BODY AND MIND INC.
(formerly DEPLOY TECHNOLOGIES INC.)

(A Development Stage Company)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited)

For the nine months ended 30 April 2018

(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 condensed consolidated 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 consolidated interim financial statements of Body and Mind Inc. (formerly Deploy Technologies Inc.) for the nine months ended 30 April 2018 have been prepared in accordance with International Accounting Standard 34 for Interim Financial Reporting under International Financial Reporting Standards. These unaudited condensed consolidated 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.

Body and Mind Inc. (formerly Deploy Technologies Inc.) Statement 1

(A Development Stage Company)

Condensed Consolidated Interim Statements of Financial Position

(Unaudited)

(U.S. Dollars)

ASSETS		As at 30 April 2018		As at 31 July 2017
				(Audited)
Current				
Cash and cash equivalents	$	1,046,940	$	366,584
Amounts receivable and prepaids		586,365		45,825
Biological assets *(Note 5)*		212,438		-
Inventory *(Note 5)*		587,012		-
Available-for-sale securities		1		1
		2,432,756		412,410
Deposit *(Note 7, 14)*		250,000		-
Advances		-		103,495
Property and equipment *(Note 6)*		2,363,708		-
Brand and licenses *(Note 13)*		12,033,365		-
	$	17,079,829	$	515,905
LIABILITIES				
Current				
Trade payables and accrued liabilities	$	673,592	$	188,677
Due to related parties *(Note 7)*		36,686		4,805
Promissory notes (*(Note 8)*		1,947,152		-
		2,657,430		193,482
SHAREHOLDERS' EQUITY				
Share Capital – *Statement 3 (Note 9)*				
Authorized:				
900,000,000 Common Shares – Par Value $0.0001				
Issued and Outstanding:				
47,704,317 (31 July 2017 – 19,137,783) Common Shares		7,140		5,632
Contributed Surplus		19,883,188		4,290,070
Shares to be issued		223,344		-
Foreign Currency Translation Reserve		339,892		356,828
Deficit		(6,031,165)		(4,330,107)
		14,422,399		322,423
	$	17,079,829	$	515,905

Nature and Continuance of Operations *(Note 1)*
Commitments *(Note 14)*
Subsequent Events *(Note 16)*

Approved and authorized for issue by the Board on 29 June 2018

ON BEHALF OF THE BOARD:

"Leonard Clough" , Director

"Dong H. Shim" , Director

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

Body and Mind Inc. (formerly Deploy Technologies Inc.) Statement 2

(A Development Stage Company)

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(Unaudited)

(U.S. Dollars)

		Three Month Period Ended 30 April				Nine Month Period Ended 30 April		
		2018		2017		2018		2017
Sales	$	787,512	$	-	$	1,618,967	$	-
Cost of sales		(402,705)		-		(670,880)		-
		384,807		-		948,087		-
General and Administrative Expenses								
Accounting and legal *(Note 7)*		76,464		167		223,320		12,139
Accretion expense		119,131		-		119,131		-
Consulting fees		19,143		37,259		136,295		59,392
Depreciation		2,981		(4)		4,556		1,588
Insurance		6,071		-		11,006		-
Listing fees		-		-		471,408		-
Management fees *(Note 7)*		73,184		7,547		189,210		7,547
Office and miscellaneous		168,754		16,643		362,179		27,459
Regulatory, filing and transfer agent fees		3,280		-		19,187		-
Rent		22,000		-		33,000		-
Salaries and wages		144,830		-		241,171		-
Stock-based compensation *(Note 9)*		-		-		733,679		-
Travel		10,319		22,177		14,878		22,177
		(646,157)		(83,789)		(2,559,020)		(130,302)
Loss Before Other Items		(261,350)		(83,789)		(1,610,933)		(130,302)
Other Items								
Foreign exchange, net		(21,958)		(5,195)		(91,427)		(74,425)
Interest income		2,185		-		2,185		-
Settlement of liabilities		-		57,839		-		61,983
Write off of amounts receivable		-		-		(883)		-
Net Loss for the Period	$	(281,123)	$	(31,145)	$	(1,701,058)	$	(142,744)
Other Comprehensive Loss								
Foreign currency translation adjustment		(149,856)		(9,482)		(16,936)		55,396
Comprehensive Loss for the Period	$	(430,979)	$	(40,627)	$	(1,717,994)	$	(87,348)
Loss per Share – Basic and Diluted	$	(0.01)	$	(0.01)	$	(0.05)	$	(0.03)
Weighted Average Number of Shares Outstanding		47,704,317		3,546,218		36,572,733		2,626,065

