

BODY AND MIND, INC.
(formerly DEPLOY TECHNOLOGIES INC.)
MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION
FOR YEAR ENDED JULY 31, 2017
Filed November 28, 2017

The following is Management's Discussion and Analysis ("MD&A") of the results of operations and financial condition of Body and Mind, Inc. (formerly Deploy Technologies Inc.) ("BaM", "Deploy" or the "Company") for the year ended July 31, 2017. This MD&A should be read in conjunction with the audited financial statements for the fiscal year ended July 31, 2017 which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts in this MD&A are expressed in U.S. Dollars unless otherwise indicated.

INTRODUCTION

The Company is a development stage company and will employ a system of internal controls, consistent with reasonable costs, to provide reasonable assurance that all assets are safeguarded and to facilitate the preparation of relevant, reliable, and timely financial information. These financial statements have been reviewed with management and have been approved for issuance by the Board of Directors on November 28, 2017. The Board of Directors is responsible for overseeing management's responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The MD&A provides readers with information essential to understand BaM's current operations, results and financial performance, and to evaluate the future prospects of the Company. The preparation of the financial statements and related disclosures in conformity with IFRS requires management to make estimates that affect the reported amounts of assets, liabilities, revenue, expenses and contingencies.

Management bases its estimates on historical experience and on other assumptions that are believed, at the time, to be reasonable under the circumstances.

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking information based on management's best estimates and the current operating environment. These forward-looking statements relate to anticipated financial performance, business prospects and strategies. With the exception of historical data, information and statements in this report, certain information and statements in this report that covers expected results of the Company should be considered forward-looking.

Such forward-looking statements involve risks, uncertainties and other factors, which may cause actual results, performance or achievements of BaM to be materially different from future results, performance or achievements expected or implied by such forward-looking

statements. Some of the factors contributing to this uncertainty are fluctuations in quarterly and annual results, the ability of BaM to identify, complete and then efficiently integrate acquisitions and strategic activities over the long term, demand for the products and service offered by BaM, industry price pressure, as well as market forces, economic cycle, and the strength of regional economies in Canada, United States and elsewhere where BaM conducts its business. The foregoing list of important factors is not exhausting.

OVERALL PERFORMANCE

BaM is a development stage company. It has earned minimal revenues and has incurred losses to date. The Company's expenses have been limited to routine general and administrative costs. The Company reported a net loss of \$357,068 for the year ended July 31, 2017, compared to a net income of \$456,091 for the year ended July 31, 2016.

On May 15, 2017, the Company 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 May 12, 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 LLC ("NMG"), an arm's length Nevada-based licensed producer of medical marijuana and owner of the Body & Mind brand.

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, at a deemed price of \$0.66 per share.

In connection with the assignment of the LOI, the Company will pay a deposit of \$50,000 to NMG, which is refundable in the event a condition precedent to closing is not fulfilled or waived, and is further to be created against the cash purchase price at closing.

On September 14, 2017, the Company and the Company's wholly-owned subsidiary, DEP Nevada Inc. ("NevadaCo"), entered into a definitive agreement (the "Share Exchange Agreement") with NMG. Pursuant to the Share Exchange Agreement, NevadaCo will acquire all of the issued and outstanding securities of NMG in exchange for the issuance of the Company's common shares and certain cash and other non-cash consideration, as further described below (the "Acquisition").

In connection with the Acquisition, the Company will complete a consolidation of common shares on a ratio of 3:1 (the "Consolidation") prior to closing the Acquisition and complete the Concurrent Financing (as described below).

The Company will complete a concurrent equity financing to raise aggregate gross proceeds of not less than \$4,000,000 through the issuance of subscription receipts ("Subscription Receipts") with each Subscription Receipt convertible into one pre-Consolidation common share of the Company and one share-purchase warrant of the Company, at a price of \$0.22 per Subscription Receipt (the "Concurrent Financing").

