2016		Level 1		Total
Financial assets at fair value				
Available-for-sale	$	1	$	1
Total financial assets at fair value	$	1	$	1

Management of financial risks

The financial risk arising from the Company's operations are credit risk, liquidity risk, interest rate risk and currency risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

Credit risk is the risk of potential loss associated with a counter-party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. Cash is held in large Canadian financial institutions. Management believes that the credit risk concentration with respect to cash and receivables is low. The Company currently has limited credit risk from operations.

4. Fair Value of Financial Instruments – *Continued*

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company had a working capital of $502,064 as at 30 April 2017. As such, the Company is not exposed to any significant liquidity risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. There is limited interest rate risk due to the short-term nature of the Company's financial instruments.

Currency risk

The Company enters into certain transactions denominated in Canadian dollars for which the related accounts payable balances are subject to exchange rate fluctuations. The Company does not currently hedge for exposure to foreign currency risk using financial instruments.

Other risks

The Company is not exposed to other risks unless otherwise noted.

5. Related Party Balances and Transactions

The key management personnel compensation for the nine month period ended 30 April 2017 and 2016 is as follows:

		30 April 2017		30 April 2016
Accounting fees	$	8,680	$	13,451
Management and consulting fees		44,341		60,531
Total	$	53,021	$	73,982

Related party transactions for the nine month period ended 30 April 2017 and 2016 are as follows:

a) During the nine month period ended 30 April 2017, management fees of $7,547 (2016 - $Nil) were paid/accrued to the Chief Financial Officer of the Company.

b) During the nine month period ended 30 April 2017, accounting fees of $8,680 (2016 - $13,451) were paid/accrued to the former Chief Financial Officer and a director of the Company.

c) During the nine month period ended 30 April 2017, consulting fees of $36,794 (2016 - $40,354) were paid/accrued to the former Chief Executive Officer of the Company.

d) During the nine month period ended 30 April 2017, the former Chief Executive Officer of the Company agreed to repay a loan payable to a third party (*Note 6*). As a result, the Company recorded a gain of $4,133 for the period.

The above transactions, occurring in the normal course of operations, are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

6. Loans Payable

On 19 April 2016, a third party issued a loan of CAD$5,400 to the Company. During the nine months ended 30 April 2017, the former Chief Executive Officer agreed to repay the loan on behalf of the Company (*Note 5*).

During the nine months ended 30 April 2017, the Company received $19,276 (CAD$26,341) from a third party. During the nine months ended 30 April 2017, the Company settled this loan and recorded a settlement of liabilities of $19,276 (CAD$26,341).

7. Share Capital

The Company's authorized share capital comprises 900,000,000 Common Shares, with a $0.0001 par value per share, and 20,000,000 Class A Preferred Shares, with a $0.0001 par value per share. Each Class A Preferred Share entitles the holder to 10 votes each.

Each Class A Preferred Share provides holders a right to receive dividends, as and if declared by the Company's board of directors, with the amount of such dividend determined by multiplying the dividend per share by 10 and a right to receive distributions, whether or not in liquidation, with the amount of such distribution determined by multiplying the distribution per share by 10.

Each Class A Preferred Share can also be converted into 10 Common Shares at the election of the Company or the holder any time after two years following the date of issuance.

On 11 November 2014, the Company's Board of Directors approved a reverse split of its common stock on the basis of one (1) new share for ten (10) old shares as well as a reduction in its authorized capital from 100,000,000 shares of common stock to 10,000,000 shares. All figures in the financial statements are adjusted to reflect the 10:1 reverse stock split.

On 13 March 2017, a total of 150,000 Class A preferred shares were converted into 1,500,000 common shares of the Company.

On 11 April 2017, the Company revised the authorized capital of the Company to 900,000,000 common shares with a par value of $0.0001 and 20,000,000 Class A Preferred Shares with a par value of $0.0001 per share.