Body and Mind Inc. (formerly Deploy Technologies Inc.) Statement 3

(A Development Stage Company)

Consolidated Interim Statements of Changes in Stockholders' Equity (Deficiency)

(Unaudited)

(U.S. Dollars)

	Share Capital								
	Common Shares		Class A Preferred Shares		Contributed	Shares to be	Foreign Currency Translation		
	Number	Amount	Number	Amount	Surplus	Issued	Reserve	Deficit	Total
Balance – 31 July 2016	2,185,991	$ 544	2,475,500	$ 248	$ 3,358,082	$ -	$ 266,749	$ (3,973,039)	$ (347,416)
Conversion of preferred shares	500,000	150	(150,000)	(15)	(135)	-	-	-	-
Private placements	8,700,000	2,610	-	-	982,333	-	-	-	984,943
Share issue costs	-	-	-	-	(48,115)	-	-	-	(48,115)
Foreign currency translation adjustment	-	-	-	-	-	-	55,396	-	55,396
Loss for the period	-	-	-	-	-		-	(142,744)	(142,744)
Balance – 30 April 2017	11,385,991	3,304	2,325,500	233	4,292,165	-	322,145	(4,115,783)	502,064
Conversion of preferred shares	7,751,792	2,328	(2,325,500)	(233)	(2,095)	-	-	-	-
Foreign currency translation adjustment	-	-	-	-	-	-	34,683	-	34,683
Loss for the period	-	-	-	-	-	-	-	(214,324)	(214,324)
Balance – 31 July 2017	19,137,783	5,632	-	-	4,290,070	-	356,828	(4,330,107)	322,423
Private placements *(Note 8)*	9,739,534	514	-	-	5,141,973	-	-	-	5,142,487
Acquisition of Nevada Medical Group LLC *(Notes 8 and 11)*	18,827,000	994	-	-	9,939,662	223,344	-	-	10,164,000
Share issue costs *(Note 8)*	-	-	-	-	(222,196)	-	-	-	(222,196)
Stock-based compensation *(Note 8)*	-	-	-	-	733,679	-	-	-	733,679
Foreign currency translation adjustment	-	-	-	-	-	-	(16,936)	-	(16,936)
Loss for the period	-	-	-	-	-	-	-	(1,701,058)	(1,701,058)
Balance – 30 April 2018	47,704,317	$ 7,140	-	$ -	$ 19,883,188	$ 223,344	$ 339,892	$ (6,031,165)	$ 14,422,399

Body and Mind Inc. (formerly Deploy Technologies Inc.) Statement 4

(A Development Stage Company)

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited)

(U.S. Dollars)

