UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **October 31, 2019**

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: **000-55940**

BODY AND MIND INC.

(Exact name of registrant as specified in its charter)

NEVADA	**98-1319227**
(State or other jurisdiction of organization)	(I.R.S. employer identification no.)
750 – 1095 West Pender Street **Vancouver, British Columbia, Canada**	**V6E 2M6**
(Address of principal executive offices)	(Zip code)

(800) 361-6312
(Registrant's telephone number, including area code)

None
(Former name, former address, and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
N/A	N/A	N/A

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☒
(Do not check if a smaller reporting company)		Emerging growth company	☒

If an emerging growth company, indicate by checkmark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date: 101,853,217 shares of common stock outstanding as of December 16, 2019.

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PART 1. FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Body and Mind Inc. Statement 1
Consolidated Interim Balance Sheets
(U.S. Dollars)

ASSETS	**As at 31 October 2019 (Unaudited)**	**As at 31 July 2019**
Current		
Cash and cash equivalents	$ 6,898,235	$ 9,004,716
Amounts receivable	747,551	966,909
Prepaids	721,302	227,843
Inventory *(Note 5)*	1,247,220	1,390,419
Total Current Assets	9,614,308	11,589,887
Convertible Loan Receivable *(Note 6)*	67,166	52,225
Investment in NMG Ohio LLC *(Note 17)*	3,568,645	3,465,902
Investment in and advances to GLDH *(Note 18)*	10,898,324	7,373,036
Other investments *(Note 19)*	400,593	255,980
Property and Equipment *(Note 7)*	4,189,710	2,694,500
Brand and Licenses *(Note 14)*	8,172,000	8,172,000
Goodwill *(Note 14)*	2,635,721	2,635,721
TOTAL ASSETS	$ 39,546,467	$ 36,239,251
LIABILITIES		
Current		
Accounts payables	$ 758,250	$ 979,384
Accrued liabilities	95,210	95,234
Income taxes	239,358	239,358
Due to related parties *(Note 8)*	41,703	12,952
Lease liabilities *(Note 20)*	191,020	-
Total Current Liabilities	1,325,541	1,326,928
Lease Liabilities *(Note 20)*	953,007	-
Deferred Tax Liability	1,716,120	1,716,120
TOTAL LIABILITIES	3,994,668	3,043,048
STOCKHOLDERS' EQUITY		
Capital Stock– *Statement 3 (Note 11)*		
Authorized:900,000,000 Common Shares – Par Value $0.0001 Issued and Outstanding:101,760,232 (31July2019–97,279,891)Common Shares	10,176	9,728
Additional Paid-in Capital	44,794,072	41,676,611
Shares to be Issued *(Notes 10, 11 and 14)*	1,134,106	1,118,815
Equity Component of Convertible Debenture	88,797	88,797
Other Comprehensive Income	946,507	827,314
Deficit	(11,421,859)	(10,525,062)
TOTAL STOCKHOLDERS' EQUITY	35,551,799	33,196,203
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 39,546,467	$ 36,239,251

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

Body and Mind Inc. Statement 2
Consolidated Interim Statements of Operations
(Unaudited)
(U.S. Dollars)

	Three Month Period Ended 31 October	
	2019	**2018**
Sales	$ 1,441,626	$ 1,325,978
Sales tax	(198,524)	(131,419)
Cost of sales	(922,973)	(737,621)
	320,129	456,938
General and Administrative Expenses		
Accounting and legal *(Note 8)*	44,193	78,381
Consulting fees *(Notes 8 and 16)*	220,227	2,600
Depreciation	4,875	3,140
Insurance	28,725	22,238
Lease expense	56,704	-
Licenses, utilities and office administration	304,724	85,092
Management fees *(Note 8)*	129,578	52,844
Regulatory, filing and transfer agent fees	16,736	7,196
Rent	12,365	18.362
Salaries and wages	484,051	194,175
Stock-based compensation *(Notes 8 and 11)*	289,578	-
Travel	50,901	2,023
	(1,642,657)	(466,051)
Loss Before Other Items	(1,322,528)	(9,113)
Other Items		
Foreign exchange, net	(82,920)	(71,554)
Interest income	278,000	48
Management fee income	18,000	-
Other income	125,000	-
Equity pickup of investee *(Note 17)*	87,651	(7,620)
Net Loss for the Period Before Income Tax	$ (896,797)	$ (88,239)
Income tax expense	-	(123,555)
Net Loss for the Period	(896,797)	(211,794)
Other Comprehensive Income (Loss)		
Foreign currency translation adjustment	119,193	73,315
Comprehensive Loss for the Period	$ (777,604)	$ (138,479)
Loss per Share – Basic and Diluted	$ 0.01	$ 0.00
Weighted Average Number of Shares Outstanding	101,149,232	47,774,817

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

Body and Mind Inc. Statement 3
Consolidated Interim Statements of Changes in Stockholders Equity
(Unaudited)
(U.S. Dollars)

	Share Capital Common Shares							
	Number	Amount	Additional paid-in capital	Shares to be issued	Equity component of convertible debenture	Other comprehensive income	Deficit	Total
Balance – 31 July 2018	47,774,817	$ 4,778	$ 16,918,082	$ 103,267	$ -	$ 532,405	$ (6,772,311)	$ 10,786,221
Foreign currency translation adjustment	-	-	-	-	-	73,315	-	73,315
Loss for the period	-	-	-	-	-	-	(211,794)	(211,794)
Balance – 31 October 2018	47,774,817	4,778	16,918,082	103,267	-	605,720	(6,984,105)	10,647,742
Balance – 31 July 2019	97,279,891	9,728	41,676,611	1,118,815	88,797	827,314	(10,525,062)	33,196,203
Acquisition of GLDH *(Note 18)*	4,337,111	434	2,752,348	-	-	-	-	2,752,782
Exercise of warrants *(Note 11)*	143,230	14	75,535	-	-	-	-	75,549
Stock-based compensation *(Note 11)*	-	-	289,578	-	-	-	-	289,578
Share subscriptions received in advance	-	-	-	15,291	-	-	-	15,291
Foreign currency translation adjustment	-	-	-	-	-	119,193	-	119,193
Loss for the period	-	-	-	-	-	-	(896,797)	(896,797)
Balance – 31 October 2019	101,760,232	$ 10,176	$ 44,794,072	$ 1,134,106	$ 88,797	$ 946,507	$ (11,421,859)	$ 35,551,799

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

Body and Mind Inc. Statement4
Consolidated Interim Statements of Cash Flows
(Unaudited)
(U.S. Dollars)

	Three Month Period Ended 31 October	
Cash Resources Provided By (Used In)	**2019**	**2018**
Operating Activities		
Loss for the period	$ (896,797)	$ (211,794)
Items not affecting cash:		
Accrued interest income	(260,000)	-
Depreciation	78,597	69,557
Foreign exchange	1,377	738
Income tax	-	123,555
(Gain) or loss of equity investee	(87,651)	7,620
Stock-based compensation	289,578	-
Amounts receivable and prepaids	(274,101)	(115,717)
Inventory	143,199	(159,095)
Trade payables and accrued liabilities	(221,158)	102,343
Due to related parties	28,751	(41,006)
	(1,198,205)	(223,799)
Investing Activities		
Investment in NMG Ohio, LLC	(16,469)	(30,000)
Investment in GLDH	(512,506)	-
Other investments	(144,613)	-
Purchase of property and equipment	(429,780)	(43,872)
Convertible loan receivable	(14,941)	-
	(1,118,309)	(73,872)
Financing Activities		
Issuance of shares, net of share issue costs	75,549	-
Share subscriptions received	15,291	-
	90,840	-
Effect of exchange rate changes on cash	119,193	73,315
Net Increase (Decrease) in Cash	(2,106,481)	(224,356)
Cash– Beginning of Period	9,004,716	324,837
Cash– End of Period	$ 6,898,235	$ 100,481

Supplemental Disclosures with Respect to Cash Flows *(Note 13)*

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

1. Nature and Continuance of Operations

Body and Mind Inc. (the "Company") was 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 cannabis in the state of Nevada, and has retail operations in California, Ohio and Arkansas.

These unaudited consolidated interim financial statements and related notes are presented in accordance with accounting principles generally accepted in the United States of America ("GAAP").

These unaudited consolidated interim financial statements do not include all information and footnotes required by GAAP for complete financial statements. Except as disclosed herein, there have been no material changes in the information disclosed in the notes to the financial statements for the year ended 31 July 2019. The unaudited consolidated interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended 31 July 2019. In the opinion of management, all adjustments considered necessary for fair presentation, consisting solely of normal recurring adjustments, have been made. Operating results for the three months ended 31 October 2019 are not necessarily indicative of the results that may be expected for the year ending 31 July 2020.

Principles of Consolidation

These consolidated financial statements include the financial statements of the Company and its subsidiaries as follows:

Name	Jurisdiction	Ownership	Date of acquisition or formation
DEP Nevada Inc. ("DEP Nevada")	Nevada, USA	100%	10 August 2017
Nevada Medical Group LLC ("NMG")	Nevada, USA	100%	14 November 2017
NMG Retail LLC	Nevada, USA	75%	14 September 2018
NMG Long Beach LLC	California, USA	100%	18 December 2018
NMG Cathedral City LLC	California, USA	100%	4 January 2019
NMG Chula Vista LLC	California, USA	51%	10 January 2019
NMG San Diego LLC	California, USA	60%	30 January 2019

All inter-company transactions and balances are eliminated upon consolidation.

These consolidated financial statements include the following investments accounted for using the equity method of accounting:

Name	Jurisdiction	Ownership	Date of acquisition or formation
NMG Ohio LLC	Ohio, USA	30%	27 April 2017

2. Recent Accounting Pronouncements

In June 2016, the FASB issued ASU No. 2016-13 "Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" which requires the measurement and recognition of expected credit losses for financial assets held at amortized cost. ASU 2016-13 replaces the existing incurred loss impairment model with an expected loss methodology, which will result in more timely recognition of credit losses. ASU 2016-13 is effective for annual reporting periods, and interim periods within those years beginning after 15 December 2019. The Company does not anticipate this amendment to have a significant impact on the financial statements.

In August 2018, the FASB issued ASU 2018-13, Disclosure Framework –Changes to the Disclosure Requirements for Fair Value Measurement (Topic 820). ASU 2018-13 adds, modifies, and removes certain fair value measurement disclosure requirements. ASU 2018-13 is effective for annual and interim periods beginning after December 15, 2019. Early adoption is permitted. The Company is currently evaluating the effect of adopting this ASU on the Company's financial statements.

The Company does not believe other recently issued but not yet effective accounting standards, if currently adopted, would have a material effect on the consolidated financial position, statements of operations and cash flows.

3. Significant Accounting Policies

The following is a summary of significant accounting policies used in the preparation of these consolidated financial statements.

Basis of presentation

These consolidated interim financial statements and related notes are presented in accordance with accounting principles generally accepted in the United States of America ("GAAP") and are expressed in U.S. dollars. The Company's fiscal year end is 31 July.

Cash and cash equivalents

Cash and cash equivalents include highly liquid investments with original maturities of three months or less.

Amounts receivable

Amounts receivable represents amounts owed from customers for sale of medical and recreational cannabis and sales tax recoverable. Amounts are presented net of the allowance for doubtful accounts, which represents the Company's best estimate of the amount of probable credit losses in the existing accounts receivable balance. The Company determines the allowance for doubtful accounts based on historical experience and current economic conditions. The Company reviews the adequacy of its allowance for doubtful accounts on a quarterly basis. As at 31 October 2019 and 31 July 2019, the Company has no allowance for doubtful accounts.

3. Significant Accounting Policies – *Continued*

Revenue recognition

The Company derives revenue primarily from the sale of medical and recreational cannabis. In accordance with ASC 606, revenue is recognized when persuasive evidence of an arrangement exists, the services have been rendered and the goods have been delivered, the amount is fixed and determinable, and collection is reasonably assured.

The Company does not have standard terms that permit return of product; however, in certain markets where returns occur management estimates the amount of returns as variable consideration based on historical return experience and adjust revenue accordingly. Products that do not meet the Company's high-quality standards are returned by the customer or recalled and destroyed and are recorded as a reduction of revenue. The reversal of revenue is recorded upon determination that the product will be recalled and destroyed. Management estimates the costs required to facilitate product returns and records them in cost of goods sold as required.

Inventory

Inventory consists of raw material, work in progress (live plants and plants in the drying process), finished goods, and consumables. The Company values its raw material, finished goods and consumables at the lower of the actual costs or its current estimated market value less costs to sell. The Company values its work in progress at cost. The Company periodically reviews its inventory for obsolete and potentially impaired items.

Property and equipment

Property and equipment are stated at cost and are amortized over their estimated useful lives on a straight-line basis as follows:

Office equipment	7 years
Cultivation equipment	7 years
Production equipment	7 years
Kitchen equipment	7 years
Vehicles	7 years
Vault equipment	7 years
Leasehold improvements	shorter of 15 years or the term of the lease
Right-of-use asset	Term of the lease

Brands and licenses

Intangible assets acquired from third parties are measured initially at fair value and either classified as indefinite life or finite life depending on their characteristics. Intangible assets with indefinite lives are tested for impairment at least annually and intangible assets with finite lives are reviewed for indicators of impairment at least annually. The Company's brands and licenses have indefinite lives; therefore no amortization is recognized.

3. Significant Accounting Policies – *Continued*

Income taxes

Deferred income taxes are reported for timing differences between items of income or expense reported in the consolidated financial statements and those reported for income tax purposes in accordance with ASC 740, "Income Taxes", which requires the use of the asset/liability method of accounting for income taxes. Deferred income taxes and tax benefits are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases, and for tax losses and credit carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The Company provides for deferred taxes for the estimated future tax effects attributable to temporary differences and carry-forwards when realization is more likely than not.

Basic and diluted net loss per share

The Company computes net income (loss) per share in accordance with ASC 260, "Earnings per Share". ASC 260 requires presentation of both basic and diluted earnings per share ("EPS") on the face of the income statement. Basic EPS is computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period using the treasury stock method using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excluded all dilutive potential shares if their effect is anti-dilutive.

Segments of an enterprise and related information

ASC 280, "Segment Reporting" establishes guidance for the way that public companies report information about operating segments in annual consolidated financial statements and requires reporting of selected information about operating segments in interim consolidated financial statements issued to the public. It also establishes standards for disclosures regarding products and services, geographic areas and major customers. ASC 280 defines operating segments as components of a company about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Company has evaluated this Codification and does not believe it is applicable at this time.

Comprehensive loss

ASC 220, "Comprehensive Income", establishes standards for the reporting and display of comprehensive income/loss and its components in the consolidated financial statements. As at 31 July 2019, the Company reported foreign currency translation adjustments as other comprehensive income or loss and included a schedule of comprehensive income/loss in the consolidated financial statements.

3. Significant Accounting Policies – *Continued*

Foreign currency translation

The Company's functional currency is the Canadian dollar and its reporting currency is the U.S. dollars. The Company's subsidiaries have a functional currency of U.S. dollars. The consolidated financial statements of the Company are translated to U.S. dollars in accordance with ASC 830, "Foreign Currency Matters". Exchange gains and losses on inter-company balances that form part of the net investment in foreign operations are included in other comprehensive income. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate prevailing at the balance sheet date. Gains and losses arising on translation or settlement of foreign currency denominated transactions or balances are included in the determination of income.

Stock-based compensation

The Company accounts for stock-based compensation issued to those other than employees in accordance with ASC 505-50. Equity instruments issued to those other than employees are valued at the earlier of a commitment date or upon completion of the services, based on the fair value of the equity instruments and is recognized as expense over the service period. The Company estimates the fair value of share-based payments using the Black-Scholes Option Pricing Model for common stock options and the closing price of the Company's common stock for common share issuances.

Fair value measurements

The Company accounts for certain assets and liabilities at fair value. The hierarchy below lists three levels of fair value based on the extent to which inputs used in measuring fair value are observable in the market. We categorize each of our fair value measurements in one of these three levels based on the lowest level input that is significant to the fair value measurement in its entirety. These levels are:

- Level 1 – inputs are based upon unadjusted quoted prices for identical instruments in active markets.