On 19 April 2017, the Company closed a private placement issuing a total of 26,100,000 common shares for gross proceeds of CAD $1,305,000. The Company paid share issue costs of CAD $63,750 related to this private placement.

On April 24, 2017, shareholders representing 2,325,500 Class A Preferred Shares and 1,500,000 common shares (150,000 Class A Preferred Shares post conversion to common shares) entered into a Pooling Agreement whereby their shares would be pooled for a period of 12 months from the date of signing the agreement. The shares will be released after 12 months from date of signing unless various release events occur.

On May 8, 2017, 2,325,500 Class A Preferred Shares were converted to 23,255,000 common shares of the Company and continued to be subject to the Pooling Agreement. Subsequent to May 8, 2017, the Company had Nil Preferred Shares issued and outstanding.

8. Capital Disclosure

The capital structure of the Company consists of loans payable and equity attributable to common shareholders, comprised of issued capital, contributed surplus, shares to be issued, foreign currency translation reserve and deficit. The Company's objectives when managing capital are to: (i) preserve capital, (ii) obtain the best available net return, and (iii) maintain liquidity.

The Company manages its capital structure and makes adjustments to it in light of changes in economic condition and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

The Company's policy is to invest its excess cash in highly liquid, fully guaranteed, bank sponsored instruments.

There were no changes in the Company's approach to capital management during the nine month period ended 30 April 2017. The Company is not subject to externally imposed capital requirements.

9. Supplemental Disclosures with Respect to Cash Flows

	Nine Month Period Ended 30 April	
	2017	2016
Cash paid during the year for interest	$ -	$ -
Cash paid during the year for income taxes	$ -	$ -

10. Segmented Information

The Company conducts its business as a single operating segment in Canada. All assets are currently situated in Canada.

11. Subsequent Events

a. On 8 May 2017, a total of 2,325,500 Class A preferred shares were converted into 23,255,000 common shares of the Company. A total of 2,475,500 preferred shares have been converted to common shares during and subsequent to the period ended April 30, 2017 and remain under the pooling arrangement as disclosed in Note7. No Class A preferred shares remain outstanding after the conversion on May 8, 2017.

b. On 16 May 2017, the Company announced it entered into an assignment and novation agreement (the "Assignment Agreement") with Toro Pacific Management Inc. (the "Transferor") pursuant to which the Transferor assigned a letter of intent (the "LOI") effective 12 May 2017 to the Company in accordance with its terms. The Assignment Agreement and the LOI contemplate a business combination transaction (the "Acquisition") pursuant to which the Company will acquire all of the issued and outstanding securities of Nevada Medical Group LLP ("NMG"), an arm's length Nevada-based licensed producer of medical marijuana and owner of the Body & Mind brand ("BaM").

   As consideration for the Assignment Agreement, the Company will issue to the Transferor 1,000,000 common shares of the Company, on a post-Consolidated basis (as defined below), at a deemed price of CAD $0.66 per share. In addition, the Company paid two finders a total of CAD $63,750 for their services in identifying and introducing the Company to potential companies for a business combination, culminating in the Company's identification of NMG as a target.

11. Subsequent Events – *Continued*

In connection with the assignment of the LOI, Deploy paid a deposit of $50,000 to NMG, which is refundable in the event a condition precedent to Closing (as defined below) is not fulfilled or waived, and is further to be credited against the cash purchase price at Closing.

The Acquisition is expected to represent a "fundamental change" as that term is defined in the policies of the Canadian Securities Exchange (the "Exchange"), and be structured as a reverse takeover. The members of NMG (the "NMG Members") will receive an aggregate of 16,000,000 post-Consolidation Deploy Shares at a deemed price of CAD $0.66 per Deploy Share in exchange for their interests in NMG.