	Nine Month Period Ended 30 April	
Cash Resources Provided By (Used In)	2018	2017
Operating Activities		
Loss for the period	$ (1,701,058)	$ (142,744)
Items not affecting cash:		
Accrued interest and accretion expense	119,131	1,343
Depreciation	4,556	1,588
Settlement of liabilities	-	(61,983)
Stock-based compensation	733,679	-
Write off of amounts receivable	883	-
Foreign exchange	1,484	3,442
Amounts receivable and prepaid	(218,588)	(1,667)
Biological assets and inventory	(373,693)	-
Trade payables and accrued liabilities	117,530	(26,690)
Due to related parties	31,881	(41,714)
	(1,284,195)	(268,425)
Investing Activities		
Business combination, net of cash acquired	(2,194,663)	-
Pepper Lane North deposits	(250,000)	-
Purchase of property and equipment	(494,141)	-
	(2,938,804)	-
Financing Activities		
Issuance of shares, net of share issue costs *(Note 9)*	5,142,487	936,828
Short term loans	(222,196)	19,276
Loans repaid	-	(51,552)
	4,920,291	904,552
Effect of exchange rate changes on cash and cash equivalents	(16,936)	55,396
Net Increase in Cash and Cash Equivalents	680,356	691,523
Cash and cash equivalents – Beginning of period	366,584	-
Cash and Cash Equivalents – End of Period	$ 1,046,940	$ 691,523

Supplemental Disclosures with Respect to Cash Flows *(Note 12)*

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

1. Nature and Continuance of Operations

Body and Mind 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 14 November 2017, the Company acquired Nevada Medical Group, LLC ("NMG") and changed its name to Body and Mind Inc. The Company is now a supplier and grower of medical and recreational marijuana in the state of Nevada (Note 13).

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

At 30 April 2018, the Company had cash and cash equivalents of $1,046,940 (31 July 2017 – $366,584) and a working capital deficiency of $224,674 (31 July 2017 – working capital $218,928).

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

b) Statement of Compliance

These 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 condensed interim financial statements comply with International Accounting Standards ("IAS") 34, "*Interim Financial Reporting"*. These 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 year ended 31 July 2017 prepared in accordance with and using accounting policies in full compliance with IFRS.

2. Basis of Preparation – *Continued*

c) Principles of Consolidation

These consolidated financial statements include the financial statements of the Company and its wholly-owned subsidiary, DEP Nevada Inc. ("Dep Nevada"), incorporated in the State of Nevada on 10 August 2017, and newly acquired Nevada Medical Group LLC ("NMG") from the date of acquisition on 14 November 2017.

The results of operations from NMG are included in these consolidated financial statements from the date the Company acquired control over NMG on 14 November 2017.

All inter-company transactions are eliminated upon consolidation.

d) New Standards Not Yet Adopted

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. 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 does not expect any significant impact on the adoption of IFRS 9.

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 does not expect any significant impact on the adoption of IFRS 15.

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 condensed consolidated 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 year ended 31 July 2017. There have been no changes to the accounting policies and methods applied in the nine month period ended 30 April 2018.

Certain comparative figures have been reclassified in accordance with the current period's presentation.

4. Fair Value of Financial Instruments

Categories of financial instruments

		As at 30 April 2018		As at 31 July 2017
FINANCIAL ASSETS				
FVTPL, at fair value				
Cash	$	1,046,940	$	366,584
Loans and receivable, at amortized cost				
Amounts receivable		510,414		-
Deposit		250,000		-
Available-for-sale, at fair value				
Kaleidoscope (5,694 common shares)		1		1
Total financial assets	$	1,807,355	$	366,585
FINANCIAL LIABILITIES				
Other liabilities, at amortized cost				
Trade payables	$	673,592	$	179,335
Due to related parties		36,686		14,146
Promissory note		1,947,152		-
Total financial liabilities	$	2,657,430	$	193,481

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.

4. Fair Value of Financial Instruments – *Continued*

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 2018, the Company does not have any Level 3 financial instruments.

	Fair Value Measurement Classification		As at 30 April 2018		As at 31 July 2017
Financial assets at fair value					
Cash	Level 1	$	1,046,940	$	366,584
Available-for-sale	Level 1		1		1
Total financial assets at fair value		$	1,046,941	$	366,585

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

The Company is not exposed to credit risk as it does not hold cash in excess of federally insured limits, with major financial institutions.

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 deficiency of $224,674 as at 30 April 2018.

