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NEWS RELEASE – For Immediate Distribution

BODY AND MIND INC.

BODY AND MIND ANNOUNCES MAJOR EXPANSION & STRATEGIC PARTNERSHIP

VANCOUVER, B.C., December 18, 2017 – Body and Mind Inc. (CSE: BAMM, US OTC: BMMJ), (the “**Company**” or “**BAMM**”), is pleased to announce two significant transactions. The Company has reached an agreement with a real estate investment group, led by the Company’s President, who will purchase a building adjacent to the existing facility and lease it back to a newly formed partnership called Pepper Lane North LLC (“PLN” or “Partnership”) on a long-term basis with renewal options. PLN is a strategic partnership between BAMM and one of the preeminent dispensary chains in the State of Nevada. BAMM’s partner will also transfer an active cultivation license to the facility and all expenditures under PLN will be funded on a 50/50 basis. The new facility will primarily consist of flowering rooms as production, packaging, distribution, and head office functions will remain at the existing facility. BAMM has also earmarked approximately 4,000 square feet of frontage for a dispensary upon receipt of a retail license. It is contemplated that at least half of the sales under PLN will be sold to BAMM’s partner through their existing dispensary network. In addition, BAMM has signed an operating and management agreement with PLN and will receive the greater of USD\$15,000/month or 10% of PLN’s net profits.

The Company’s CEO Leonard Clough commented, “On a combined basis, BAMM will have approximately 50,000 sq. feet of facilities under management, an increase of approximately 150%, but what is more significant is that we anticipate an increase in production of over 300% providing BAMM with a significant near term growth profile. We anticipate a decline in per unit costs going forward, greater efficiencies in our distribution and packaging departments, and meaningful economies of scale. Our funding agreement under PLN also provides the added bonus of leverage - significant growth for a relatively low capex investment. Our pursuit of 100,000 sq. feet is well underway.”

Under the Partnership, each party has provided an initial capital contribution to PLN in the amount of USD \$250,000. These funds will first be applied as a non-refundable deposit towards securing the building lease of approximately 30,000 square feet located in close proximity to the Company’s current operations in Las Vegas, Nevada. The new facility will require renovations and build-out costs of approximately USD\$3,700,000. The renovation and build-out costs will be funded by PLN on an equity interest basis and BAMM expects the new facility to be operational in the latter part of 2018.

For further information please contact:

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This news release contains forward-looking information, which involves known and unknown risks, uncertainties and other factors that may cause actual events to differ materially from current expectations. Important factors – including the availability of funds, the results of financing efforts and the parties’ due diligence reviews, and general market conditions – that could cause actual results to differ materially from the Company’s expectations are disclosed in the Company’s documents filed from time to time on SEDAR (see www.sedar.com). Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. The company disclaims any intention or obligation, except to the extent required by law, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

We seek safe harbour.

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