- Level 2 – inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques (e.g. the Black-Scholes model) for which all significant inputs are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Where applicable, these models project future cash flows and discount the future amounts to a present value using market-based observable inputs including interest rate curves, credit spreads, foreign exchange rates, and forward and spot prices for currencies.

- Level 3 – inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques, including option pricing models and discounted cash flow models. Our Level 3 assets and liabilities include investments in other private entities, and goodwill and intangible assets, when they are recorded at fair value due to an impairment charge. Unobservable inputs used in the models are significant to the fair values of the assets and liabilities.

The Company measures equity investments without readily determinable fair values on a nonrecurring basis. The fair values of these investments are determined based on valuation techniques using the best information available, and may include quoted market prices, market comparables, and discounted cash flow projections.

Other current financial assets and current financial liabilities have fair values that approximate their carrying values.

3. Significant Accounting Policies – *Continued*

Use of estimates and assumptions

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from these estimates.

Lease accounting

Under ASC 842, leases are separated into two classifications: operating leases and financial leases. Lease classification under ASC 842 is relatively similar to ASC 840. For a lease to be classified as a finance lease, it must meet one of the five finance lease criteria: (1) transference of title/ownership to the lessee, (2) purchase option, (3) lease term for major part of the remaining economic life of the asset, (4) present value represents substantially all of the fair value of the asset, and (5) asset specialization. Any lease that does not meet these criteria is classified as an operating lease. ASC 842 requires all leases to be recognized on the Company's balance sheet. Specifically, for operating leases, the Company must recognize a right-of-use asset and a corresponding lease liability upon lease commitment.

Comparative figures

Certain comparative figures have been adjusted to conform to the current year's presentation.

4. Financial Instruments

The following table represents the Company's assets that are measured at fair value as of 31 October 2019 and 31 July 2019:

	As at 31 October 2019	As at 31 July 2019
Financial assets at fair value		
Cash	$ 6,898,235	$ 9,004,716
Convertible loan receivable	67,166	52,225
Total financial assets at fair value	$ 6,965,401	$ 9,056,941

Management of financial risks

The financial risk arising from the Company's operations include 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 that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is not exposed to credit risk related to cash and cash equivalents as it does not hold cash in excess of federally insured limits, with major financial institutions. Credit risk associated with the convertible loans receivable (including the investment in and advances to GLDH) arises from the possibility that the principal and/or interest due may become uncollectible. The Company mitigates this risk by managing and monitoring the underlying business relationship. The Company is not currently exposed to any significant credit risk associated with its trade receivable.

4. 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 $8,288,767 as at 31 October 2019 and accordingly is not currently exposed to any 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. The Company is not exposed to interest rate risk as it does not hold financial instruments that will fluctuate in value due to changes in interest rates.

Currency risk

Currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to currency risk by incurring expenditures and holding assets denominated in currencies other than its functional currency. Assuming all other variables remain constant, a 1% change in the Canadian dollar against the US dollar would not result in a significant change to the Company's consolidated interim statement of operations.

Other risks

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

5. Inventory

	31 October 2019	31 July 2019
Work in progress	$ 245,750	$ 208,417
Finished goods	468,162	615,108
Consumables	533,308	566,894
Total	$ 1,247,220	$ 1,390,419

6. Convertible loan receivable

Effective March 15, 2018, the Company, through its wholly owned subsidiaries, DEP Nevada and NMG, entered into a convertible loan agreement and a management agreement with Comprehensive Care Group LLC ("CCG"), an Arkansas limited liability company, with respect to the development of a medical cannabis dispensary facility in West Memphis, Arkansas.

Pursuant to the management agreement, NMG will provide operations and management services, including management, staffing, operations, administration, oversight, and other related services. Under the management agreement, NMG will be required to obtain approval from CCG for any key decisions as defined in the agreement and accordingly the Company does not control CCG. NMG will be paid a monthly management fee equal to 66.67% of the monthly net profits of CCG, subject to conversion of the convertible loan as discussed below upon which the monthly management fee shall be $6,000 per month, unless otherwise agreed by the parties in writing.

6. Convertible loan receivable – *Continued*

The convertible loan agreement is for an amount up to $1,250,000 from DEP to CCG with proceeds to be used to fund construction of a facility, working capital and initial operating expenses. The loan bears interest at a fixed rate of $6,000 per month until the parties mutually agree to increase the interest. Upon the latter of one year of granting of a medical cannabis dispensary license by the appropriate authorities or one year after entering into the convertible loan agreement, DEP may elect to convert the loan into preferred units of CCG equal to 40% of all outstanding units of CCG, subject to approval of the Arkansas Medical Marijuana Commission.

The Company evaluated the convertible loan receivable's settlement provisions and elected the fair value option in accordance with ASC 825 "Financial Instruments", to value this instrument. Under such election, the loan receivable is measured initially and subsequently at fair value, with any changes in the fair value of the instrument being recorded in the consolidated financial statements as a change in fair value of the financial instruments. The Company estimates the fair value of this instrument by first estimating the fair value of the straight debt portion, excluding the embedded conversion option, using a discounted cash flow model. The Company then estimates the fair value of the embedded conversion option using the Black-Scholes Option Pricing Model. The sum of these two valuations is the fair value of the loan receivable. Management believes that the accretion of the straight debt portion and embedded derivative related to the conversion option are not material. As at 31 October 2019, the Company had advanced $67,166 (31 July 2019 - $52,225) and accrued interest income of $45,000 (2018 - $Nil) which is included in accounts receivable.

7. Property and Equipment

	Office Equipment	Cultivation Equipment	Production Equipment	Kitchen Equipment	Vehicles	Vault Equipment	Leasehold Improvements	Right-of-use Assets	Total
Cost:									
Balance, 31 July 2018	$ 24,586	$ 435,109	$ 261,957	$ 27,694	$ 38,717	$ 1,644	$ 1,993,928	$ -	$ 2,783,635
Additions	7,491	28,647	36,004	23,414	-	528	272,078	-	368,162
Balance, 31 July 2019	32,077	463,756	297,961	51,108	38,717	2,172	2,266,006	-	3,151,797
Additions	26,980	-	154,982	9,022	-	-	238,796	-	429,780
ASC 842 adoption (Note 20)	-	-	-	-	-	-	-	1,187,116	1,187,116
Balance, 31 October 2019	59,057	463,756	452,943	60,130	38,717	2,172	2,504,802	1,187,116	4,768,693
Accumulated Depreciation:									
Balance, 31 July 2018	3,177	41,169	25,446	2,554	5,500	228	89,663	-	167,737
Depreciation	5,119	73,597	44,547	4,546	7,751	358	153,642	-	289,560
Balance, 31 July 2019	8,296	114,766	69,993	7,100	13,251	586	243,305	-	457,297
Depreciation	1,911	19,066	12,093	2,127	1,954	100	41,346	-	78,597
Asset lease expense (Note 20)	-	-	-	-	-	-	-	43,089	43,089
Balance, 31 October 2019	10,207	133,832	82,086	9.227	15,205	686	284,651	43,089	578,983
Net Book Value:									
As at 31 July 2018	**21,409**	**393,940**	**236,511**	**25,140**	**33,217**	**1,416**	**1,904,265**	**-**	**2,615,898**
As at 31 July 2019	**23,781**	**348,990**	**227,968**	**44,008**	**25,466**	**1,586**	**2,022,701**	**-**	**2,694,500**
As at 31 October 2019	**$ 48,850**	**$ 329,924**	**$ 370,857**	**$ 50,903**	**$ 23,512**	**$ 1,486**	**$ 2,220,151**	**$1,144,027**	**$4,189,710**

8. Related Party Balances and Transactions

In addition to those disclosed elsewhere in these consolidated interim financial statements, related party transactions for the three month period ended 31 October 2019 and 2018 are as follows:

a) During the three months ended 31 October 2019, management fees of $34,311 (2018 - $Nil) and consulting fees of $7,556 (2018 – $Nil) were paid/accrued to a company controlled by the President and Interim Chief Executive Officer of the Company.

b) During the three months ended 31 October 2019, management fees of $22,668 (2018 - $Nil) and accounting fees of $Nil (2018 - $6,908) were paid/accrued to a company controlled by the Chief Financial Officer and a director of the Company.

c) During the three months ended 31 October 2019, salaries and wages of $45,000 (2018 - $Nil) were paid/accrued to the Chief Operating Officer of the Company.

d) During the three months ended 31 October 2019, management fees of $50,000 (2018 - $33,654) were paid/accrued to a company controlled by a director of the Company.

e) During the three months ended 31 October 2019, management fees of $5,667 (2018 - $11,514) and consulting fees of $11,334 (2018 - $Nil) were paid/accrued to a company controlled by the Corporate Secretary of the Company.

f) As at 31 October 2019, the Company owed $482 (31 July 2019 - $7,825) to the Interim Chief Executive Officer of the Company and a company controlled by him.

g) As at 31 October 2019, the Company owed $7,888 (31 July 2019 - $5,172) to the Chief Financial Officer of the Company

h) As at 31 October 2019, the Company owed $33,333 (31 July 2019 - $Nil) to a director of the Company and a company controlled by him.

The above amounts owing to related parties are unsecured, non-interest bearing and are due on demand.

Included in stock-based compensation for the three months ended 31 October 2019 is $187,705 (2018 - $Nil) related to stock options issued to directors and offices of the Company.

9. Notes Payable

In connection with the Acquisition of NMG, on 14 November 2017, the Company issued promissory notes totaling $2,175,000 to NMG Members (Note 14). As these promissory notes are non-interest bearing, they were discounted to a present value of $1,887,863 at a rate of 12%. These promissory notes are non-interest bearing, secured by the assets of the Company, and due the earlier of 14 February 2019 or within 30 days from the date of the Company completes a financing of at least $500,000. Any unpaid amounts at maturity will bear interest at a rate of 10% per annum. At 31 July 2018, the promissory notes were accreted to their face value as it was estimated that repayment would occur imminently due to the Company's fund raising initiatives. On 12 November 2018 the notes were amended such that $1,175,000 was repaid and the balance of $1,000,000 would be due on 14 February 2019. As the balance was not repaid on 14 February 2019, interest commenced accruing at 8% per annum and the principal plus interest is to be repaid on the earlier of i) 12 months from due date or ii) within 10 business days of closing a financing greater than $5,000,000. During the year ended 31 July 2019, because the Company completed a financing of more than $500,000, the Company accrued interest expense of $24,443 (2018 - $277,219) and repaid the note in full.

9. Notes Payable – *Continued*

In connection with the investment of Green Light District Holdings, Inc. ("GLDH") on 29 November 2018, the Company issued a promissory note in the amount of $4,000,000 to Australis Capital Inc. ("Australis") (Notes 15 and 18). The promissory note bears interest at a rate of 15% per annum, is secured by the assets of the Company, matures in two years and requires semi-annual interest payments unless the Company elects to accrue the interest by adding it to the principal amount. The Company issued 1,105,083 common shares of the Company as a finance fee to Australis valued at $822,494 (Note 11). During the year ended 31 July 2019, the Company accrued interest and accretion expense of $1,118,051 (2018 - $Nil) and repaid the note in full. The Company also paid a prepayment penalty of $200,000 for repaying the note prior to the maturity date.

	31 October 2019	31 July 2019
Balance, beginning	$ -	$ 2,175,000
Issuance of promissory notes	-	4,000,000
Deferred finance costs	-	(822,494)
Repayment of promissory notes	-	(6,695,000)
Early repayment penalty	-	200,000
Interest and accretion expense	-	1,142,494
Balance, ending	$ -	$ -

10. Convertible Debenture

In connection with an investment agreement with Australis on 30 October 2018 (Notes 11, 15 and 16), the Company issued an unsecured convertible debenture in the amount of CAD$1,600,000 to Australis. The convertible debenture bears interest at a rate of 8% per annum. Repayment of the outstanding principal amount of the convertible debenture, together with any accrued and unpaid interest, is to be made on or prior to 30 October 2020. The convertible debenture is convertible at the option of Australis into common shares of the Company at a conversion price of CAD$0.55 per common share, subject to adjustment and acceleration in certain circumstances.

At the date of issue, a beneficial conversion feature of $88,797 (CAD$116,714) was recognized and the debt portion of the convertible debentures was recorded at a value of $1,128,750 (CAD$1,483,636). The value of the beneficial conversion feature was recorded in equity as additional paid-in capital. Subsequent to initial recognition, the debt has been amortized over the term of the debt using the effective interest rate method at a rate of 11.3% per annum.

10. Convertible Debenture – *Continued*

During the year ended 31 July 2019, the Company accrued interest and accretion expense of $98,392 (2018 - $Nil). The Company paid interest of $72,623 (2018 - $Nil) calculated up to July 31, 2019 and further paid interest of $88,821 in advance up to 30 June 2020. As consideration for receiving the interest in advance, Australis agreed to convert the debt into equity on July 1, 2020 and has given up the right to receive cash. The number of shares to be issued on conversion is fixed at 2,909,091 common shares and, accordingly, the debt is presented within equity as shares to be issued.

	31 October 2019	31 July 2019
Balance, beginning	$ 1,065,565	$ -
Issuance of convertible debenture	-	1,128,750
Interest and accretion expense	-	98,392
Interest paid	-	(72,623)
Interest advanced	-	(88,821)
Foreign exchange adjustment	-	(133)
Balance, ending	$ 1,065,565	$ 1,065,565

11. Capital Stock

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

On 2 November 2018, the Company closed a non-brokered private placement of 16,000,000 units at a price of $0.30 (CAD$0.40) per unit for aggregate gross proceeds of $4,883,840 (CAD$6,400,000) (Note 10, 15 and 16). 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$0.50 per warrant for a period of two years. The Company paid cash of $152,720 and issued 322,581 common shares valued at $221,691 as finders' fees in relation to this private placement.

On 29 November 2018, the Company issued 1,105,083 common shares as a finance fee to Australis valued at $822,494 (Note 9).

On 30 November 2018, the Company issued 3,206,160 common shares upon exercise of 3,206,160 warrants by Australis at a price of CAD$0.50 per common share for aggregate proceeds of $1,205,196 (CAD$1,603,080).

On 31 January 2019, the Company issued 1,768,545 common shares to Australis for proceeds of $787,123 pursuant to the Investment Agreement (Note 16).

On 31 January 2019, the Company issued 2,380,398 common shares valued at $1,448,805 in relation to acquiring the remaining 70% of NMG Ohio LLC (Note 17).

On 14 May 2019, the Company issued 70,500 previously escrowed shares with a fair value of $22,689 to Toro Pacific Management Inc. in connection with the acquisition of NMG (Note 14).

11. Capital Stock – *Continued*

On 17 May 2019, the Company closed a private placement of 11,780,904 units at a price of $0.93 (CAD$1.25) per unit for aggregate gross proceeds of $10,956,241 (CAD$14,726,130). Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one common share of the Company at an exercise price of CAD$1.50 for a period of 48 months following the closing date, subject to adjustment in certain events. The agents received a cash commission of $589,499 (CAD$793,938). The agents also received as additional consideration 635,150 non-transferable broker warrants. Each broker warrant entitles the holder to acquire one unit at an exercise price of CAD$1.25 per unit for a period of 48 months following the closing date. A corporate finance fee of $63,774 (CAD $84,750) was also paid.

On 28 May 2019, the Company issued 12,793,840 common shares upon exercise of 12,793,840 warrants by Australis at a price of CAD$0.50 per common share for aggregate proceeds of $4,746,515 (CAD$6,396,920). The proceeds were used, in part, to fully repay the outstanding senior secured note in the amount of $4,495,890 owing to Australis by the Company (Note 9).

On 16 July 2019, the Company issued 7,333 common shares upon exercise of 7,333 warrants at a price of CAD$0.90 per common share for aggregate proceeds of $5,057 (CAD$6,600).

On 12 August 2019, the Company issued a total of 4,337,111 common shares of the Company in connection with the Purchase Agreement, NMG SD Settlement Agreement and the Lease Assignment Agreement (Note 18).

On 12 August 2019, the Company issued 81,591 common shares upon exercise of 81,591 warrants at a price of CAD$0.66 per common share for aggregate proceeds of $40,765 (CAD$53,850).