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. The risk that the Company will realize a loss as a result of a decline in the fair value of the term deposits is limited.

4. Fair Value of Financial Instruments – *Continued*

Currency risk

The Company is exposed to currency risk by incurring expenditures and holding assets denominated in currencies in the Canadian dollar. During the period ended 30 April 2018, the Company completed various financing in Canadian dollars which resulted in a significant foreign exchange translation loss. Otherwise, the Company is not subject to any currency risk in its normal operating activities as it has nominal activities in its head office in Vancouver. Most of the transactions are from NMG in Nevada, United States.

5. Biological Assets and Inventory

The Company's biological assets consists of cannabis plants. The continuity of biological assets for the nine month period ended 30 April 2018 was as follows:

		30 April 2018
Balance, beginning of period	$	-
Acquired biological assets (Note 13)		184,832
Changes in fair value less costs to sell due to biological transformation		241,522
Transferred to inventory upon harvest		(213,916)
Total	$	212,438

The significant assumptions used in determining the fair value of cannabis plants are as follows:

- wastage of plants based on their various stages;
- percentage of costs incurred to date compared to the total costs to be incurred are used to estimate the fair value of an in-process plant; and
- percentage of costs incurred for each stage of plant growth was estimated.

The fair value of biological assets is calculated using Level 3 inputs.

On average, the growth cycle is 20 weeks. All of the plants are to be harvested as agricultural produce (i.e., cannabis) and as at 30 April 2018, on average, were 83% complete. The Company estimates the harvest yields for the plants at various stages of growth. The Company's estimates are, by their nature, subject to change. Changes in the anticipated yield will be reflected in future changes in the gain or loss on biological assets.

Inventory comprised the following items:

		30 April 2018
Raw materials	$	16,614
Work in progress		335,782
Finished goods		11,146
Consumables		223,470
Total	$	587,012

6. Property and Equipment

	Office Equipment	Cultivation Equipment	Production Equipment	Kitchen Equipment	Vehicles	Vault Equipment	Improvements	Total
Cost:								
Balance, 31 July 2017	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Acquired assets	23,105	245,659	176,354	15,809	38,717	1,644	1,450,408	1,951,696
Additions	1,481	77,315	79,473	3,664	-	-	332,208	494,141
Balance, 30 April 2018	24,586	322,974	255,827	19,473	38,717	1,644	1,782,616	2,445,837
Accumulated Depreciation:								
Balance, 31 July 2017	-	-	-	-	-	-	-	-
Depreciation	1,668	18,634	13,199	1,122	2,888	119	44,499	82,129
Balance, 30 April 2018	1,668	18,634	13,199	1,122	2,888	119	44,499	82,129
Net Book Value:								
As at 31 July 2017	-	-	-	-	-	-	-	-
As at 30 April 2018	**$ 22,918**	**$ 304,340**	**$ 242,628**	**$ 18,351**	**$ 35,829**	**$ 1,525**	**$ 1,738,117**	**$ 2,363,708**

7. Related Party Balances and Transactions

The key management personnel compensation for the nine months ended 30 April 2018 and 2017 is as follows:

	30 April 2018	30 April 2017
Accounting fees	$ 22,088	$ 8,680
Management and consulting fees	254,252	44,341
Total	$ 276,340	$ 53,021

Except as disclosed elsewhere in these full annual financial statements, related party transactions for the nine month period ended 30 April 2018 and 2017 are as follows:

a) During the nine months ended 30 April 2018, accounting fees of $22,088 (2017 - $8,680) were paid/accrued to a company controlled by the former Chief Financial Officer and a director of the Company.

b) During the nine months ended 30 April 2018, consulting fees of $69,000 (2017 - $Nil) and management fees of $43,544 (2017 - $Nil) were paid/accrued to companies related to the Chief Executive Officer of the Company.

c) During the nine months ended 30 April 2018, management fees of $93,869 (2017 - $Nil) were paid/accrued to a company controlled by a director of the Company.