In consideration for all of the issued securities of NMG, the NMG securityholders (collectively, the "NMG Members") will receive, on a pro rata basis, (a) 16,000,000 post-Consolidation common shares of the Company ("Payment Shares") at a deemed price of \$0.66 per share (the "Share Exchange"), (b) \$2,000,000 cash, and (c) a non-interest bearing promissory note in the original principal amount of \$2,000,000 (the "Promissory Note"). The Promissory Note shall be secured by a senior priority security interest in all assets of the Company, to be paid at the earlier of fifteen (15) months from the closing date of the Acquisition 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. The Company expects to assume NMG's obligations pursuant to a loan in the amount of \$400,000, payable to TI Nevada, LLC, of which \$225,000 will be paid on Closing (as defined below) and the remaining \$175,000 will be paid within 15 months of the Closing Date (as defined below). Further, the Company will reimburse NMG (up to \$84,000) for expenditures incurred prior to the Closing Date which are related to the acquisition of production equipment.

On November 6, 2017, the Company received a conditional approval from the CSE for listing of the resulting issuer following the Acquisition. On November 14, 2017 the Company closed its Acquisition.

The Company's financial condition and ability to pay operating costs is dependent on the private sale of its common shares and acceptance of its common shares in payment of executive compensation in lieu of cash to fund its operations. The level of the Company's operations from period to period depends on the amount of funds available. The Company experiences a significant match between financial condition and its level of expenditures. Although it may experience a working capital surplus and cash flow surplus from time to time, typically these surpluses are a result of a mismatch between the period in which funds are received and expected use of the funds in immediately following periods. The Company's financial condition over time is a close match between revenues raised and expenses incurred, with cash inflows and outflows evenly matched over periods.

BaM maintains current reporting and disclosure through SEDAR and the Canadian Securities Exchange ("CSE").

SELECTED ANNUAL INFORMATION

	July 31, 2017	July 31, 2016	July 31, 2015
Revenue	-	-	-
Net income (loss)	(357,068)	456,091	(267,519)
Foreign currency translation adjustment	90,079	74,285	205,677
Comprehensive income (loss)	(266,989)	530,376	(61,842)
Basic and fully diluted loss per share	(0.02)	0.07	(0.06)
Weighted average number of shares outstanding	19,886,874	6,557,973	4,627,418
Cash & cash equivalents	366,584	-	-
Total assets	515,905	12,455	16,960
Total non-current liabilities	193,482	-	-
Dividends declared	-	-	-

RESULTS OF OPERATIONS

Revenue and Other Income

The Company reported no sales revenue since inception. However, the Company recorded a gain of \$62,054 from settlement of loans and other payables.

Operating Expenses

Operating expenses totaled \$352,284 for the year ended July 31, 2017 compared with \$129,312 for the year ended July 31, 2016. The change in general and administrative expenses relate to a number of factors, but mainly attributed to the process of finalizing its acquisition agreement with Nevada Medical Group LLC ("NMG") which resulted in an increased consulting fees.

Of the \$352,284 expenses for the year ended July 31, 2017, a total of \$30,224 relates to management fees paid/accrued to the Chief Financial Officer and former Chief Executive Officer and \$16,321 relates to accounting fees paid/accrued to the Chief Executive Officer.

Another factor contributing to the change in the general and administrative expenses was the variation in exchange rates. The Company's functional currency is the Canadian dollar and its reporting currency is the United States dollar.

Net Loss

Net loss for the year ended July 31, 2017 totaled \$357,068 compared with a net income of \$456,091 for the year ended July 31, 2016.

Removing the gain from the settlement of liabilities, the Company incurred a net loss of \$419,122 and \$194,962 for the years ended July 31, 2017 and 2016, respectively.

The increase in net loss is mainly due to the increase in general and administrative expenses as discussed above.

Other Comprehensive Income

The Company's functional currency is the Canadian dollar and its reporting currency is the U.S. dollar. At each balance sheet date, assets and liabilities that are denominated in a currency other than U.S. dollars are adjusted to reflect the current exchange rate which may give rise to a foreign currency translation adjustment accounted for as a separate component of stockholders' equity and included in other comprehensive income. The Company recorded translation adjustments of \$90,079 and \$74,285 for the years ended July 31, 2017 and 2016, respectively. The amounts are included in the statement of operations as other comprehensive gain for the respective periods.