On 12 September 2019, the Company issued 38,912 common shares upon exercise of 38,912 warrants at a price of CAD$0.66 per common share for aggregate proceeds of $19,450 (CAD$25,682).

On 4 October 2019, the Company issued 22,727 common shares upon exercise of 22,727 warrants at a price of CAD$0.90 per common share for aggregate proceeds of $15,360 (CAD$20,454).

Stock options

The Company previously approved an incentive stock option 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 11 December 2018, the Company issued 2,050,000 stock options in accordance with the Company's stock option plan at an exercise price of CAD$0.57 per share for a five year term expiring 10 December 2023. The options were granted to current directors, officers, employees and consultants of the Company.

The fair value of the stock options was calculated to be $880,595 (CAD$1,165,117) using the Black-Scholes Option Pricing Model with the following assumptions:

Expected life of the options	5 years
Expected volatility	265%
Expected dividend yield	0%
Risk-free interest rate	2.03%

11. Capital Stock – *Continued*

Stock options – *Continued*

On 21 August 2019, the Company issued 2,850,000 stock options with an exercise price of CAD$0.88 per share for a term of five years expiring on 21 August 2024. The options are subject to vesting provisions such that 25% of the options vest six months from the date of grant, 25% of the options vest twelve months from the date of grant, 25% of the options vest eighteen months from the date of grant and 25% of the options vest twenty-four months from the date of grant. On 16 October 2019, the Company cancelled 400,000 stock options previously granted to a director due to forfeiture, which had not vested.

The total fair value of the stock options granted was calculated to be $1,373,856 (CAD$1,818,232) using the Black-Scholes Option Pricing Model with the following assumptions:

Expected life of the options	5 years
Expected volatility	140%
Expected dividend yield	0%
Risk-free interest rate	1.28%

During the three months ended 31 October 2019, the Company recorded a stock-based compensation of $276,987 (CAD$366,779) related to these options.

On 1 October 2019, the Company issued 250,000 stock options with an exercise price of CAD$0.93 per share for a term of five years expiring on 1 October 2024. The options are subject to vesting provisions such that 25% of the options vest six months from the date of grant, 25% of the options vest twelve months from the date of grant, 25% of the options vest eighteen months from the date of grant and 25% of the options vest twenty-four months from the date of grant.

The total fair value of the stock options granted was calculated to be $145,045 (CAD$191,960) using the Black-Scholes Option Pricing Model with the following assumptions:

Expected life of the options	5 years
Expected volatility	140%
Expected dividend yield	0%
Risk-free interest rate	1.37%

During the three months ended 31 October 2019, the Company recorded a stock-based compensation of $12,591 (CAD$16,663) related to these options.

	31 October 2019		31 July 2019	
	Number of options	Exercise Price	Number of options	Exercise Price
Opening balance	6,075,000	CAD$0.62	4,025,000	CAD$0.65
Granted	3,100,000	CAD$0.88	2,050,000	CAD$0.57
Forfeited	(400,000)	CAD$0.88	-	-
Closing balance	8,775,000	CAD$0.70	6,075,000	CAD$0.62

11. Capital Stock – *Continued*

Share purchase warrants and brokers' warrants

	31 October 2019		31 July 2019	
	Number of warrants	Exercise Price	Number of warrants	Exercise Price
Opening balance	22,514,771	CAD$1.22	10,106,820	CAD$0.89
Issued	-	-	28,415,284	CAD$0.93
Exercised	(143,230)	CAD$0.70	(16,007,333)	CAD$0.50
Expired	(225,083)	CAD$0.66	-	-
Closing balance	22,146,458	CAD$1.23	22,514,771	CAD$1.22

As at 31 October 2019, the following warrants are outstanding:

Number of warrants outstanding and exercisable	Exercise price	Expiry dates
21,700	CAD$0.66	3 November 2019
9,072,081	CAD$0.90	14 November 2019
637,393	CAD$0.90	1 December 2019
11,780,134	CAD$1.50	17 May 2023
635,150	CAD$1.25	16 May 2023
22,146,458		

12. Segmented Information and Major Customers

The Company's activities are all in the one industry segment of medical and recreational cannabis. All of the Company's revenue generating activities and capital assets relate to this segment and are located in the USA. During the three months ended 31 October 2019, no individual customer accounts for 10% or more of revenue (31 July 2019 – one major customers for 12% of revenues).

13. Supplemental Disclosures with Respect to Cash Flows

	Three Month Period Ended 31 October	
	2019	**2018**
Cash paid during the period for interest	$ -	$ -
Cash paid during the period for income taxes	$ -	$ -

14. 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 NMG, an arm's length Nevada-based licensed producer of medical cannabis.

As consideration for the Assignment Agreement, the Company will issue to the Transferor 1,000,000 common shares of the Company. On 13 November 2017, the Assignment Agreement was amended, whereby the Company would issue the 1,000,000 common shares as follows:

a. 470,000 common shares to Benjamin Rutledge upon closing of the Acquisition (issued);
b. 60,000 common shares to Chris Hunt upon closing of the Acquisition (issued);
c. 470,000 common shares to the Transferor according to the following schedule:

- 1/10 of the Transferor's shares upon closing of the Acquisition (issued);
- 1/6 of the remaining Transferor's shares 6 months after closing the Acquisition (issued);
- 1/5 of the remaining Transferor's shares 12 months after closing the Acquisition (issued);
- 1/4 of the remaining Transferor's shares 18 months after closing the Acquisition (issued);
- 1/3 of the remaining Transferor's shares 24 months after closing the Acquisition;
- 1/2 of the remaining Transferor's shares 30 months after closing the Acquisition; and
- the remaining Transferor's shares 36 months after closing the Acquisition.

The remaining 423,000 shares to be issued to the Transferor over the 36 month period are included in equity as shares to be issued with a total fair value of $135,202 as at 13 November 2017 (Note 11).

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").

The Company completed a concurrent financing consisting of 9,102,141 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 CAD$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. These Subscription Receipts were recognized as liability on initial receipt. During the year ended 31 July 2018, the Acquisition closed and the shares were issued; therefore the Subscription Receipts were reclassified from liability to equity on conversion to common shares.

14. Business Acquisition – *Continued*

On 14 November 2017, the Company closed the Acquisition, and acquired all of the issued and outstanding membership units of NMG (the "Units"). In consideration for the Units, the Company issued to the NMG Members an aggregate of 16,000,000 common shares with a fair value of $5,386,155 as well as a cash payment of $2,309,000 pro rata amongst the NMG members and promissory notes to the NMG members in the aggregate amount of $2,175,000. The Company also issued 2,037,879 common shares to TI Nevada with a fair value of $685,788, 212,121 common shares to Charles Fox with a fair value of $71,383, 47,000 common shares to Toro Pacific Management Inc. with a fair value of $15,816, 60,000 common shares to Chris Hunt with a fair value of $20,192, and 470,000 common shares to Benjamin Rutledge with a fair value of $159,114 in connection with the Acquisition. The Company has an obligation to issue a further 423,000 common shares to Toro Pacific Management Inc., which had a fair value of $135,202 on the date of acquisition. The Company recognized $330,324 in transaction costs in connection with the shares issued to non-NMG members. The promissory notes totalling $2,175,000 were discounted to a present value of $1,887,277 (Note 9). 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 was 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 11).

As a result of the acquisition of NMG, the Company changed its business focus to growing and supplying medical and recreational cannabis 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. The allocation of the purchase consideration is as follows:

Purchase consideration	
Share considerations	$ 6,143,326
Cash considerations	2,309,000
Promissory notes issued	1,887,277
TOTAL	**$ 10,339,603**
Assets acquired:	
Cash	$ 260,842
Amounts receivable	253,697
Prepaid expenses	44,552
Inventory	498,680
Property and equipment	1,951,696
Brand	247,000
Licenses	7,925,000
Liabilities assumed:	
Trade payable and accrued liabilities	(367,385)
Loans payable	(250,000)
Deferred tax liability	(2,860,200)
Net assets acquired	7,703,882
Goodwill	2,635,721
TOTAL	**$ 10,339,603**

14. Business Acquisition – *Continued*

Goodwill recognized comprises the assembled workforce and their knowledge with respect to NMG, regulatory affairs and the cannabis industry; and expected revenue growth and future market development with legalization of recreational cannabis in Nevada.

15. Commitments

a) In connection with the strategic investment agreement with Australis dated 30 October 2018 (the "Investment Agreement") (Notes 10, 11 and 16), the Company agreed to pay a monthly service fee of $10,000 to Australis. In connection with the Company's investment in GLDH and the promissory note provided by Australis (Note 9), the Company agreed to increase the monthly services fee to Australis to $16,500 per month for 5 years unless ownership held by Australis drops below 10% in which the fee will cease. Following the repayment of the promissory note, the monthly service fee to Australis was reduced to $12,000 commencing June 2019.

b) On 25 October 2017, NMG Ohio entered into a five-year lease agreement for the property located at 709 Sugar Lane, Elyria, Ohio, containing approximately 4,100 square feet. The monthly rent is $4,200

c) On 13 June 2019, the five-year lease agreement dated 1 December 2018 for the property located at 7625 Carroll Road, San Diego, California, containing approximately 4,600 square feet was assigned to NMG San Diego. Under the terms of the assignment and first amendment to the original lease agreement dated 13 June 2019, the Company has three options to extend the lease and each option is for five years. The monthly base rent is currently $15,000. The guaranteed monthly rent is subject to a 1-6% increase on each anniversary date of the lease, based on increases in the Consumer Price Index for San Diego County

d) On 8 March 2019, the five-year lease agreement dated 10 January 2017, as amended on 7 September 2018, for the property located at 3411 E. Anaheim St., Long Beach, California, containing approximately 1,856 square feet was assigned to NMG Long Beach. Under the terms of the amended lease agreement, the Company has one option to extend the lease for five years. The monthly base rent is $6,636.40 plus common area expenses, totaling $8,000 every month. The guaranteed minimum monthly rent is subject to a 5% increase on each anniversary date of the lease.

15. Commitments – *Continued*

e) On 21 August 2019, the Company entered into new and updated management and consulting agreements with the following individuals:

- President and the Interim Chief Executive Officer – $12,500 per month;
- Chief Financial Officer – CAD$10,000 per month;
- Chief Operating Officer – $15,000 per month;
- Corporate Secretary – CAD$7,500 per month;
- President of NMG and a director – $16,666 per month; and
- Former Chief Executive Officer and an advisor - $12,500 per month.

16. Investment Agreement

On 30 October 2018, the Company entered into the Investment Agreement with Australis. Pursuant to the terms of the Investment Agreement, Australis will acquire (i) 16,000,000 units of the Company (Note 11), and (ii) CAD$1,600,000 principal amount 8% unsecured convertible debentures (Note 10).

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

In addition, the Company will enter into a commercial advisory agreement with Australis Capital (Nevada) Inc. (“Australis Nevada”), a wholly-owned subsidiary of Australis, pursuant to which Australis Nevada will provide advisory and consulting services to the Company at $10,000 per month for a term ending on the date that is the earlier of: (i) five years following the closing of the transactions contemplated by the Investment Agreement, and (ii) the date Australis no longer holds 10% or more of the issued and outstanding Common Shares (Note 15). Subject to certain exceptions, Australis will be entitled to maintain its’ pro rata interest in the Company until such time as it no longer holds 10% or more of the issued and outstanding Common Shares.

Subject to applicable laws and the rules of the Canadian Securities Exchange (the “CSE”), for as long as Australis owns at least 10% of the issued and outstanding common shares, Australis will be entitled to nominate one director for election to the Board of Directors of the Company (the “Board”). If Australis exercises all of the warrants and converts all of the debentures purchased, Australis will be entitled to nominate a second director for election to the Board.

On 2 November 2018, the Company executed the Investment Agreement and completed the sale of securities pursuant to the Investment Agreement.

On 31 January 2019, the Company issued 1,768,545 common shares to Australis for proceeds of $787,123 pursuant to the Investment Agreement whereby the Company granted Australis anti-dilution participation rights to allow Australis to maintain a 35.783% ownership interest in the Company (Note 11).

17. Investment in NMG Ohio LLC

On 31 January 2019, the Company entered into a definitive agreement ("Definitive Agreement") to acquire 100% ownership of NMG Ohio. The Company will purchase the remaining 70% interest for total cash payments of $1,575,000 and issuance of 3,173,864 common shares of the Company (Note 8). As at 31 July 2019 the Company had issued 2,380,398 of the 3,173,864 common shares with a fair value of $1,448,805. During the year ended 31 July 2019, the Company made cash payments of $1,181,250. At 31 October 2019, the Definitive Agreement had not closed.

The remaining cash payments totaling $393,750 and the remaining issuance of 793,466 common shares are expected to be paid and issued upon completion of the remaining Definitive Agreement closing items.

Until such time as the Definitive Agreement closes, the Company will continue to account for its 30% ownership interest in NMG Ohio as an investment using the equity method of accounting. During the three months ended 31 October 2019, NMG Ohio recorded net revenues of $961,444, expenses of $669,273 and a net income of $292,171. The Company recorded an equity pickup of $87,651 relating to its 30% pro rata share of net income which was included in other items on the statement of operations.

	31 October 2019	31 July 2019
Opening balance	$ 3,465,902	$ 77,600
Acquisition costs: Common shares issued to vendors at fair value	-	1,448,805
Acquisition costs: Cash payments to vendors	-	1,181,250
Dispensary build-out related costs	16,469	573,633
License fees	-	100,000
Equity pickup	87,651	56,466
Foreign exchange	(1,377)	28,148
Total	$ 3,568,645	$ 3,465,902

Summarized financial information for NMG Ohio is as follows:

	31 October 2019
Current assets	$ 768,603
Non-current assets	853,383
Total assets	1,621,986
Current liabilities	465,933
Non-current liabilities	-
Total liabilities	465,933
Revenues	961,444
Gross profit	420,904
Net income	292,171
Net income attributable to the Company	$ 87,651

18. Investment in and advances to GLDH

Interim Agreement – 28 November 2018

On 28 November 2018, the Company entered into a binding interim agreement (the "Interim Agreement") with GLDH, a private company incorporated under the laws of Delaware, and David Barakett ("Barakett") whereby the Company agreed to acquire 100% of the issued and outstanding common shares of GLDH in connection with the issuance of convertible notes (the "Transaction"). GLDH holds a number of assets relating to the production and sale of cannabis products in the United States of America. The Transaction will be contingent upon the Company completing its due diligence.

The terms of the Interim Agreement include the following:

The Company shall issue to Barakett common shares of the Company (the "Earn Out Shares") based on the CSE listed 5-day VWAP of the common shares of the Company and at the USD/CAD exchange rate at the close of market on 27 November 2018. The common shares of the Company had a 5-day VWAP of CAD$0.7439 at a USD/CAD exchange rate of 1.3296 and as a result the Company agreed to issue up to a maximum of 11,255,899 common shares with a maximum consideration of US$6,297,580 or CAD$8,373,263. Barakett will be eligible to receive Earn Out Shares for a period of 12 months on the following basis:

1. upon GLDH obtaining all of (i) the Long Beach Recreational License; (ii) the San Diego Medical License; (iii) the San Diego Recreational License; and (iv) the San Diego State License ("Milestone I"), the issuance of Earn Out Shares to Barakett totalling 5,627,950 shares (50% of the total Earn Out Shares);
2. upon GLDH achieving total attributable revenues of at least US$3,300,000 over a period of three consecutive months from each of the Long Beach dispensary, the San Diego dispensary and Las Vegas ShowGrow ("Milestone II"), the issuance of Earn Out Shares to Barakeet totalling 4,502,360 (40% of the total Earn Out Shares); and
3. prior to the completion of Milestone I and Milestone II, and upon completion of a certain audit of GLDH showing no taxes outstanding or any unknown material liabilities for GLDH, the issuance of Earn Out Shares to Barakett totalling 1,125,589 shares (10% of the total Earn Out Shares).

Additionally, the Company made an investment into GLDH by way of a US$5,200,000 senior secured convertible note (the "Note") bearing interest at a rate of 20% per annum to be repaid to the Company on 28 November 2020 unless converted by the Company in accordance with the agreement. The Note is secured by a general security agreement and a UCC-1 financing statement in all U.S. states where GLDH has assets. Barakett provided a personal guarantee to the Company for the Note.