d) During the nine months ended 30 April 2018, management fees of $35,627 (2017 - $7,547) were paid/accrued to a company controlled by the Chief Financial Officer of the Company.

e) During the nine months ended 30 April 2018, management fees of $2,712 (2017 - $Nil) were paid/accrued to a former Chief Executive Officer of the Company.

f) During the nine months ended 30 April 2018, management fees of $9,500 (2017 - $Nil) were paid/accrued to a company controlled by the former Chief Executive Officer of the Company.

g) During the nine months ended 30 April 2018, management fees of $Nil (2017 - $36,794) were paid/accrued to a former Chief Executive Officer of the Company.

h) As at 30 April 2018, the Company owed $Nil (31 July 2017 - $4,805) to the former Chief Executive Officer of the Company.

i) As at 30 April 2018, the Company owed $32,595 (31 July 2017 - $Nil) to the Chief Executive Officer of the Company and his company.

j) As at 30 April 2018, the Company owed $4,090 (31 July 2017 - $Nil) to the Chief Financial Officer of the Company.

k) On 18 December 2017, the Company reached an agreement with a real estate investment group, led by the Company's President, who anticipates purchasing 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 the Company and one of the preeminent dispensary chains in the State of Nevada. The PLN'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. There was a $250,000 payment made by each partner as a non-refundable deposit to secure the lease (Note 14b).

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.

8. Promissory Notes

In connection with the Acquisition of NMG, on 14 November 2017, the Company issued a promissory note in the amount of $2,000,000 to NMG Members and another promissory note in the amount of $175,000 to TI Nevada as a repayment of loans made by TI Nevada to NMG (Note 13). Both promissory notes are non-interest bearing, secured by the assets of the Company, and due within 15 months from the date of Acquisition.

9. Share Capital

The Company's authorized share capital comprises 900,000,000 Common Shares, with a $0.0001 par value per share.

In connection with the Acquisition, on 14 November 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 (Note 13).

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

On 19 April 2017, the Company closed a private placement issuing a total of 8,700,000 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 8 May 2017, the remaining 2,325,500 Class A preferred shares were converted into 7,751,792 common shares of the Company.

On 15 August 2017 and 16 August 2017, the Company closed the first two of four tranches of a non-brokered private placement and issued 8,276,294 Subscription Receipts (defined below) at a price of CAD$0.66 per Subscription Receipt for aggregate gross proceeds of CAD$5,462,369 (Note 13).

On 31 October 2017, the Company closed a third tranche of a non-brokered private placement and issued 757,666 Subscription Receipts at a price of CAD$0.66 per Subscription Receipt for aggregate gross proceeds of CAD$500,060 (Note 13).

On 1 November 2017, the Company closed a fourth and final tranche of a non-brokered private placement and issued 68,181 Subscription Receipts at a price of CAD$0.66 per Subscription Receipt for aggregate gross proceeds of CAD$45,000 (Note 13).

On 14 November 2017, the Company issued a total of 18,827,000 common shares valued at $9,940,656 in connection with the Acquisition of NMG (Note 13). On 14 November 2017, a total of 9,739,534 Subscription Receipts converted to 9,739,534 common shares and 9,739,534 share purchase warrants exercisable at CAD$0.90 for a period of 24 months pursuant to the closing of the Acquisition of NMG (Note 13). The Company issued a total of 367,286 brokers' warrants with a fair value of $62,138 (CAD$78,122) in connection with these financings.

On 1 December 2017, the Company closed a non-brokered private placement of 637,393 units at a price of CAD$0.66 per unit for aggregate gross proceeds of CAD$420,680. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of CAD$0.90 per warrant for a period of 24 months from the Closing.

9. Share Capital – *Continued*

Stock options

The Company previously approved an incentive stock option plan (the "Plan"), pursuant to which the Company may grant stock options up to an aggregate of 10% of the issued and outstanding common shares in the capital of the Company from time to time.