Total Assets

The Company's total assets amounted to \$515,905 at July 31, 2017, compared with \$12,455 at July 31, 2016. The increase is largely attributable to the increase in cash as a result of the private placement that closed in April 2017 raising over \$900,000 in cash (CAD\$1,305,000). The Company also provided funds to NMG pursuant to the Acquisition that closed in November 2017.

Shareholders' Surplus/Deficiency

Shareholders' equity amounted to \$322,423 at July 31, 2017, compared with a deficiency of \$347,416 at July 31, 2016. The change in the shareholders' equity/deficiency is due to the increase in share capital and contributed surplus resulting from the April 2017 private placement as well as the net loss for the year ended July 31, 2017.

Authorized and Issued Shares:

Authorized Capital:

The authorized capital of the Company consists of 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.

On September 15, 2010, the Company changed its jurisdiction of incorporation to Nevada from Delaware as a result of a merger with its wholly owned subsidiary, and as a result reduced its authorized capital from 50,000,000 Common Shares to 10,000,000 Common Shares.

On September 29, 2011, the Company amended its Articles of Incorporation to authorize the issuance of up to 2,900,000 Class A Preferred Shares, each share having the following voting powers, designations, preferences, limitations, restrictions, and relative rights:

- a. Ten votes per share in *pari passu* with shares of common stock on all matters presented to the holders of the Company's equity securities for vote or approval;
- b. A right to receive dividends when, as and if declared by the board of directors, in *pari passu* with each share of common stock with the amount of such dividends determined by multiplying the dividend per share of common stock by ten;
- c. A right to receive distributions, whether or not in liquidation, in *pari passu* with each share of common stock with the amount of such distribution determined by multiplying the distribution per share of common stock by ten;
- d. Conversion into ten shares of common stock at the election of the Company or of the holder any time after two years of the date of issuance.

On July 2, 2014, the Company amended its Articles of Incorporation to revise the authorized Class A Preferred Shares from 2,900,000 to 20,000,000 with a par value of \$0.0001 per share.

On November 11, 2014, the Company's Board of Directors has 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.

On April 11, 2017, the Company revised the authorized capital of the Company to 900,000,000 common shares with a par value of \$0.0001.

In connection with the Acquisition, on November 14, 2017, the Company eliminated its authorized Class A Preferred shares and completed a consolidation of its common shares on the basis of three (3) pre-Consolidation common shares to one (1) post-Consolidation common share. Unless otherwise noted, all figures in the financial statements are retroactively adjusted to reflect the consolidation.

Issued and Outstanding Shares

19,137,658 Common Shares at July 31, 2017 (July 31, 2016 – 2,185,991).

Nil Class A Preferred Shares at July 31, 2017 (July 31, 2016 – 2,475,500).

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

On 8 May 2017, the remaining 2,325,500 Class A preferred shares were converted into 7,751,667 common shares of the Company.

Related Party Transactions

Except as disclosed elsewhere in the Company's financial statements, related party transactions for the year ended July 31, 2017 and 2016 are as follows:

- a) During the year ended July 31, 2017, accounting fees of \$16,321 (2016 - \$18,074) were paid/accrued to the Chief Executive Officer of the Company.
- b) During the year ended July 31, 2017, management fees of \$18,890 (2016 - \$Nil) were paid/accrued to the Chief Financial Officer of the Company.
- c) During the year ended July 31, 2017, management fees of \$11,334 (2016 - \$Nil) were paid/accrued to the former Chief Executive Officer of the Company.

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.

Cash Flow Information

a) Operating Activities

Cash flow used in operating activities totaled \$530,805 and \$74,285 during the year ended July 31, 2017 and 2016, respectively. Cash used in operating activities increased significantly in 2017 as a result of the Company's finalization of the Assignment Agreement and the Share Exchange Agreement with NMG.

b) Investing Activities

Pursuant to the Share Exchange Agreement, the Company provided \$95,622 to NMG during the year ended July 31, 2017. There were no investing activities in 2016.

c) Financing Activities

During the year ended July 31, 2017, the Company obtained a short term loan of \$19,903 from a third party. The loan was settled and the Company recorded a gain on settlement of liabilities of \$19,903 related to this loan.