In order for the Company to fund the Note:

1. the Company entered into a loan agreement with Australis, whereby Australis provided the Company a two-year US$4,000,000 loan (Note 9); and
2. Australis exercised 3,206,160 common shares upon exercise of 3,206,160 warrants at a price of CAD$0.50 per common share for aggregate proceeds of approximately US$1,200,000 (Note 11).

18. Investment in and advances to GLDH – *Continued*

Definitive Agreement (Superseding Interim Agreement)

On 3 July 2019, the Company entered into the following agreements with GLDH and other third parties:

1. a definitive asset purchase agreement (the "Purchase Agreement") between the Company's wholly owned subsidiary, NMG Long Beach, LLC ("NMG LB"), GLDH and Airport Collective, Inc. to acquire 100% ownership interest in GLDH's Long Beach, California dispensary;
2. a settlement agreement ("NMG SD Settlement Agreement") between the Company and its subsidiaries, and GLDH and its subsidiaries, to acquire a 60% ownership interest in GLDH's San Diego, California dispensary; and
3. a lease assignment (the "Lease Assignment Agreement") on the San Diego operation between the Company's 60%-owned subsidiary, NMG San Diego, LLC ("NMG SD"), Green Road, LLC, Show Grow San Diego, LLC ("SGSD"), and SJJR LLC.

The Purchase Agreement, NMG SD Settlement Agreement and Lease Assignment agreement supersede the Interim Agreement and are subject to certain closing conditions including receipt of applicable licences.

1. The Purchase Agreement was executed under the following terms:

   The purchase price is USD$6,700,000 (the "Purchase Price"). The consideration under the Purchase Agreement includes the following on closing:

   i. The USD$5,200,000 Note is to be applied towards the Purchase Price; and

   ii. USD$1,500,000 to be paid in common shares of the Company at a price of CAD$0.7439 per common share to a maximum of 2,681,006 common shares (the "Share Payment") (issued) (Note 11) upon NMG LB receiving the transfer of all licenses, permits and BCC authorizations for NMG LB to conduct medical and adult-use commercial cannabis retail operations. The Share Payment is subject to reduction in the event there are undisclosed liabilities by GLDH and Airport Collective.

2. The NMG SD Settlement Agreement's consideration includes the following on closing:

   i. USD$500,000 to be paid in common shares (issued) (Note 11) to SGSD at a share price equal to the maximum allowable discount pursuant to Canadian Securities Exchange policies, upon execution of the settlement agreement;

18. Investment in and advances to GLDH – *Continued*

ii. USD$750,000 to be paid in common shares to Barakett at a price of CAD$0.7439 per common share to a maximum of 1,340,502 Common Shares (the "DB Share Payment") upon NMG SD receiving all licenses, permits and authorizations for NMG SD to conduct medical commercial cannabis retail operations. The DB Share Payment is subject to reduction whereby the reduction is tied to Barakett agreeing to pay the Company 40% of the NMG SD start-up costs; and

iii. USD$750,000 to be paid in common shares to Barakett at a price of CAD$0.7439 per common share to a maximum of 1,340,502 common shares (the "DB Additional Shares Payment") upon NMG SD receiving all licenses, permits and authorizations for NMG SD to conduct adult-use commercial cannabis retail operations. The DB Additional Shares Payment is subject reduction whereby the reduction is tied to Barakett agreeing to pay the Company 40% of the NMG SD start-up costs.

3. The Lease Assignment Agreement was executed under the following terms:

The Company is required to issue cash and share payments totaling USD$2,283,765 to the landlord as follows:

i. USD$750,000, payable in common shares (issued) (Note 11) at a share price equal to the maximum allowable discount pursuant to Canadian Securities Exchange policies, upon execution of the assignment agreement;

ii. USD$783,765, payable in cash, within 5 business days following execution of the assignment agreement (paid); and

iii. USD$750,000, payable in cash, including interest at 5% per annum, upon receipt of the San Diego Conditional Use Permit allowing adult-use commercial cannabis retail operations.

Additionally:

1. The Company is to provide a loan to GLDH in the amount of USD$200,000 at an interest rate of 12% per annum, accrued and compounded quarterly and due within 3 years (provided);

2. The Company is to enter into a consulting agreement with Barakett through NMG LB to provide certain consulting and advisory services to NMG LB, agreeing to pay Barakett a total of USD$200,000 ($50,000 paid in fiscal 2019 and additional $90,000 paid during the period);

3. The Company will forgive approximately USD$800,000 for prior operating loans advanced by the Company to GLDH; and;

18. Investment in and advances to GLDH – *Continued*

4. The Company licenses certain intellectual property from Green Light District Management, LLC and GLDH (collectively referred to as "Licensor"). The Licensor grants the Company a perpetual license to utilize its operational intellectual property consisting of customer data, sales data, customer outreach strategies standard operating procedures, and other proprietary operational intellectual property. Licensor grants the Company a license for 2 years to utilize intellectual property such as trademarks and branding (the "Branding IP"). As consideration for the licenses, the Company has agreed to utilize the Branding IP until 19 June 2021 at the Company's premises and at the San Diego retail locations for a period of 2 years from operations commencing at that location. Additionally, the Company agreed to pay the Licensor 3% of gross receipts from sales at the Company's premises.

The total investment in GLDH at 31 October 2019 and 31 July 2019 is as follows:

	31 October 2019	31 July 2019
Note receivable	$ 7,373,036	$ 5,200,000
Share issuances	2,752,782	-
Interest income accrued on the Note	260,000	693,333
Advances for working capital	512,506	666,876
Lease Assignment Agreement payment	-	783,765
Foreign exchange	-	29,062
Total	$ 10,898,324	$ 7,373,036

19. Other Investments

The Company and NMG Cathedral City ("NMG CC") entered into a management and administrative services agreement (the "Management Agreement") with Satellites Dip, LLC, ("SD"), a licensed cannabis business conducting commercial cannabis activity within the state of California. The one year Management Agreement commenced on 6 June 2019 (Note 21) and encompasses the following:

a. Management Fee: NMG CC will be paid a management fee of 30% of Net Profits or $10,000 per month, whichever is greater;

b. Brand Licensing: NMG CC shall work to broker commercial arrangements between SD and third-party cannabis brand owners whereby SD licenses commercial cannabis brands from third parties in connection with SD's commercial cannabis activity in exchange for a license fee;

c. Equipment and Capital: NMG CC shall furnish all equipment and machinery necessary for SD's manufacturing of the Branded Products. Any equipment provided by NMG CC to SD shall be owned by NMG CC in its entirety and, subject to SD's approval of the terms, leased to SD pursuant to an Equipment Lease Agreement entered into between NMG CC and SD, dated 6 June 2019; and

d. Loan: The Parties have entered into a certain secured loan agreement dated 6 June 2019 whereby NMG CC has loaned SD $250,000 (the "Loan") to be used solely in connection with SD's commercial cannabis activity. The Loan shall be due and payable on 6 June 2020 (the "Maturity Date") and shall bear interest at a rate of 12% per annum which shall be accrued, compounded quarterly and payable on the Maturity Date. The Loan will be secured by a security interest in and to all of SD's assets.

20. Lease Liabilities

a) On 10 November 2017, NMG entered into a revised five-year lease agreement for the property located at 3375 Pepper Lane, Las Vegas, NV, containing approximately 18,000 square feet. The Company has four options to extend the lease and each option is for five years. The monthly rent was $12,500 plus common area expenses, which increased to $12,875 plus common area expenses on 1 January 2019. The guaranteed minimum monthly rent is subject to a 2% increase on each anniversary date of the lease.

b) On 9 April 2019, NMG entered into a three-year lease agreement for the property located at 6420 Sunset Corporate Drive, Las Vegas, NV, containing approximately 7,700 square feet. The Company has one option to extend the lease for an additional three-year term and an option to purchase the property at any point during the initial term. The monthly rent is $6,026 plus $1,129 in common area expenses, totaling $7,156 every month.

On adoption of ASC 842, Lease Accounting, the Company recognized right-of-use assets (Note 7), and a corresponding increase in lease liabilities, in the amount of $1,187,116 which represented the present value of future lease payments using a discount rate of 12% per annum. The Company adopted the modified retrospective approach on adopting ASC 842 and accordingly the adoption was made effective August 1, 2019, with no restatement of the prior year comparatives.

During the three months ended 31 October 2019, the Company recorded a lease expense of $56,704 related to the accretion of lease liabilities and the depreciation of right-of-use assets.

Supplemental cash flow information related to leases was as follows:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	$ 56,704
Right-of-use assets obtained in exchange for lease obligations:	
Operating leases	$ 1,187,116
Weighted-average remaining lease term – operating leases	7.46 years
Weighted-average discount rate – operating leases	12%

Maturities of lease liabilities were as follows:

Year Ending 31 July	Operating Leases
2020	$ 153,798
2021	223,398

2022	240,530
2023	248,403
2024	254,438
2025	257,827
2026	176,312
2027	179,838
2028	60,340
Total lease payments	$ 1,794,884
Less imputed interest	(650,857)
Total	$ 1,144,027

21. Subsequent Events

On 30 November 2019, NMG CC entered into a settlement and release agreement (the "Settlement Agreement") with SD whereby NMG CC and SD agreed to terminate the Management Agreement and to enter into a mutual release of any and all claims related to the Management Agreement, subject to the terms of the Settlement Agreement.

As of 30 November 2019, SD owed NMG CC management fees (the "Monies Owed") under the Management Agreement. In consideration of NMG CC's discharge of the Monies Owed, SD has agreed to pay NMG CC one-hundred percent (100%) of all proceeds received from the sale of all or any part of its inventory (the "Inventory") as of 1 November 2019. Pursuant to the Settlement Agreement, SD shall provide monthly updates of the remaining Inventory until the Inventory has been fully exhausted. NMG CC will determine the sale price for any item in Inventory subject to the Settlement Agreement.

Brand Director Agreement

On 30 November 2019, NMG CC entered into a brand director agreement (the "Brand Director Agreement") with SD. Pursuant to the Brand Director Agreement, SD has engaged NMG CC to provide certain advisory and brand director services in connection with SD's manufacture of Company-branded products, as well as certain other products (the "Managed Products") as agreed to by NMGCC (the "Brand Director Services"). The initial term of the Brand Director Agreement is six months and the parties may renew the Brand Director Agreement for successive three-month renewal periods.

The Brand Director Services include: (a) managing SD's production of the Managed Products; (b) payment of a reimbursement fee to SD equal to the amount of direct costs and direct taxes applicable to the Managed Products; (c) managing inventory of the Managed Products; and (d) directing SD to enter into distribution agreements and sale agreements with third-party commercial cannabis licensees for the distribution and sale of the Managed Products in accordance with applicable law. Pursuant to the Brand Director Agreement, NMG CC will pay a monthly fee (the "Contribution Fee") of $5,000 to SD. In connection with the Brand Director Agreement, as partial repayment for the principal and interest accrued under a certain loan agreement (the "Loan Agreement") between NMG CC and SD dated 6 June 2019, SD waives payment of the Contribution Fee for the first five (5) months of the Brand Direction Agreement.

In consideration for the Brand Director Services, SD (as the "Licensee") has agreed to pay NMG CC (in its capacity as the "Brand Director") a brand director fee for each calendar month during the term of the Brand Director Agreement, whereby Licensee shall pay to Brand Director a fee to be calculated as follows: (x) net revenue for a single calendar month, multiplied by, (y) seventy-five percent (75%); (z) plus any fees to be paid to NMG CC in connection with the equipment lease agreement (the "Equipment Lease Agreement") dated 6 June 2019 (the "Equipment Lease Fee") added to the product of (x) and (y), the (q) total amount shall be the fee paid to NMG CC. If the net revenue, minus the product of (x) and (y) is less than the Equipment Lease Fee in any given month, the difference shall carry over to the subsequent month, to be added to that month's Equipment Lease Fee, or the difference may be paid by Licensee at its sole option.

Brand License Agreement

On 30 November 2019, DEP entered into a brand license agreement (the "License Agreement") with SD. Pursuant to the License Agreement, DEP granted SD a non-exclusive, non-transferable, and non-sub-licensable right (the "License") to use certain licensed marks in connection with or on licensed products, solely in connection with SD's commercial cannabis activity in California. In consideration for the License, SD will pay DEP a monthly fee equal to $100, payable on a quarterly basis.

During the term of the License Agreement, SD must remain in compliance with all state and local cannabis rules and regulations in California, and maintain valid commercial cannabis licenses. SD will follow the guidance of DEP and only utilize packaging and labelling materials purchased from (or at the direction of) DEP. The License Agreement will be in full force and effect for the duration of the Brand Director Agreement.

Equipment Purchase Agreement

On 30 November 2019, NMG CC and SD entered into an equipment purchase agreement (the "Equipment Purchase Agreement") pursuant to which NMG CC agreed to purchase certain equipment (the "Equipment") from SD. The aggregate purchase price for the Equipment is $235,684.93 and will be applied to the outstanding balance under the Loan Agreement.

First Amendment to the Equipment Lease Agreement

On 30 November 2019, NMG CC and SD entered into an amendment (the "First Amendment") to the Equipment Lease Agreement. Pursuant to the First Amendment, NMG CC and SD amended (i) the term of the Equipment Lease Agreement to be coterminous with the Brand Director Agreement; and (ii) to update the equipment being leased pursuant to the Equipment Lease Agreement and to update the monthly rental rate for the equipment being leased.

Release & Satisfaction of Loan Agreement

On 30 November 2019, NMG CC and SD entered into a release and satisfaction of loan agreement (the "Release Agreement"). Pursuant to the Release Agreement, NMG CC agreed that all indebtedness of SD to NMG CC arising from the Loan Agreement (and promissory note issued in connection with the Loan Agreement) is hereby satisfied and discharged in full. The release is granted based on SD's obligations and duties pursuant to the Equipment Purchase Agreement and its five (5) month waiver of the Contribution Fee under the Brand Director Agreement.

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The terms "BAM", "Company", "we", "our", and "us" refer to Body and Mind Inc. unless the context suggests otherwise.

FORWARD-LOOKING STATEMENTS

The following management's discussion and analysis of the Company's financial condition and results of operations (the "MD&A") contains forward-looking statements that involve risks and uncertainties. All statements, other than statements of historical facts, included in this Form 10-Q that address activities, events or developments that we expect, believe or anticipate will or may occur in the future are forward-looking statements. These forward-looking statements are based on assumptions which we believe are reasonable based on current expectations and projections about future events and industry conditions and trends affecting our business. However, whether actual results and developments will conform to our expectations and predictions is subject to a number of risks and uncertainties that, among other things, could cause actual results to differ materially from those contained in the forward-looking statements, including, without limitation, the Risk Factors set forth in our Annual Report on Form 10-K for the fiscal year ended July 31, 2019, including the consolidated financial statements and related notes contained therein. These factors, or any one of them, may cause our actual results or actions in the future to differ materially from any forward-looking statement made in this document. Refer to "Forward-looking Statements" as disclosed in our Annual Report on Form 10-K for the fiscal year ended July 31, 2019.

Introduction

This MD&A is focused on material changes in our financial condition from July 31, 2019, our most recently completed year end, to October 31, 2019, and our results of operations for the three months ended October 31, 2019, and should be read in conjunction with Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations as contained in our Annual Report on Form 10-K for the fiscal year ended July 31, 2019.

Company Overview

Body and Mind is a multi-state cannabis operator, which has retail, distribution, cultivation, and/or processing operations in Nevada, California, Arkansas and Ohio.

Our platform approach to expansion focuses on limited license states and jurisdictions, entering new markets through lower cost license applications and opportunistic/targeted acquisitions.

We have developed the marquis lifestyle "Body and Mind" brand in Nevada with strong penetration into dispensaries and have recently expanded our brand and products to dispensaries in California. The Body and Mind brand appeals to a wide range of cannabis consumers with products including flower, oils, extracts (wax, live resin, ambrosia) and edibles.

We have a long track record of producing award-winning cannabis products and we have success with licensing to manufacture for brands. We are in the process of constructing a larger production facility in Nevada.