It is anticipated that the completion of the Acquisition will involve, among other things, the following steps, but the parties may agree to a different structure based on tax efficiencies and the advice from legal and financial advisors:

- the consolidation of the common shares of the Company on a 1 new for 3 old basis (the "Consolidation"), subject to all required approvals including shareholder approval, if applicable;
- following completion of the Consolidation, the issuance of 16,000,000 common shares to the NMG Members in exchange for all of the outstanding membership interests, such that NMG will become a wholly-owned subsidiary of the Company;
- the 16,000,000 common shares issuable to NMG Members being subject to a voluntary pool, vesting over 24 months, with 1/10 released 6 months from the date of closing, 1/5 released 12 months from the date of closing, 1/4 released 18 months from the date of closing, and the remaining common shares released 24 months from the date of closing;
- The Company assuming loans payable to TI Nevada, LLC, an NMG member, in the amount of $400,000, with $225,000 payable on closing, and the remaining $175,000 to be paid within 15 months from the date of closing;
- The Company repaying NMG, or any paying NMG Member, for expenditures prior to the date of Closing related to the acquisition of production equipment, with such expenditures to not exceed $64,000;
- The Company paying $2,000,000 in cash to the NMG Members as at the date of closing;
- The Company delivering a non-interest bearing promissory note to the NMG Members in the amount of $2,000,000, secured by a senior priority security interest in all assets of the Company, to be paid at the earlier of 15 months from the date of closing or, if an equity or debt financing subsequent to the concurrent financing is closed in an aggregate amount of not less than $5,000,000, then within 30 days of the closing date of such subsequent financing;
- completion of the concurrent financing; and
- receipt of all director, shareholder and regulatory approvals relating to the Acquisition and the concurrent financing, including, without limitation, the approval of the Exchange.

Concurrent Financing

The concurrent financing will consist of subscription receipts of the Company (the "Subscription Receipts"), at an issue price of CAD $0.22 per Subscription Receipt, with each Subscription Receipt being automatically converted, at no additional cost to the subscriber, upon the completion of the Acquisition for one common share and one share purchase warrant (the "Warrant") exercisable at a price of CAD $0.30 for a period of 24 months from the date of issuance. Each Warrant is subject to acceleration provisions following the six-month anniversary of the date of closing, if the closing trading price of the common shares is equal to or greater than CAD $0.40 for seven consecutive trading days, at which time the Company may accelerate the expiry date of the Warrants by issuing a press release announcing the reduced warrant term whereupon the Warrants will expire 21 calendar days after the date of such press release. The concurrent financing must raise a minimum of $4,000,000. The Company intends to issue up to 45,454,545 Units for maximum gross proceeds of CAD $10,000,000 in connection with the concurrent financing.

11. Subsequent Events – *Continued*

c. On June 29, 2017 the Company announced a series of corporate developments at NMG related to the LOI between the companies announced on May 16, 2017, pursuant to which Deploy intends to acquire all of the issued and outstanding securities of NMG (the "Transaction").

NMG has completed agreements, of which the Company was party to, with two companies for the application of new medical licences in Ohio and Arkansas.

The Ohio application was submitted on June 28th, 2017. The Company advanced $46,500 to NMG, on a non-refundable and unsecured basis, to cover a portion of the expenses of the Ohio application as the submission deadline will occur prior to the intended closing of the Transaction. The entity submitting the application is NMG Ohio LLC, and is owned by the group processing the application ("applicant group") including NMG. If granted, NMG will retain a 30% interest in the license granted by Ohio, will be the operator, and will maintain a right of first refusal with respect to the remaining 70% interest, which shall be held by the applicant group as a whole. This process has been underway for several months and predates the LOI between NMG and Deploy. There is common ownership between the owners of NMG and NMG Ohio LLC.

The Arkansas application opportunity is under LOI between NMG and an in-state investor group who have agreed to fund the application process. In the event the application is successful, both parties will endeavour to complete a definitive partnership and operating agreement.

NMG recently signed a confidential LOI with a dispensary group to license the BaM brand in Montana which will mark the first out-of-state licencing deal for BaM.