The Company closed a private placement on April 19, 2017 and issued 26,100,000 common shares for gross proceeds of \$984,943 (CAD\$1,305,000). The Company paid finders' fee of \$48,115.

During the year ended July 31, 2017, the Company repaid loans totaling \$53,799 (CAD\$71,200). The Company settled the loans without any interest payments and, as a result, the Company recorded a gain on settlement of liabilities of \$18,345 (CAD\$24,279).

From August 2017 to November 2017, as part of the Concurrent Financing requirement of the Share Exchange Agreement with NMG, the Company raised CAD\$6,007,429 by issuing 9,102,165 Subscription Receipts at a price of \$0.66 per Subscription Receipt. Each Subscription Receipt convertible into one common share of the Company and one share purchase warrant of the Company exercisable at a price of CAD\$0.90 for a period of 24 months from the date of issuance.

SUMMARY OF QUARTERLY RESULTS

The following is a summary of the Company's quarterly results for each of its eight most recently completed quarters.

	Quarters Ended							
	31 July 2017	30 April 2017	31 January 2017	31 October 2016	31 July 2016	30 April 2016	31 January 2016	31 October 2015
Net Income (Loss)	\$ (214,324)	\$ (31,145)	\$ (32,777)	\$ (78,822)	\$ 612,631	\$ (19,416)	\$ (41,064)	\$ (96,060)
Foreign Currency Translation Adjustment	\$ 34,683	\$ (9,482)	\$ (11,123)	\$ 76,001	\$ 50,554	\$ (108,338)	\$ 63,694	\$ 68,375
Comprehensive Income (Loss)	\$ (179,641)	\$ (40,627)	\$ (43,900)	\$ (2,821)	\$ 663,185	\$ (127,754)	\$ 22,630	\$ (27,685)
Basic and Fully Diluted Income (Loss) per share	\$ (0.01)	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ 0.09	\$ (0.00)	\$ (0.01)	\$ (0.01)
Weighted average number of shares outstanding	19,886,874	10,638,655	6,557,973	6,557,973	6,557,973	6,557,973	6,557,973	6,557,973

During the fourth quarter ended July 31, 2017, the Company's General and Administrative expenses were \$221,982, of which \$127,766 relates to consulting fees in connection with the Share Exchange Agreement with NMG.

During the fourth quarter ended July 31, 2016, the Company recorded a gain of \$651,053 from settlement of liabilities with its former officers and directors resulting in a significant net income for the quarter.

LIQUIDITY AND CAPITAL RESOURCES

The Company's working capital was \$218,928 as of July 31, 2017 and a working capital deficit of \$352,515 as of July 31, 2016. The deficit includes amounts owing to related parties of \$41,714 as of July 31, 2016. The Company only had \$4,805 owing to the former Chief Executive Officer as of July 31, 2017, which was paid subsequent to the year-end.

There were no loans payable as at July 31, 2017.

SUBSEQUENT EVENTS

On August 10, 2017, the Company formed a wholly-owned Nevada State subsidiary, DEP Nevada Inc. ("NevadaCo").

On September 14, 2017, the Company and NevadaCo entered into a definitive agreement (the "Share Exchange Agreement") with NMG. Pursuant to the Share Exchange Agreement, NevadaCo will acquire all of the issued and outstanding securities of NMG in exchange for the issuance of the Company's common shares and certain cash and other non-cash consideration, as further described below (the "Acquisition").

On November 14, 2017 the Company closed its previously announced Acquisition. In connection with the closing of the Acquisition, the net proceeds of the Company's private placements of Subscription Receipts have been released to the Company from escrow. Immediately prior to closing of the Acquisition, the Company completed a consolidation of its common shares (the "Consolidation") on the basis of three (3) pre-Consolidation common shares to one (1) post-Consolidation common share (each post-Consolidation common share, a "Common Share"), as well a name change, changing the name of the Company from Deploy Technologies, Inc. to Body and Mind, Inc. The Company eliminated its authorized Class A Preferred shares.