We are a Nevada corporation that, through our wholly-owned subsidiary, Nevada Medical Group, LLC ("**NMG**"), are engaged in the cultivation and production of medical and adult-use recreational marijuana products. NMG produces cannabis flower, oil extracts and edibles under license in the state of Nevada, which are available for sale under the brand name "Body and Mind" in dispensaries in Nevada. In California, we, through our wholly-owned subsidiary NMG Cathedral City, LLC ("**NMGCC**"), were managing a licensed cannabis business conducting commercial cannabis activity in Cathedral City, California pursuant to a management agreement with Satellites Dip, LLC ("**SD**") who is the actual licensed manufacturer until November 30, 2019. On November 30, 2019, we along with NMGCC entered into a settlement agreement with SD with respect to the management agreement and NMGCC entered into a brand director agreement with SD whereby NMGCC has been engaged to provide certain advisory and brand director services in connection with SD's manufacture of Company-branded products, as well as certain other products as agreed to by NMGCC as more fully described in our Current Report on Form 8-K filed with the SEC on December 5, 2019. In addition, as part of the revised arrangement with SD, our wholly-owned subsidiary, DEP Nevada Inc. ("**DEP**") entered into a brand license agreement with SD whereby DEP has granted SD a non-exclusive, non-transferable, and non-sub-licensable right to use certain licensed marks in connection with or on licensed products as more fully described in our Current Report on Form 8-K filed with the SEC on December 5, 2019. Our products are sold and distributed to numerous licensed dispensaries throughout California.

Our common stock is listed on the Canadian Securities Exchange under the symbol "BAMM", has been admitted to trade on the OTCQB Venture Market under the symbol "BMMJ", and is registered under section 12(g) of the Securities Act of 1934, as amended. We are also a reporting issuer under the Securities Acts of British Columbia and Ontario.

Our head office located at 750 – 1095 West Pender Street, Vancouver, British Columbia, Canada V6E 2M6.

Development of Our Business

Incorporation and Early Corporate History

We were incorporated on November 5, 1998 in the State of Delaware under the name Concept Development Group, Inc. In May 2004, we acquired 100% of Kaleidoscope Venture Capital, Inc. (formerly Vocalscape Networks, Inc.) and changed our name to Vocalscape, Inc. In November 2005, we changed our name to Nevstar Precious Metals Inc. In September 2008, we changed our name to Deploy Technologies Inc. ("**Deploy Tech**") and effective November 14, 2017, we changed our name to Body and Mind, Inc. ("**Body and Mind**").

On September 15, 2010, we incorporated a wholly-owned subsidiary, Deploy Acquisition Corp. ("**Deploy**") under the laws of the State of Nevada, USA. On September 17, 2010, Deploy completed a merger with Deploy Tech, its former parent company, pursuant to which Deploy was the surviving corporation and assumed all the assets, obligations and commitments of Deploy Tech. Upon the completion of the merger Deploy assumed the name "Deploy Technologies Inc." and all of the issued and outstanding common stock of Deploy Tech was automatically converted into and became Deploy's – that is, our Company's issued and outstanding common stock.

On May 10, 2011, we registered as an extra-provincial company in British Columbia, and on September 30, 2011, we filed a certificate of amendment with the Nevada Secretary of State to designate 2,900,000 shares of our authorized capital stock as Class A Preferred Shares (the "**Preferred Shares**"). On September 2, 2014, we filed a certificate of amendment with the Nevada Secretary of State increasing the authorized Preferred Shares from 2,900,000 shares to 20,000,000 shares.

On November 11, 2014, we filed a certificate of change with the Nevada Secretary of State whereby we reverse split our authorized as well as the issued and outstanding shares of common stock (the "**Common Shares**") on the basis of one (1) new share for ten (10) old shares. This resulted in a reduction of our authorized capital from 100,000,000 Common Shares to 10,000,000 Common Shares, and a reduction of our issued and outstanding Common Shares from 23,130,209 Common Shares to approximately 2,313,021 Common Shares. On April 11, 2017, we filed a certificate of amendment with the Nevada Secretary of State to increase the authorized capital from 10,000,000 Common Shares to 900,000,000 Common Shares.

Acquisition of Nevada Medical Group, LLC

On August 10, 2017, we incorporated a wholly-owned subsidiary, DEP Nevada Inc. ("**DEP**"). On September 14, 2017, we, with DEP, entered into a definitive agreement (the "**Share Exchange Agreement**") with Nevada Medical Group, LLC ("**NMG**"), an arm's length party, to carry out the business combination transaction initially announced on May 17, 2017, following the signing of the letter of intent between Toro Pacific Management Inc. ("**Toro**") and NMG (the "**Letter of Intent**"), which was assigned to us pursuant to an assignment and novation agreement among Toro, NMG, and our Company dated effective May 12, 2017 (the "**Assignment Agreement**"). Pursuant to the Assignment Agreement, Toro received 470,000 of our Common Shares.

Pursuant to the Share Exchange Agreement, we changed our name to “Body and Mind, Inc.”, effective on November 14, 2017, by filing a certificate of amendment with the Nevada Secretary of State; at the same time, we cancelled our entire authorized class of Preferred Shares. In addition, on November 14, 2017, we filed a certificate of change with the Nevada Secretary of State whereby we reverse split our issued and outstanding Common Shares on the basis of one (1) new share for three (3) old shares (the “**Consolidation**”) which resulted in there being 28,239,876 Common Shares issued and outstanding post-Consolidation. DEP, our wholly-owned subsidiary, acquired all of the issued and outstanding securities of NMG in exchange for the issuance of our Common Shares on a post-Consolidation basis and certain cash and other non-cash consideration, as further described below (the "**Acquisition**"). Completion of the Acquisition resulted in a fundamental change under the policies of the Canadian Securities Exchange (the “**CSE**”). Subsequent to completion of the Acquisition, we filed articles of exchange with the Nevada Secretary of State.

We completed a concurrent equity financing to raise aggregate gross proceeds of CAD$6,007,429.89 through the issuance of subscription receipts (the “**Subscription Receipts**”), at a pre-Consolidation price of CAD$0.22 per Subscription Receipt (the “**Concurrent Financing**”). On November 14, 2017, each Subscription Receipt was exchanged in accordance with its terms, for no additional consideration, for one pre-Consolidation Common Share and one common share purchase warrant (each a “**Warrant**”) of the Company. Each Warrant is exercisable by the holder 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 May 14, 2018, if the closing trading price of the Common Shares is equal to or greater than CAD$1.20 for seven consecutive trading days, at which time we 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.

In consideration for all of the issued securities of NMG, the NMG securityholders (collectively, the “**NMG Members**”) received, on a pro rata basis, (a) 16,000,000 post-Consolidation Common Shares (the “**Payment Shares**”) at a deemed price of CAD$0.66 per share (the “**Share Exchange**”), and (b) $2,000,000 cash. We also issued five non-interest bearing promissory notes in the aggregate principal amount of $2,000,000 (the “**Promissory Notes**”), as follows: we issued a promissory note in the principal amount of $450,000 to MBK Investments, LLC; we issued a Promissory Note in the principal amount of $450,000 to the Rozok Family Trust; we issued a Promissory Note in the principal amount of $490,000 to KAJ Universal Real Estate Investments, LLC; we issued a Promissory Note in the principal amount of $120,000 to NV Trees, LLC; and we issued a Promissory Note in the principal amount of $490,000 to SW Fort Apache, LLC. The Promissory Notes were secured by a senior priority security interest in all of our assets, and are due to be repaid 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 were to be closed in an aggregate amount of not less than $5,000,000, then within 30 days of the closing date of such subsequent financing. We assumed NMG’s obligations pursuant to a loan in the amount of $400,000, payable to TI Nevada, LLC, (“**TI Nevada**”) of which US$225,000 was paid on the Closing Date (as defined below) and the remaining $175,000, which was secured by a senior priority security interest in all of our assets, will be paid within 15 months of the Closing Date. Furthermore, we reimbursed NMG ($84,000) for expenditures incurred prior to the Closing Date which were related to the acquisition of production equipment.

Any Payment Shares received by a “Related Person” (as defined in the CSE Policy 1) in connection with the Acquisition, and certain other Payment Shares as may be required by the CSE (“**Escrow Shares**”), are subject to escrow conditions prescribed by the CSE pursuant to the terms of an agreement (the “**Escrow Agreement**”) entered into among us, the holders of Escrow Shares and New Horizon Transfer Inc., the escrow agent. Payment Shares received by the former members of NMG are subject to escrow under the rules and policies imposed by the CSE, and are further subject to voluntary pooling agreements entered into between us and the former members of NMG (the “**Voluntary Pooling Agreements**”), pursuant to which the Payment Shares will be released from pooling to the former members of NMG in accordance with the following schedule:

6 months after the Closing Date	10% of the respective Payment Shares
12 months after the Closing Date	20% of the respective Payment Shares
18 months after the Closing Date	25% of the respective Payment Shares
24 months after the Closing Date	45% of the respective Payment Shares

The Acquisition closed on November 14, 2017 (the "**Closing Date**"). On completion of the Acquisition, we assumed the business of NMG, being the cultivation and production of medical marijuana products.

On December 18, 2017, we reached an agreement with a real estate investment group, led by NMG's President, Robert Hasman, who intended to purchase a building adjacent to our existing facility and lease it back to a newly formed entity 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 a dispensary chain in the State of Nevada. The other PLN member intended to transfer an active cultivation license to the PLN facility and all expenditures under PLN were to be funded on a 50/50 basis by the PLN members.

The new facility was expected to primarily consist of flowering rooms as production, packaging, distribution, and head office functions were to remain at the existing facility. We had also earmarked approximately 4,000 square feet of frontage for a dispensary upon receipt of a retail license. It was contemplated that at least half of the sales under PLN would be sold to the other PLN member through their existing dispensary network. In addition, we had signed an operating and management agreement with PLN and were to receive the greater of $15,000/month or 10% of PLN's net profits.

Prior to forming PLN, the members of PLN engaged surveyors to ensure compliance with permitting procedures and that PLN would receive the necessary approvals to move forward. Subsequent to January 31, 2018 we were notified that a church was located in close proximity of the building and that permitting was unlikely to proceed. We filed an insurance claim with the surveyor's insurer to recover our out of pocket damages. As a result of these events, the lease and partnership agreements with PLN have been terminated. The company has decided not to legally pursue the claim against the survey company.

Convertible Loan and Management Agreements with Comprehensive Care Group LLC

On March 19, 2018, we, acting through our wholly-owned subsidiaries DEP and NMG, entered into a convertible loan agreement (the "**Convertible Loan Agreement**") and a management agreement (the "**Management Agreement**"), respectively, with Comprehensive Care Group LLC ("**CCG**"), an Arkansas limited liability company, with respect to the development of a medical marijuana dispensary, 50 plant cultivation facility in West Memphis, Arkansas. Each of the Convertible Loan Agreement and the Management Agreement are effective as of March 15, 2019.

Pursuant to the Convertible Loan Agreement, DEP has agreed to make loan advances to CCG from time to time in the aggregate principal amount of up to $1,250,000. The loan proceeds are to be used to fund the construction of the medical marijuana dispensary facility, and to provide working capital to cover initial operating expenses. All pre-construction activities for the dispensary have been completed, and substantial construction progress has been made, with interior framing 90% complete in the dispensary and cultivation areas. Work is in-progress on roughing in chase ways for power upgrades while electrical rough-in remains ongoing throughout the project. Additionally, HVAC ductwork is 90% complete in the dispensary area.

The parties may mutually agree to adjust the amount of the loan to an increased amount or a lesser amount from time to time based on CCG's reasonable operational and construction needs, as set forth in one or more budgets to be prepared by CCG and presented to DEP. The interest on outstanding advances will be fixed at a rate of $6,000 per month until such time as the parties mutually agree to increase the interest to a fixed rate of $10,000 per month, payable monthly in arrears on or before the first calendar day of each month commencing March 1, 2019. CCG is not obligated to repay any principal outstanding under the loan until March 30, 2021. Either CCG or DEP may unilaterally extend the maturity date by one year, and may thereafter continue to extend the maturity date on a yearly basis by increments of one year (each, an "**Extension Option**") by providing written notice of the exercise of the Extension Option by the party seeking an extension to the other party; provided, however, that under no circumstances shall any extended maturity date extend beyond the expiration of the term of the Management Agreement entered into between NMG and CCG.

Upon the latter of: (a) one year after granting of a medical marijuana dispensary license by the Arkansas Medical Marijuana Commission to CCG, or (b) one year after entering into the Convertible Loan Agreement, DEP may, in its sole discretion, subject to DEP providing all reasonable assistance to obtain all necessary approvals from the applicable government authorities to engage in the medical marijuana dispensary business, elect to convert all of the outstanding indebtedness into preferred units of CCG equal to 40% of the overall member units of CCG, subject to approval of the Arkansas Medical Marijuana Commission, with the following preferred rights: (i) the right to an allocative share of 66.67% of the net profits of CCG (as defined in the Convertible Loan Agreement) and the right to distributions equal to 66.67% of the net profits on a monthly basis; (ii) the right to a 66.67% share of CCG's assets upon dissolution of CCG; and (iii) the right to 66.67% of all voting rights of members of CCG.

Pursuant to the Management Agreement, NMG has agreed to provide operations and management services to CCG, (including management, staffing, operations administration, oversight and other related services), in relation to CCG's retail facility located in West Memphis, Arkansas. In consideration for such services, commencing on the effective date (March 15, 2019), CCG has agreed to pay NMG a monthly management fee in the amount equal to 66.67% of the Monthly Net Profits (as defined below) of CCG for the immediately-preceding month, all as determined in a manner mutually agreeable to NMG and CCG. Notwithstanding the foregoing, in the event that DEP exercises its conversion right under the Convertible Loan Agreement, then NMG's monthly management fee shall be fixed at $6,000.00 per month, unless otherwise agreed by the parties in writing. For purposes of the Management Agreement, "Monthly Net Profits" means, for each calendar month, an amount equal to CCG's gross revenue for such calendar month less CCG's operating expenses (including all applicable expenses as set out under Section 2 of the Management Agreement, cost of goods sold, interest, and tax for said month), as reasonably determined in accordance with generally accepted accounting principles. The remaining 33.33% of the Monthly Net Profits is to be paid to CCG, which it, in its sole discretion, may distribute to its owners.

Acquisition of NMG Ohio LLC

At the time we acquired NMG, it already owned a 30% interest in NMG Ohio, LLC ("**NMG Ohio**"). On or around June 7, 2018, NMG Ohio was notified by the State of Ohio that it was awarded a medical cannabis dispensary license and a provisional production license. NMG Ohio has a cannabis dispensary carrying on business as "The Clubhouse" in Elyria, Loraine County, Ohio. On January 31, 2019, we through NMG entered into a definitive agreement to acquire the remaining 70% interest in NMG Ohio. The consideration for the remaining 70% interest in NMG Ohio is to consist of cash payments totaling $1,575,000 and 3,173,864 common shares of the Company. As at the date hereof, we have issued 2,380,398 of the 3,173,864 common shares with a fair value of $1,448,805, and paid approximately $600,000. Closing of the acquisition remains subject to receipt of regulatory approval.

Strategic Investment and Commercial Advisory Agreements with Australis Capital Inc.

On October 30, 2018, we entered into a strategic investment agreement (the "**Investment Agreement**") with Australis Capital Inc. ("**Australis**"), an Alberta corporation that has its common shares listed on the Canadian Securities Exchange (the "**CSE**"), whereby Australis agreed to acquire:

(a) 16,000,000 units of our Company, with each unit being comprised of one share of our common stock and one common share purchase warrant at a purchase price of CAD$0.40 per unit, for gross proceeds of CAD$6,400,000; and

(b) CAD$1,600,000 principal amount 8% unsecured convertible debentures (the "**Debentures**") of our Company having a maturity date of two years from the date of issue. The Debentures are convertible at the option of Australis into common shares of our Company at a conversion price equal to CAD$0.55 per common share up to the maturity date, subject to adjustment and acceleration in certain circumstances. If, at any time prior to the maturity date, the closing price of our common shares on the CSE (or such other stock exchange on which our common shares are then listed) is equal to or greater than CAD$1.65 for 20 consecutive trading days, our Company may force the conversion of the then outstanding principal amount of the debentures (and any accrued and unpaid interest thereon) at the then applicable conversion price on not less than 10 business days' notice to Australis. On July 1, 2019, we entered into a conversion agreement with Australis, whereby Australis has agreed to convert the Debenture on July 1, 2020. Upon execution of the conversion agreement, we remitted CAD$148,339.72 to Australis as an advanced interest payment for the period from November 2, 2018 to July 1, 2020. Upon conversion of the Debenture, Australis will receive 2,909,091 Common Shares of our Company, to be issued at a deemed valued of CAD$0.55 per Common Share.