On 24 November 2017, the Company issued an aggregate of 3,850,000 stock options in accordance with the Company's stock option plan at an exercise price of CDN$0.66 per share for a five year term expiring 24 November 2022. The options were granted to officers, directors and consultants of the Company.

The fair value of the stock options was calculated to be $733,679 (CAD$922,403) using the Black-Scholes Option Pricing Model using the following assumptions:

Expected life of the options	5 years
Expected volatility	198%
Expected dividend yield	0%
Risk-free interest rate	1.63%

Share purchase warrants and brokers' warrants

	30 April 2018		31 July 2017	
	Number of warrants	Exercise Price	Number of warrants	Exercise Price
Opening balance	-	-	-	-
Warrants issued	10,106,820	CAD$0.89	-	-
Closing balance	10,106,820	CAD$0.89	-	-

As at 30 April 2018, the following warrants are outstanding:

Number of warrants outstanding and exercisable	Exercise price	Expiry dates
248,350	CAD$0.66	15 August 2019
58,324	CAD$0.66	16 August 2019
60,612	CAD$0.66	3 November 2019
9,102,141	CAD$0.90	14 November 2019
637,393	CAD$0.90	1 December 2019
10,106,820		

10. 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 months ended 30 April 2018. The Company is not subject to externally imposed capital requirements.

11. Segmented Information

The Company's activities are all in the one industry segment of medical and recreational marijuana. The Company's net assets and net losses by geographic regions are as follows:

	Canada	USA	Total
Current assets	$ 911,274	$ 1,521,482	$ 2,432,756
Deposits	-	250,000	250,000
Property and equipment	-	2,363,708	2,363,708
Goodwill	-	12,033,365	12,033,365
Current liabilities	(229,525)	(2,427,905)	(2,657,430)
	$ 681,749	$ 13,740,650	$ 14,422,399
Sales	$ -	$ 1,618,967	$ 1,618,967
Cost of sales	-	(670,880)	(670,880)
General and administrative expenses	(1,968,266)	(590,754)	(2,559,020)
Other items	(90,125)	-	(90,125)
	$ (2,058,391)	$ 357,333	$ (1,701,058)

12. Supplemental Disclosures with Respect to Cash Flows

	Nine Month Period Ended 30 April	
	2018	2017
Cash paid during the period for interest	$ -	$ -
Cash paid during the period for income taxes	$ -	$ -

13. Business Acquisition

On 15 May 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 12 May 2017 to the Company in accordance with its terms. The Assignment Agreement and the LOI contemplated a business combination transaction (the "Acquisition") to 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.

As consideration for the Assignment Agreement, the Company issued to the Transferor 1,000,000 common shares of the Company at a deemed price of CAD$0.66 per share.

The concurrent financing consisted of subscription receipts of the Company (the "Subscription Receipts"), at an issue price of CAD$0.66 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 exercisable at a price of CAD$0.90 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 $1.20 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 warrant will expire 21 calendar days after the date of such press release.

On 14 September 2017, the Company and Dep Nevada entered into a definitive agreement (the "Share Exchange Agreement") with NMG. Pursuant to the Share Exchange Agreement, Dep Nevada acquired 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 (the "Acquisition").

On 14 November 2017, the Company closed the Acquisition, and 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 CDN $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 addition, the Company paid the amount of $225,000 and issued a promissory note in the amount of $175,000 to TI Nevada as repayment for a loan made by TI Nevada to NMG. In connection with the closing of the Acquisition, the net proceeds of the Company's private placements of Subscription Receipts in support of the Acquisition, (the "Offering") have been released to the Company from escrow. Immediately prior to closing of the Acquisition, the Company completed a consolidation of its common shares on the basis of three (3) pre-consolidation common shares to one (1) post-consolidation 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 (Note 9).