Acquisition

Pursuant to a share exchange agreement dated September 14, 2017 amongst the Company, DEP Nevada, NMG and the NMG Members, the Company acquired all of the issued and outstanding membership units of NMG (the "Units") through DEP Nevada. In consideration for the Units, the Company issued to the NMG Members an aggregate of 16,000,000 Common Shares at a deemed value of CAD\$0.66 per Common Share as well as a cash payment of \$2,084,000 pro rata amongst the NMG Members and a promissory note to the NMG members in the aggregate amount of \$2,000,000. The Company also issued 2,037,879 Common Shares to TI Nevada, LLC, 212,121 Common Shares to Charles Fox, 47,000 Common Shares to Toro Pacific Management Inc., 60,000 Common Shares to Chris Hunt, and 470,000 Common Shares to Benjamin Rutledge in connection with the Acquisition. In connection with the Acquisition the Company paid the amount of \$225,000 to TI Nevada as repayment for a loan made by TI Nevada to NMG.

Offering - Conversion of Subscription Receipts

The Closing included the completion of an equity financing to raise minimum gross proceeds of \$4,000,000. As noted above, the Company issued 9,102,141 subscription receipts at a price of CAD\$0.66 per Subscription Receipt for aggregate gross proceeds of CAD\$6,007,429. On completion of the Acquisition, the Subscription Receipts were automatically exercised in accordance with their terms, and were exchanged for one unit (a "Unit") of the Company. Each Unit consists of one Common Share and one common share purchase warrant (a "Warrant"). Each Warrant entitles the holder thereof to acquire one Common Share (a "Warrant Share") for an exercise price of CAD\$0.90 per Warrant Share for a period of 24 months from the issuance of such Warrant.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company classifies all financial instruments as either financial assets or liabilities at fair value through profit or loss ("FVTPL"), held to maturity, loans and receivables, available-for-sale and other financial liabilities. Loans and receivables and other financial liabilities are measured at amortized cost. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in accumulated other comprehensive income. FVTPL instruments are measured at fair value with unrealized gains and losses recognized on the statement of loss and comprehensive loss.

The Company has designated cash as FVTPL, which is measured at fair value. Amounts receivable are classified as loans and receivables, which are measured at amortized cost. Trade payables and loans payable are classified as other financial liabilities which are measured at amortized cost. The Company has classified investment in another private company as available-for-sale and therefore it carries such investment at fair market value, with the unrealized gain or loss recorded in shareholders' equity as a component of accumulated other

comprehensive income. These amounts will be reclassified from shareholders' equity to net income when the investment is sold or when the investment is impaired and the impairment is considered less than temporary.

FINANCIAL AND DISCLOSURE CONTROLS AND PROCEDURES

During the year ended July 31, 2017, there has been no significant change in the Company's internal control over financial reporting since last year.

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for establishing and maintaining appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, reliable and timely. They are also responsible for establishing adequate internal controls over financial reporting to provide sufficient knowledge to support the representations made in this MD&A and the Company's financial statements for the year ended July 31, 2017 (together the "Annual Filings").

The Chief Executive Officer and Chief Financial Officer of the Company have filed the Venture Issuer Basic Certificate with the Annual Filings on SEDAR at www.sedar.com.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the venture issuer basic certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency, and timeliness of interim and annual filings and other reports provided under securities legislation.

GOING CONCERN

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and are stated in U.S. dollars. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for the period necessarily involves the use of estimates, which have been made using careful judgment. Actual results may vary from these estimates.

Management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital. However, based on its demonstrated ability to raise capital in the past, management believes that the Company's capital resources should be adequate to continue operating and maintain

its business strategy during fiscal 2018. However, if the Company is unable to raise additional capital in the future, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favorable terms and/or pursue other remedial measures. The Company's financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classifications of liabilities that might be necessary should the Company be unable to continue as a going concern.

Realizable values may be substantially different from carrying values as shown in the financial statements should the Company be unable to continue as a going concern. The financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

OUTLOOK

During the year ended July 31, 2017, the Company raised sufficient capital to fulfill its reporting and disclosure obligations.

In November 2017, the Company completed the business combination with NMG as well as the concurrent financing. The acquisition represents a "fundamental change".

On November 14, 2017, the Company completed its Acquisition and the Company now shifts its focus to its new business, being the Nevada-based licensed producer of medical marijuana.

Darren Tindale, Chief Financial Officer

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