Pursuant to the Investment Agreement, we entered into a commercial advisory agreement (the "**Commercial Advisory Agreement**") with Australis Capital (Nevada) Inc. ("**Australis Nevada**"), a wholly-owned subsidiary of Australis, pursuant to which Australis Nevada has agreed to provide advisory and consulting services to our Company for a fee of $10,000 per month payable on the first day of each month for a term ending on the date that is the earlier of (i) five years following the closing of the transactions contemplated by the Investment Agreement, and (ii) the date Australis no longer holds 10% or more of our Company's issued and outstanding common shares.

Pursuant to the terms of the Investment Agreement and subject to certain exceptions, Australis will be entitled to maintain its pro rata ownership interest the Company until such time as it no longer holds 10% or more of our Company's issued and outstanding common shares.

Pursuant to the terms of the Investment Agreement and subject to applicable laws and the rules of the CSE, for as long as Australis owns at least 10% of our issued and outstanding common shares, Australis will be entitled to nominate one director for election to our Board of Directors of the Company. If Australis exercises all of its warrants and converts all of its debentures, Australis will be entitled to nominate a second director for election to our Board of Directors. Further, for as long as Australis maintains ownership of at least 25% of our issued and outstanding common shares, Australis will be entitled to maintain two directors on our Board of Directors, provided that each director nominee must meet the requirements of applicable corporate, securities and other laws and rules of the CSE. Mr. Scott Dowty, Chief Executive Officer and a director of Australis, was initially appointed as a director of our Company to replace then-existing board member Chris Macleod, upon closing of Australis's strategic investment under the Investment Agreement on November 2, 2018, however, on October 16, 2019, Brent Reuter replaced Mr. Dowty as Australis' nominee on our Board of Directors as Mr. Dowty resigned.

With respect to the proceeds from the financing, the Investment Agreement directed that the proceeds will only be used by our Company as follows, unless otherwise agreed to in writing by Australis:

(a) a maximum of CAD$400,000 to pay outstanding accounts payable, of which only CAD$300,000 was allowed to be used to pay an advisory fee to Canaccord Genuity Corp.;

(b) $1,175,000 was used by our Company as partial payment of promissory notes held by certain creditors, of which a balance of $1,000,000 remained owing to the creditors after application of the partial payments;

(c) $1,925,000 will be used by our Company for strategic acquisitions and/or investment opportunities within the State of Ohio;

(d) $1,650,000 will be allocated to the development, build out and equipment purchases for NMG Ohio's dispensary and/or production facility, unless the parties agree to allocate the funds to the development of our Company's production facility in Nevada;

(e) $600,000 will be applied by our Company purchase trim from third parties; and

(f) the balance of the proceeds will be allocated towards the working capital of the Company.

Transaction and Settlement with Green Light District Holdings Inc. – ShowGrow Long Beach and San Diego

Prior Agreement with Green Light District Holdings Inc.

On November 28, 2018, we entered into an interim agreement (the "**Prior GLDH Agreement**") with Green Light District Holdings Inc. ("**GLDH**"), a private company incorporated under the laws of Delaware, and David Barakett, whereby our Company agreed to acquire up to 100% of the issued and outstanding common shares of GLDH. We concurrently made a strategic investment in a senior secured convertible note issued by GLDH in the principal amount of $5,200,000 (the "**Prior GLDH Note**"), bearing interest at the rate of 20% per annum and maturing on November 28, 2020.

GLDH is the owner of the ShowGrow dispensary brand, and owner of:

(a) the ShowGrow Long Beach dispensary,

(b) 43% of the equity interest and 60% of the voting rights in the ShowGrow San Diego dispensary, and

(c) 30% of the equity interest in the ShowGrow Las Vegas dispensary.

GLDH is also the owner of the ShowGrow app. The dispensaries are in various stages of licensing: Long Beach has a medical and adult use commercial license, San Diego has a medical commercial cannabis retail conditional use permit, and Las Vegas has a recreational license. GLDH focuses on building dispensaries in high volume locations.

In order to fund our Company's original investment in GLDH, Australis advanced a $4,000,000 loan which is evidenced by a senior secured note dated November 28, 2018, bearing an interest rate of 15% per annum and maturing in two years. The terms require semi-annual interest payments unless we elect to accrue the interest by adding it to the principal amount of the debt facility. We may prepay the loan at any time, in any amount, subject to a 5% prepayment penalty on any amount repaid within the first year of the loan. Additionally, Australis exercised $1.2 million in warrants they held in our Company at an exercise price of CAD$0.50, which equated to 3,206,160 common shares.

We paid a financing fee to Australis in the approximate amount of CAD$795,660, by issuing 1,105,083 common shares of our Company at a deemed price of CAD$0.72 per share. We also paid a financial advisory fee of CAD$150,000 in cash.

Original Settlement and Release Agreement

On June 19, 2019, our Company, our indirect wholly-owned subsidiary, NMG Long Beach, LLC ("**NMG Long Beach**"), and our 60% owned subsidiary, NMG San Diego, LLC ("**NMG San Diego**"), entered into a settlement agreement (the "**Original GLDH Settlement Agreement**") with GLDH, The Airport Collective, Inc. ("**Airport Collective**"), Mr. Barakett, and SGSD, LLC ("**SGSD**"). SGSD was the commercial tenant at 7625 Carroll Road, San Diego, California 92121 (the "**San Diego Location**").

Pursuant to the Original GLDH Settlement Agreement, our Company, GLDH, and Mr. Barakett agreed to restructure the Prior GLDH Agreement, and enter into a mutual release of all claims related to the Prior GLDH Agreement.

In connection with the settlement, (a) SGSD agreed to assign its lease for the San Diego Location to NMG San Diego, and (b) GLDH, Airport Collective and NMG Long Beach have entered into an asset purchase agreement dated June 19, 2019 (the "**Asset Purchase Agreement**"), pursuant to which NMG Long Beach has agreed to purchase all of the assets of GLDH and Airport Collective utilized in the medical and adult-use commercial cannabis retail business at 3411 E. Anaheim St., Long Beach, CA 90804 (the "**Long Beach Location**").

Amended and Restated Settlement and Release Agreement

On June 28, 2019, our Company, NMG Long Beach, NMG San Diego, GLDH, Airport Collective, Mr. Barakett, and SGSD entered into an amended and restated settlement and release agreement (the "**Amended GLDH Settlement Agreement**") which supersedes and replaces the Original GLDH Settlement Agreement. Pursuant to the Amended GLDH Settlement Agreement, the parties agreed as follows:

i. GLDH, Airport Collective, and Mr. Barakett have agreed to release our Company from all claims related to the Prior GLDH Agreement upon closing of the Asset Purchase Agreement in consideration of the following:

   A. our Company will pay Mr. Barakett or his designee USD$750,000 by issuing Common Shares at a price of CAD$0.7439 per share, with the number of shares being calculated with reference to a negotiated CAD/USD exchange rate of CAD1.3296:USD$1.00 (the "**Agreed Foreign Exchange Rate**"), for a total possible issuance of 1,340,502 Common Shares; such issuance is contingent on NMG San Diego receiving all licenses, permits, and authorizations required for NMG San Diego to conduct medical commercial cannabis retail operations at the San Diego Location (the "**SD Medical Licenses**");

B. our Company will pay Mr. Barakett or his designee USD$750,000 by issuing Common Shares at a price of CAD$0.7439 per share, with the number of shares being calculated with reference to the Agreed Foreign Exchange Rate for a total possible issuance of 1,340,502 Common Shares; such issuance is contingent on NMG San Diego receiving all licenses, permits, and authorizations required for NMG San Diego to conduct adult-use commercial cannabis retail operations at the San Diego Location (the "**SD Adult-use Licenses**"); and

C. our Company will pay certain legal and consulting expenses incurred by GLDH, Airport Collective and Barakett in an aggregate amount of US$90,500; and

ii. SGSD agreed to assign its lease for the San Diego Location to NMG San Diego, and to release our Company, NMG Long Beach and NMG San Diego from any and all claims, in consideration of the payment by our Company of a total of USD$500,000 to SGSD's members, to be paid and satisfied by the issuance of Common Shares to them at the maximum discount allowed by the CSE.

NMG San Diego is owned 60% by the Company's subsidiary, DEP Nevada, Inc. and 40% by SJJR, LLC ("**SJJR**"). Mr. Barakett has agreed to cover SJJR's portion of all start-up costs associated with NMG San Diego establishing commercial cannabis operations at the San Diego Location, inclusive of: (i) the costs associated with becoming a tenant at the San Diego Location; and (ii) all construction costs associated with building out the San Diego Location for NMG San Diego's operations. The share consideration payable to Mr. Barakett under the Amended GLDH Settlement Agreement is subject to reduction if Mr. Barakett fails to meet this obligation on a timely basis.

NMG San Diego, which has now assumed the lease on the ShowGrow San Diego premises, has applied for its own medical commercial cannabis retail license and adult-use commercial retail license, and is currently proceeding with construction associated with the build out of the San Diego premises to start operations in the near future. In consideration for the landlord, Green Road, LLC, agreeing to consent to the assignment of the original lease with SGSD to NGM San Diego, we agreed to provide the following consideration to the landlord:

i. $700,000 in Common Shares of the Company calculated upon execution of the assignment and first amendment to commercial lease (the "**Assignment and First Amendment**"), dated June 13, 2019, at the maximum discount allowed by the CSE to be issued to the landlord immediately following execution of the Assignment and First Amendment;

ii. $783,765.26 in cash to be paid to the landlord via bank draft within five (5) business days of execution of the Assignment and First Amendment; and

iii. $750,000 in cash, plus interest at the rate of five percent (5%) simple per annum accruing from the effective date to be paid no later than five (5) business days of the landlord's receipt from the City of San Diego of a Conditional Use Permit allowing adult-use commercial cannabis storefront retail operations at the San Diego Location.

Pursuant to the Assignment and First Amendment, the parties agreed to amend the original lease to permit NMG San Diego to have three (3) five (5) year renewal options as opposed to two (2) renewal options. In addition, the parties agreed to reduce the amount of the sale bonus provision in the original lease to $1,000,000 from $2,000,000, which shall only be payable in connection with the first two assignments triggering this obligation, and thereafter, assignments will not require payment of a sale bonus. Furthermore, the parties also amended certain provisions of the original lease to ensure that any change in members representing less than fifty percent (50%) of the existing membership interests of NMG San Diego shall be an excluded transaction and not trigger the sale bonus or be deemed an assignment requiring consent of the landlord

If NMG San Diego is unable, through no fault of the GLDH, Airport Collective or Mr. Barakett, to receive its medical commercial cannabis retail license or its adult-use commercial cannabis retail license at the San Diego Location in accordance with the terms and conditions of the Amended Settlement Agreement, NMG San Diego and our Company will utilize best efforts to negotiate in good faith an amendment to the Amended Settlement Agreement satisfactory to all of the parties.

Amended and Restated Convertible Note and General Security Agreement

As contemplated by the Original GLDH Settlement Agreement, our Company and GLDH entered into a loan agreement dated June 19, 2019 (the "**2019 GLDH Loan Agreement**"), pursuant to which the Prior GLDH Note has been superseded and replaced with an amended and restated senior secured convertible note payable to the Company by GLDH in the principal amount of $5,200,000 (the "**Amended and Restated GLDH Note**"). The Amended and Restated GLDH Note bears interest at the rate of 20% per annum, compounded annually, and will mature and become repayable on June 19, 2022. GLDH's obligations under 2019 GLDH Loan Agreement and the Amended and Restated GLDH Note have been guaranteed by Airport Collective, and are secured under a security agreement dated June 19, 2019 by all of GLDH's and Airport Collective's personal property, including but not limited to equipment, inventory, accounts receivable, cash or cash equivalents, and rights under contracts.

Asset Purchase Agreement

Pursuant to the Asset Purchase Agreement, NMG Long Beach has agreed to purchase all of GLDH's and Airport Collective's assets (the " **Purchased Assets**") utilized in the retail cannabis business at the Long Beach Location for $6,700,000. Upon closing of the transaction, the outstanding principal amount under the Amended and Restated GLDH Note will be applied to the purchase price, and Airport Collective will be released from its obligations as a guarantor of the GLDH's obligations under the Amended and Restated GLDH Note.

The Company will pay the balance of the purchase price for the Purchased Assets by issuing up to 2,681,006 shares of common stock, to be issued at a deemed issue price of CAD$.0.7439 each; the number of shares required to pay and satisfy the balance of the purchase price for the Purchased Assets in the amount of $1,500,000 was determined with reference to the Agreed Foreign Exchange Rate of CAD$1.3296:USD$1.00. The purchase price – and therefore the amount of the share consideration - remains subject to reduction with reference to the liabilities of the business that will be outstanding on the closing date.

Trademark and Technology License and Services Agreement

In connection with the Asset Purchase Agreement, our Company, and its affiliates and subsidiaries, will license certain intellectual property from Green Light District Management, LLC ("**GLDM**"), a Delaware limited liability company, and GLDH. The licenses consist of:

(a) a perpetual license to utilize operational intellectual property, consisting of customer data, sales data, customer outreach strategies standard operating procedures, and other proprietary operational intellectual property; and

(b) a two-year license to utilize intellectual property such as trademarks and branding (the "**Branding IP**").

As consideration for the licenses, we have agreed to utilize the Branding IP until June 19, 2021 at the Long Beach Location, and at the San Diego Location for a period of two years from operations commencing at that location. Additionally, we have agreed to pay GLDM and GLDH 3% of gross receipts from sales at the Long Beach Location on a monthly basis for only the first twelve months of the term of the license agreement. We have agreed that, throughout the term of the license agreement, we will purchase all products and merchandise bearing the "ShowGrow" brand exclusively from GLDM. GLDM has agreed that it shall not itself utilize, nor allow any third-party to utilize, the Branding IP within a five mile radius of the Long Beach Location. GLDM has also agreed to provide certain services to our Company throughout the term of the license agreement.

Contemporaneous Loan

Our Company and GLDH have also entered into a contemporaneous loan (the "**Contemporaneous Loan**") in the amount of $726,720.00 to fund certain business improvements and expansion needs of GLDH's business operations. The Company and NMG Long Beach have agreed to forgive the Contemporaneous Loan on the date of closing of the Asset Purchase Agreement.

The closing under the Asset Purchase Agreement will not take place until NMG Long Beach has acquired local and state commercial cannabis licenses to conduct medical and adult-use commercial cannabis retail operations at the Long Beach Location. In the meantime, the parties have entered into a Management Assignment and Assumption Agreement, pursuant to which NMG Long Beach has assumed all management and control of the business operations at the Long Beach Location.

Management Assignment and Assumption Agreement

On or around August 1, 2019, NMG Long Beach began managing the ShowGrow Long Beach business pursuant to the management assignment and assumption agreement dated June 19, 2019, among NMG Long Beach, GLDH and Airport Collective. Under the agreement, NMG Long Beach is entitled to manage the business and recognize the profits from the business until NMG Long Beach receives its own commercial cannabis licenses and purchases the Purchased Assets in accordance with the terms and conditions of the Asset Purchase Agreement.

Barakett Consulting Agreement

In connection with the Asset Purchase Agreement, NMG Long Beach and Mr. Barakett entered into a consulting agreement, dated June 19, 2019 (the "**Consulting Agreement**"), whereby NMG Long Beach has agreed to engage Mr. Barakett to provide certain consulting and advisory services in connection with running the business at the Long Beach Location and the San Diego Location.