13. Business Acquisition – *Continued*

As a result of the acquisition of NMG, the Company changed its business focus to growing and supplying medical and recreational marijuana in the state of Nevada. The acquisition of NMG was accounted for as a business combination, in which the assets acquired and the liabilities assumed are recorded at their estimated fair values. These values are based on preliminary management estimates and are subject to final valuation adjustments. The allocation of the purchase consideration is as follows:

	$
Purchase consideration	
Share considerations	10,164,000
Cash considerations	2,309,000
Promissory notes issued	1,826,537
TOTAL	**14,299,537**
Assets acquired:	
Cash	260,842
Amounts receivable	253,697
Prepaid expenses	69,138
Biological assets and inventory	348,184
Property and equipment	1,951,696
Liabilities assumed:	
Trade payable and accrued liabilities	(367,385)
Loans payable	(250,000)
Net assets acquired	2,266,172
Brand and licenses	12,033,365
TOTAL	**14,299,537**

14. Commitments

a) On 11 November 2014, NMG entered into a five year lease for its premises. The Company has five options to extend the lease and each option is for five years. The monthly rent was $12,500, increased to $15,000 on 1 January 2018.

b) On 18 December 2017, the Company 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 the Company and one of the preeminent dispensary chains in the State of Nevada. The PLN'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. The Company 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 the PNL partner through their existing dispensary network. In addition, the Company has signed an operating and management agreement with PLN and will receive the greater of $15,000/month or 10% of PLN's net profits.

14. Commitments – *Continued*

Prior to entering the Partnership, the Company engaged surveyors to ensure compliance with permitting procedures and received the necessary approvals to move forward. The Company was later notified that a church was located in close proximity of the building and that permitting was unlikely to proceed. The Company has put an insurance claim to recover damages (Note 16a). Subsequent to April 30, 2018 the Company terminated its operating and management agreements with PLN.

Under the Partnership, each party has provided an initial capital contribution to PLN in the amount of $250,000.

c) On 21 December 2017, the Company and Friday Night Inc. ("Friday Night" or "TGIF") announced an all-stock acquisition (the "LOI"). The transaction was to be structured by way of an amalgamation between the Company and a wholly owned Nevada subsidiary of TGIF, in which the shareholders of the Company will receive common shares in the capital of TGIF in exchange for their shares of the Company. In February 2018, the LOI with Friday Night was mutually terminated.

15. Arkansas License Applications

The Company has completed agreements with another company for the application of new medical licenses in Arkansas.

a) Application – An in-state investor group ("Investor Group") has agreed to fund the Arkansas application. In the event the Arkansas application is successful, the Company and the Investor Group will endeavour to complete a definitive partnership and operating agreement. The cultivation application was denied; however, an Arkansas judge barred the issuance of any license. The Company is still processing 2 dispensary applications.

16. Subsequent Events

a) In May 2018, the real estate investment group completed the purchase of the building adjacent to the existing NMG facility ("PLN Facility"). The Company made the decision to terminate its lease back agreement regarding the PLN Facility as it was unable to relocate a church that was in close proximity to the PLN Facility. The PLN Facility may still be an opportunity for the Company to lease storage and administrative space and the Company will continue to evaluate this opportunity. The Company initiated a claim with the surveyor's insurance company stating the surveyor made an error and did not disclose the church location in their report to the Company. The primary claim, amongst other damages, is to recover the non-refundable $200,000 deposits made by each member of the Partnership (Note 14b).

b) On 7 June 2018, the Company received a notification that the State of Ohio awarded a medical cannabis dispensary license to NMG, Ohio LLC ("NMG Ohio"). The Company currently has a 30% ownership interest in NMG Ohio. The Company, with its NMG Ohio partners, also have 1 production license application submitted and still in progress and one cultivation license currently going through an appeal process.

c) On 12 June 2018, the Company granted 175,000 stock options with an exercise price of CAD$0.41 per common share for a period of five years to a consultant of the Company.