The Consulting Agreement is for a term of five months and NMG Long Beach has agreed to pay Mr. Barakett a total of $200,000 in consideration for his services to be provided, with US$50,000 having been paid upon execution of the Consulting Agreement, and US$30,000 being payable on each of one month, two months, three months, four months and five months following the initial payment. In addition, NMG Long Beach has agreed to reimburse Mr. Barakett upon presentation of invoices for reasonable expenses which may be pre-authorized by NMG Long Beach from time to time.

Management and Administrative Services Agreement with Satellites Dip, LLC

On June 6, 2019, our Company, acting through our California subsidiary, NMG Cathedral City, LLC (" **NMGCC**") entered into a management and administrative services agreement (the "**California Management Agreement**") with Satellites Dip, LLC, a California limited liability company ("**SD**") that is licensed to carry on commercial cannabis distribution and manufacturing operations within the state of California. Under the California Management Agreement, NMGCC has agreed to provide certain management and administrative services to SD, which may include, without limitation, the following: (i) management of operations; (ii) inventory management; (iii) equipment and physical plant maintenance; (iv) regulatory compliance; (v) payroll; (vi) human resources services; (vii) marketing services; (viii) information technology services; (ix) coordination of legal services; (x) coordination of tax services; (xi) coordination of accounting services; (xii) security services; (xiii) controlling the operating budget; (xiv) facility inspections; (xv) maintenance of detailed records and accounts related to SD's business, and identification and tracking of key performance indicators; and (xvi) such other activities that NMGCC or SD determines in its reasonable judgment are necessary or desirable for the day-to-day operation or management of SD's business. In consideration of such services, NMGCC will be paid a management fee equal to the greater of: (a) 30% of net profits (as such term is defined in the California Management Agreement); and (b) $10,000 per month.

The initial term of the California Management Agreement will expire on June 6, 2020. The California Management Agreement may not be terminated prior to the expiry of the initial term, except in the case of a material breach that cannot reasonably be cured or remains uncured for 30 days after the non-breaching party provides written notice of the breach to the breaching party. Either party may, at least 30 days prior to the expiration of the initial term, provide notice in writing to the other party that it intends to renew the California Management Agreement for an additional one year term, but any such renewal will be subject to mutual agreement.

In addition, NMGCC agreed to broker commercial arrangements between SD and third-party cannabis brand owners, with the view to securing licenses for use in SD's business. In particular, NMGCC agreed: (a) that, within 30 days of the effective date of the California Management Agreement, it would arrange for its affiliate company, NMG, to license certain trademarks and other intellectual property to SD for use relation to cannabis products to be manufactured by SD (the "**Branded Products**") on terms at least as favorable as the most favored licensee; (b) to use good faith efforts to establish similar license agreements with third-party cannabis brand owners; and (c) to use good faith efforts to assist SD in the development of SD branded products in the event SD decides to create its own brand(s).

NMGCC has furnished equipment and machinery necessary for the manufacture of the Branded Products by SD. As contemplated by the California Management Agreement, NMGCC has leased such equipment and machinery to SD pursuant to an Equipment Lease Agreement between the parties dated June 6, 2019. The initial term of the Equipment Lease Agreement will expire on June 6, 2020. Either party may, at least 30 days prior to the expiration of the initial term, provide notice in writing to the other party that it intends to renew the Equipment Agreement for an additional one-year term, but any such renewal will be subject to mutual agreement. It is the intent of the parties that the monthly rent payable under the Equipment Lease Agreement be completely net to NMGCC, such that NMGCC will not be liable for any costs or expenses of any nature whatsoever relating to the equipment or any improvements to the equipment, or use of the equipment. SD is solely responsible for any such costs, charges, expenses, and outlays, including taxes, maintenance, and repairs.

On September 12, 2019, our Company announced that SD's Cathedral City facility has begun shipping certain Body and Mind products, following upon receipt of final testing and California packaging compliance certifications for such products. Initial product introductions include Lemon Brulee and Lemon Kush live resin sugar, Purple Punch blunts and Purple Punch pre-rolls. Live resin sugar is a concentrate, created using material that is fresh-frozen immediately upon harvesting.

In conjunction with entering into the California Management Agreement, the Company through NMGCC entered into a loan and security agreement dated June 6, 2019, whereby NMGCC has loaned SD US$250,000 to fund the property and business improvements and expansion needs of SD's business operations. The loan will become due and payable on June 6, 2020, subject to extension by mutual agreement between the parties, and will bear interest at a rate of 12% per annum. Interest will accrue and be compounded quarterly, and will be payable by SD upon maturity of the loan. SD may prepay, in whole or in part, all or any portion of the principal amount and accrued interest on the loan without being subject to any pre-payment penalty. The loan is evidenced by a promissory note, and the performance of SD of its obligations under the loan agreement and the promissory note are secured pursuant to a security agreement.

Settlement and Release Agreement

On November 30, 2019, we through NMGCC entered into a settlement and release agreement (the "**Settlement Agreement**") with SD whereby NMGCC and SD agreed to terminate the California Management Agreement and to enter into a mutual release of any and all claims related to the California Management Agreement, subject to the terms of the Settlement Agreement.

As of November 30, 2019, SD owed NMGCC management fees (the "**Monies Owed**") under the California Management Agreement. In consideration of NMGCC's discharge of the Monies Owed, SD has agreed to pay NMGCC one-hundred percent (100%) of all proceeds received from the sale of all or any part of its inventory (the "**Inventory**") as of November 1, 2019. Pursuant to the Settlement Agreement, SD shall provide monthly updates of the remaining Inventory until the Inventory has been fully exhausted. NMGCC will determine the sale price for any item in Inventory subject to the Settlement Agreement.

As part of the Settlement Agreement, each of SDL and NMG mutually agree to release and discharge the other from any and all claims arising from the California Management Agreement on or before November 30, 2019.

Brand Director Agreement

On November 30, 2019, NMGCC entered into a brand director agreement (the "**Brand Director Agreement**") with SD. Pursuant to the Brand Director Agreement, SD has engaged NMGCC to provide certain advisory and brand director services in connection with SD's manufacture of Company-branded products, as well as certain other products (the "**Managed Products**") as agreed to by NMGCC (the "**Brand Director Services**"). The initial term of the Brand Director Agreement is six months and the parties may renew the Brand Director Agreement for successive three-month renewal periods.

The Brand Director Services include: (a) managing SD's production of the Managed Products; (b) payment of a reimbursement fee to SD equal to the amount of direct costs and direct taxes applicable to the Managed Products; (c) managing inventory of the Managed Products; and (d) directing SD to enter into distribution agreements and sale agreements with third-party commercial cannabis licensees for the distribution and sale of the Managed Products in accordance with applicable law. Pursuant to the Brand Director Agreement, NMGCC will pay a monthly fee (the "**Contribution Fee**") of $5,000 to SD. In connection with the Brand Director Agreement, as partial repayment for the principal and interest accrued under a certain loan agreement (the "**Loan Agreement**") between NMGCC and SD dated June 6, 2019, SD waives payment of the Contribution Fee for the first five (5) months of the Brand Direction Agreement.

In consideration for the Brand Director Services, SD (as the "**Licensee**") has agreed to pay NMGCC (in its capacity as the "**Brand Director**") a brand director fee for each calendar month during the term of the Brand Director Agreement, whereby Licensee shall pay to Brand Director a fee to be calculated as follows: (x) net revenue for a single calendar month, multiplied by, (y) seventy-five percent (75%); (z) plus any fees to be paid to NMGCC in connection with the equipment lease agreement (the "**Equipment Lease Agreement**") dated June 6, 2019 (the "**Equipment Lease Fee**") added to the product of (x) and (y), the (q) total amount shall be the fee paid to NMGCC. If the net revenue, minus the product of (x) and (y) is less than the Equipment Lease Fee in any given month, the difference shall carry over to the subsequent month, to be added to that month's Equipment Lease Fee, or the difference may be paid by Licensee at its sole option.

Brand License Agreement

On November 30, 2019, DEP entered into a brand license agreement (the "**License Agreement**") with SD. Pursuant to the License Agreement, DEP granted SD a non-exclusive, non-transferable, and non-sub-licensable right (the "**License**") to use certain licensed marks in connection with or on licensed products, solely in connection with SD's commercial cannabis activity in California. In consideration for the License, SD will pay DEP a monthly fee equal to $100, payable on a quarterly basis.

During the term of the License Agreement, SD must remain in compliance with all state and local cannabis rules and regulations in California, and maintain valid commercial cannabis licenses. SD will follow the guidance of DEP and only utilize packaging and labelling materials purchased from (or at the direction of) DEP. The License Agreement will be in full force and effect for the duration of the Brand Director Agreement.

Equipment Purchase Agreement

On November 30, 2019, NMGCC and SD entered into an equipment purchase agreement (the "**Equipment Purchase Agreement**") pursuant to which NMGCC agreed to purchase certain equipment (the "**Equipment**") from SD. The aggregate purchase price for the Equipment is $235,684.93 and will be applied to the outstanding balance under the Loan Agreement.

First Amendment to the Equipment Lease Agreement

On November 30, 2019, NMGCC and SD entered into an amendment (the "**First Amendment**") to the Equipment Lease Agreement. Pursuant to the First Amendment, NMGCC and SD amended (i) the term of the Equipment Lease Agreement to be coterminous with the Brand Director Agreement; and (ii) to update the equipment being leased pursuant to the Equipment Lease Agreement and to update the monthly rental rate for the equipment being leased.

Release & Satisfaction of Loan Agreement

On November 30, 2019, NMGCC and SD entered into a release and satisfaction of loan agreement (the "**Release Agreement**"). Pursuant to the Release Agreement, NMGCC agreed that all indebtedness of SD to NMGCC arising from the Loan Agreement (and promissory note issued in connection with the Loan Agreement) is hereby satisfied and discharged in full. The release is granted based on SD's obligations and duties pursuant to the Equipment Purchase Agreement and its five (5) month waiver of the Contribution Fee under the Brand Director Agreement.

Conditional Use Permit for Nevada Production Facility

On June 20, 2019, we announced the receipt of a conditional use permit from Clark County, Nevada, for a new production facility located within one mile of NMG's existing cultivation facility located at 3375 Pepper Lane, in Las Vegas. The new facility will be located within an existing commercial building where our Company has secured a long-term lease. Architect plans are complete, and the space has been custom designed to produce edibles, oils and extracts at scale. The new facility will be approximately 7,500 square feet, and construction commenced in late July. The new facility plans include high-volume extraction equipment, which we expect will dramatically increase our manufacturing capacity and efficiency for our extraction products, including oils, wax, live resin and ambrosia. The new facility also expands the kitchen area and creates an opportunity for the Company to white label for brands seeking an entry to the Nevada market. The new production facility was anticipated to be operational in mid to late September 2019, pending license transfer approvals from local and state authorities. Substantial construction work has been advanced including completion of offices, boardroom and facilities which are being utilized by the Company. In addition, significant electrical, framing and HVAC work is complete and waiting for formal permitting and inspections required by the Clark County building department. Final inspections and permits are required prior to receiving license transfer approvals from local and state authorities. We plan to move our current production license eliminating the need to apply for a new license.

Results of Operations for the three month periods ended October 31, 2019 and 2018

The following table sets forth our results of operations for the three month periods ended October 31, 2019 and 2018:

	October 31, 2019 $	October 31, 2018 $
Sales, net of taxes	1,441,626	1,325,978
Cost of Sales	(1,121,497)	(869,040)
Gross Margin	320,129	456,938
General and Administrative Expenses	(1,642,657)	(466,051)
Foreign Currency Translation Adjustment	119,193	73,315
Comprehensive Income (Loss)	(777,604)	(138,479)
Basic and Diluted Earnings (Loss) Per Share	(0.01)	(0.00)

Revenues

For the three month period ended October 31, 2019 we had total net sales of $1,441,626 and cost of sales of $1,121,497 for a gross margin of $320,129 compared total net sales of $1,325,978 and cost of sales of $869,040 for a gross margin of $456,938 in the three month period ended October 31, 2018. During the three months ended October 31, 2019, the Company recorded product sales as follows:

Revenues – By Product	Three months ended October 31, 2019 $	%
Flower	1,047,139	72.6%
Concentrates	306,883	21.3%
Edibles	87,604	6.1%
Total	1,441,626	

The Company's revenue generating products, being flower, concentrates, edibles, are expected to have relatively consistent revenues for the foreseeable future.

Operating Expenses

For the three month period ended October 31, 2019, operating expenses totaled $1,642,657 compared with $466,051 for the three month period ended October 31, 2018. A significant reason for the increase in operating expenses between the periods related to increased consulting fees from $2,600 to $220,227 as a result of various ongoing acquisitions. The Company adopted ASC 842, Lease Accounting, and presented lease expense of $56,704 on the income statement related to the two leases in Nevada, USA. The Company's office administration and salaries and wages increased considerably as a result of increased operations in Nevada as well as the total number of employees under payroll. The Company also recorded a non-cash stock-based compensation of $289,578 related to August 2019 and October 2019 options granted to certain officers, directors, employees and/or consultants of the Company.

Other Items

During the three month period ended October 31, 2019, our other items accounted for $425,731 in income as compared to $79,126 in expenses for the three month period ended October 31, 2018. The significant components in other items primarily relates to the Company's proportion of income on equity investee in NMG Ohio LLC of $87,651 (2018 – loss of $7,620) and interest income on the secured convertible note related to the investment in GLDH and convertible loan receivable from CCG in the amount of $278,000 (2018 - $48).

Net Loss

Net loss for the quarter ended October 31, 2019 totaled $896,797 compared with a net loss of $211,794 for the quarter ended October 31, 2018, an increase in net loss of $685,003.

Other Comprehensive Income (Loss)

We recorded translation adjustments gain of $119,193 and $73,315 for the three months ended October 31, 2019 and 2018, respectively. The amounts are included in the statement of operations as other comprehensive gain for the respective periods.

Liquidity and Capital Resources

The following table sets out our cash and working capital as of October 31, 2019:

	As of October 31, 2019
	(unaudited)
Cash reserves	$ 6,898,235
Working capital	$ 8,288,767

On 17 May 2019, the Company closed a private placement of 11,780,904 units at a price of $0.93 (CAD$1.25) per unit for aggregate gross proceeds of $10,956,241 (CAD$14,726,130). Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one common share of the Company at an exercise price of CAD$1.50 for a period of 48 months following the closing date, subject to adjustment in certain events. The agents received a cash commission of $589,499 (CAD$793,938). The agents also received as additional consideration 635,150 non-transferable broker warrants. Each broker warrant entitles the holder to acquire one unit at an exercise price of CAD$1.25 per unit for a period of 48 months following the closing date. A corporate finance fee of $63,774 (CAD $84,750) was also paid.

On 28 May 2019, the Company issued 12,793,840 common shares upon exercise of 12,793,840 warrants by Australis at a price of CAD$0.50 per common share for aggregate proceeds of $4,746,515 (CAD$6,396,920). The proceeds were used, in part, to fully repay the outstanding senior secured note in the amount of $4,495,890 owing to Australis by the Company.

On 16 July 2019, the Company issued 7,333 common shares upon exercise of 7,333 warrants at a price of CAD$0.90 per common share for aggregate proceeds of $5,057 (CAD$6,600).

On 12 August 2019, the Company issued 81,591 common shares upon exercise of 81,591 warrants at a price of CAD$0.66 per common share for aggregate proceeds of $40,765 (CAD$53,850).

On 12 September 2019, the Company issued 38,912 common shares upon exercise of 38,912 warrants at a price of CAD$0.66 per common share for aggregate proceeds of $19,450 (CAD$25,682).

On 4 October 2019, the Company issued 22,727 common shares upon exercise of 22,727 warrants at a price of CAD$0.90 per common share for aggregate proceeds of $15,360 (CAD$20,454).

Statement of Cash flows

During the three month period ended October 31, 2019, our net cash decreased by $2,106,481 (2018: decrease of $224,356), which included net cash used in operating activities of $1,198,205 (2018: $223,799), net cash used in investing activities of $1,118,309 (2018: $73,872), net cash provided by financing activities of $90,840 (2018: $Nil) and effect of exchange rate changes on cash and cash equivalents of $119,193 (2018: $73,315).

Cash Flow used in Operating Activities

Cash flow used in operating activities totaled $1,198,205 and $223,799 during the three months ended October 31, 2019 and 2018, respectively. Significant changes in cash used in operating activities are outlined as follows:

- The Company incurred a net loss from operations of $896,797 during the three months ended October 31, 2019 compared to $211,794 in 2018. The net loss in 2019 included non-cash depreciation of $78,597 (2018: $69,557), accrued interest income of $260,000 (2018: $Nil), gain of equity investee of $87,651 (2018: loss of $7,620) and stock-based compensation of $289,578 (2018: $Nil).

The following non-cash items further adjusted the loss for the three months ended October 31, 2019 and 2018:

- Increase in amounts receivable and prepaid of $274,101 (2018: $115,717), decrease in inventory of $143,199 (2018: increase of $159,095), decrease in trade payables and accrued liabilities of $221,158 (2018: increase of $102,343), and increase in due to related parties of $28,751 (2018: decrease of $41,006)

Cash Flow used in Investing Activities

During the three month period ended October 31, 2019, investing activities used cash of $1,118,309 compared to $73,872 during the three month period ended October 31, 2018. The change in cash used in investing activities from the three month period ended October 31, 2019 relates primarily to acquisition of NMG Ohio LLC of $16,469 (2018: $30,000), investment in Green Light District Holdings, Inc. of $512,506 (2018: $Nil), additional property and equipment of $429,780 (2018: $43,872), and loans provided to SD of $144,613 (2018: $Nil). The Company also provided a convertible loan of $14,941 (2018: $Nil) to CCG in Arkansas.

Cash Flow provided by Financing Activities

During the three month period ended October 31, 2019, financing activities provided cash of $90,840 compared to $Nil during the three month period ended October 31, 2018. During the three month period ended October 31, 2019, the Company issued 143,230 common shares for proceeds of $75,549 related to the exercise of 142,230 warrants and received $15,291 related to the exercise of 22,485 warrants that were issued on November 14, 2019.

Off-balance Sheet Arrangements

The Company has no off-balance sheet arrangements that would require disclosure.

Subsequent Events

Settlement and Release Agreement

On November 30, 2019, we through NMGCC entered into the Settlement Agreement with SD whereby NMGCC and SD agreed to terminate the California Management Agreement and to enter into a mutual release of any and all claims related to the California Management Agreement, subject to the terms of the Settlement Agreement.

As of November 30, 2019, SD owed the Monies Owed to NMGCC under the California Management Agreement. In consideration of NMGCC's discharge of the Monies Owed, SD has agreed to pay NMGCC one-hundred percent (100%) of all proceeds received from the sale of all or any part of the Inventory as of November 1, 2019. Pursuant to the Settlement Agreement, SD shall provide monthly updates of the remaining Inventory until the Inventory has been fully exhausted. NMGCC will determine the sale price for any item in Inventory subject to the Settlement Agreement.

As part of the Settlement Agreement, each of SDL and NMG mutually agree to release and discharge the other from any and all claims arising from the California Management Agreement on or before November 30, 2019.

Brand Director Agreement

On November 30, 2019, NMGCC entered into the Brand Director Agreement with SD. Pursuant to the Brand Director Agreement, SD has engaged NMGCC to provide certain advisory and brand director services in connection with SD's manufacture of the Managed Products as agreed to by NMGCC (the "**Brand Director Services**"). The initial term of the Brand Director Agreement is six months and the parties may renew the Brand Director Agreement for successive three-month renewal periods.

The Brand Director Services include: (a) managing SD's production of the Managed Products; (b) payment of a reimbursement fee to SD equal to the amount of direct costs and direct taxes applicable to the Managed Products; (c) managing inventory of the Managed Products; and (d) directing SD to enter into distribution agreements and sale agreements with third-party commercial cannabis licensees for the distribution and sale of the Managed Products in accordance with applicable law. Pursuant to the Brand Director Agreement, NMGCC will pay a monthly Contribution Fee of $5,000 to SD. In connection with the Brand Director Agreement, as partial repayment for the principal and interest accrued under the Loan Agreement between NMGCC and SD dated June 6, 2019, SD waives payment of the Contribution Fee for the first five (5) months of the Brand Direction Agreement.

In consideration for the Brand Director Services, SD (as the "**Licensee**") has agreed to pay NMGCC as the Brand Director a brand director fee for each calendar month during the term of the Brand Director Agreement, whereby Licensee shall pay to Brand Director a fee to be calculated as follows: (x) net revenue for a single calendar month, multiplied by, (y) seventy-five percent (75%); (z) plus any fees to be paid to NMGCC in connection with the Equipment Lease Agreement dated June 6, 2019 (the "**Equipment Lease Fee**") added to the product of (x) and (y), the (q) total amount shall be the fee paid to NMGCC. If the net revenue, minus the product of (x) and (y) is less than the Equipment Lease Fee in any given month, the difference shall carry over to the subsequent month, to be added to that month's Equipment Lease Fee, or the difference may be paid by Licensee at its sole option.

Brand License Agreement

On November 30, 2019, DEP entered into the License Agreement with SD. Pursuant to the License Agreement, DEP granted SD a non-exclusive, non-transferable, and non-sub-licensable right (the "**License**") to use certain licensed marks in connection with or on licensed products, solely in connection with SD's commercial cannabis activity in California. In consideration for the License, SD will pay DEP a monthly fee equal to $100, payable on a quarterly basis.

During the term of the License Agreement, SD must remain in compliance with all state and local cannabis rules and regulations in California, and maintain valid commercial cannabis licenses. SD will follow the guidance of DEP and only utilize packaging and labelling materials purchased from (or at the direction of) DEP. The License Agreement will be in full force and effect for the duration of the Brand Director Agreement.

Equipment Purchase Agreement

On November 30, 2019, NMGCC and SD entered into the Equipment Purchase Agreement pursuant to which NMGCC agreed to purchase the Equipment from SD. The aggregate purchase price for the Equipment is $235,684.93 and will be applied to the outstanding balance under the Loan Agreement.

First Amendment to the Equipment Lease Agreement

On November 30, 2019, NMGCC and SD entered into the First Amendment to the Equipment Lease Agreement. Pursuant to the First Amendment, NMGCC and SD amended (i) the term of the Equipment Lease Agreement to be coterminous with the Brand Director Agreement; and (ii) to update the equipment being leased pursuant to the Equipment Lease Agreement and to update the monthly rental rate for the equipment being leased.

Release & Satisfaction of Loan Agreement

On November 30, 2019, NMGCC and SD entered into the Release Agreement. Pursuant to the Release Agreement, NMGCC agreed that all indebtedness of SD to NMGCC arising from the Loan Agreement (and promissory note issued in connection with the Loan Agreement) is hereby satisfied and discharged in full. The release is granted based on SD's obligations and duties pursuant to the Equipment Purchase Agreement and its five (5) month waiver of the Contribution Fee under the Brand Director Agreement.

Critical Accounting Policies

Our financial statements and accompanying notes have been prepared in accordance with United States generally accepted accounting principles applied on a consistent basis. The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods.

We regularly evaluate the accounting policies and estimates that we use to prepare our financial statements. In general, management's estimates are based on historical experience, on information from third party professionals, and on various other assumptions that are believed to be reasonable under the facts and circumstances. Actual results could differ from those estimates made by management.

We believe the following critical accounting policies require us to make significant judgments and estimates in the preparation of our consolidated financial statements.

- Income taxes

The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.

- Foreign currency

The Company determines the functional currency through an analysis of several indicators such as expenses and cash flows, financing activities, retention of operating cash flows, and frequency of transactions with the reporting entity.

- Fair value of financial instruments

Management uses valuation techniques, in measuring the fair value of financial instruments, where active market quotes are not available.

In applying the valuation techniques, management makes maximum use of market inputs wherever possible, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. Such estimates include liquidity risk, credit risk and volatility may vary from the actual results that would be achieved in an arm's length transaction at the reporting date.

The assessment of the timing and extent of impairment of intangible assets involves both significant judgements by management about the current and future prospects for the intangible assets as well as estimates about the factors used to quantify the extent of any impairment that is recognized.

- Intellectual property

The recoverability of the carrying value of the intellectual property is dependent on numerous factors. The carrying value of these assets is reviewed by management when events or circumstances indicate that its carrying value may not be recovered. If impairment is determined to exist, an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount.

- Stock-based compensation

The option pricing models require the input of highly subjective assumptions, particularly the expected stock price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

Recent Accounting Pronouncements

In June 2016, the FASB issued ASU No. 2016-13 "Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" which requires the measurement and recognition of expected credit losses for financial assets held at amortized cost. ASU 2016-13 replaces the existing incurred loss impairment model with an expected loss methodology, which will result in more timely recognition of credit losses. ASU 2016-13 is effective for annual reporting periods, and interim periods within those years beginning after 15 December 2019. The Company does not anticipate this amendment to have a significant impact on the financial statements.

In August 2018, the FASB issued ASU 2018-13, Disclosure Framework –Changes to the Disclosure Requirements for Fair Value Measurement (Topic 820). ASU 2018-13 adds, modifies, and removes certain fair value measurement disclosure requirements. ASU 2018-13 is effective for annual and interim periods beginning after December 15, 2019. Early adoption is permitted. The Company is currently evaluating the effect of adopting this ASU on the Company's financial statements.

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 that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is not exposed to credit risk as it does not hold cash in excess of federally insured limits, with major financial institutions. Credit risk associated with the convertible loans receivable (including the investment in and advances to GLDH) arises from the possibility that the principal and/or interest due may become uncollectible. The Company mitigates this risk by managing and monitoring the underlying business relationship. The Company is not currently exposed to any significant credit risk associated with its trade receivable.

- 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 $8,288,767 as at October 31, 2019.

- 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 Company is not exposed to interest rate risk as it does not hold financial instruments that will fluctuate in value due to changes in interest rates.

- Currency risk

Currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to currency risk by incurring expenditures and holding assets denominated in currencies other than its functional currency. Assuming all other variables remain constant, a 1% change in the Canadian dollar against the US dollar would not result in a significant change to the Company's operations.

- Other risks

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

ITEM 3 - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item.

ITEM 4 – CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports filed under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer, Michael Mills, and our Chief Financial Officer, Dong H. Shim, to allow for timely decisions regarding required disclosure. Our Chief Executive Officer and Chief Financial Officer are responsible for establishing and maintaining disclosure controls and procedures for our Company.

Our management has evaluated the effectiveness of our disclosure controls and procedures as of October 31, 2019 (under the supervision and with the participation of the Chief Executive Officer and the Chief Financial Officer), pursuant to Rule 13a-15(b) promulgated under the Securities Exchange Act of 1934, as amended. As part of such evaluation, management considered the matters discussed below relating to internal control over financial reporting. Based on this evaluation, our Company's Chief Executive Officer and Chief Financial Officer has concluded that our Company's disclosure controls and procedures were effective as of October 31, 2019.

(b) Internal control over financial reporting

The term "internal control over financial reporting" is defined as a process designed by, or under the supervision of, the registrant's principal executive and principal financial officers, or persons performing similar functions, and effected by the registrant's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the registrant;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the registrant are being made only in accordance with authorizations of management and directors of the registrant; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the registrant's assets that could have a material effect on the financial statements.

A material weakness is defined in Public Company Accounting Oversight Board Auditing Standard No. 5 as a significant deficiency, or a combination of significant deficiencies, in internal control over financial reporting that results in there being more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected.

There have not been any changes in our internal control over financial reporting that occurred during our fiscal quarter ended October 31, 2019 that have materially affected, or are likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1 – LEGAL PROCEEDINGS

The Company is not a party to any pending legal proceeding. We are not aware of any pending legal proceeding to which any of our officers, directors, affiliates or any beneficial holders of 5% or more of our voting securities are adverse to us or have a material interest adverse to us.

ITEM 1A. RISK FACTORS

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item.

ITEM 2 – UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On August 12, 2019, we issued an aggregate of 4,337,111 common shares to three individuals and one trust pursuant to the Amended Settlement Agreement dated June 28, 2019, the Asset Purchase Agreement dated June 19, 2019 and the Assignment and First Amendment dated June 13, 2019, whereby 624,380 common shares were issued to two individuals at a price of CAD$1.048 per share, 2,681,006 common shares were issued to one individual at a price of CAD$0.7439 and 1,031,725 common shares were issued to a trust at a price of CAD$0.904 per share. We relied upon the exemption from registration provided by Section 4(a)(2) under the U.S. Securities Act for the three individuals and one trust who are U.S. persons.

On August 12, 2019, we issued 81,591 common shares upon exercise of 81,591 warrants by an entity at a price of CAD$0.66 per common share for aggregate proceeds of $40,765 (CAD$53,850). We relied on the exemption from registration provided by Rule 903 of Regulation S promulgated under the Securities Act for the issuance of such common shares as the securities were issued to the non-U.S. person through an offshore transaction which was negotiated and consummated outside of the United States.

On August 21, 2019, we granted 2,850,000 stock options in accordance with our stock option plan at an exercise price of CAD$0.88 per share for a five-year term expiring August 21, 2024. The options were granted to our current directors, officers, employees and consultants. We relied upon the exemption from registration under the Securities Act provided by Rule 903 of Regulation S for optionees who are non-U.S. persons and on the exemption from registration provided by Section 4(a)(2) under the U.S. Securities Act for optionees who are U.S. persons. On October 16, 2019, we cancelled 400,000 stock options at the voluntary request of a director of the corporation who resigned.

On September 12, 2019, we issued 38,912 common shares upon exercise of 38,912 warrants at a price of CAD$0.66 per common share for aggregate proceeds of $19,450 (CAD$25,682). We relied on the exemption from registration provided by Rule 903 of Regulation S promulgated under the Securities Act for the issuance of such common shares as the securities were issued to the non-U.S. person through an offshore transaction which was negotiated and consummated outside of the United States.

On October 1, 2019, we granted 250,000 stock options in accordance with our stock option plan at an exercise price of CAD$0.93 per share for a five-year term expiring October 1, 2024. The options were granted to one of our directors. We relied upon the exemption from registration under the Securities Act provided by Section 4(a)(2) under the U.S. Securities Act for the optionee who is a U.S. person.

On October 4, 2019, we issued 22,727 common shares upon exercise of 22,727 warrants at a price of CAD$0.90 per common share for aggregate proceeds of $15,360 (CAD$20,454). We relied on the exemption from registration provided by Rule 903 of Regulation S promulgated under the Securities Act for the issuance of such common shares as the securities were issued to the non-U.S. person through an offshore transaction which was negotiated and consummated outside of the United States.

On November 14, 2019, we issued 22,485 common shares upon exercise of 22,485 warrants at a price of CAD$0.90 per common share for aggregate proceeds of $15,264 (CAD$20,237). We relied on the exemption from registration provided by Rule 903 of Regulation S promulgated under the Securities Act for the issuance of such common shares as the securities were issued to the non-U.S. person through an offshore transaction which was negotiated and consummated outside of the United States.

ITEM 3 – DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4 – MINE SAFETY DISCLOSURES

Not applicable

ITEM 5 – OTHER INFORMATION

None

ITEM 6 – EXHIBITS

The following exhibits are included with this Quarterly Report:

Exhibit	Description of Exhibit
10.1	Settlement and Release Agreement between NMG Cathedral City, LLC and Satellites Dip, LLC, dated November 30, 2019
10.2	Brand Director Agreement between NMG Cathedral City, LLC and Satellites Dip, LLC, dated November 30, 2019
10.3	Brand License Agreement between DEP Nevada Inc. and Satellites Dip, LLC, dated November 30, 2019
10.4	Equipment Purchase Agreement between Satellites Dip, LLC and NMG Cathedral City, LLC, dated November 30, 2019
10.5	First Amendment to Equipment Lease Agreement between NMG Cathedral City, LLC and Satellites Dip, LLC, dated November 30, 2019
10.6	Release & Satisfaction of Loan Agreement between NMG Cathedral City, LLC and Satellites Dip, LLC, dated November 30, 2019
31.1	Certification of Chief Executive Officer pursuant to the Securities Exchange Act of 1934 Rule 13a-14(a) or 15d-14(a).
31.2	Certification of Chief Financial Officer pursuant to the Securities Exchange Act of 1934 Rule 13a-14(a) or 15d-14(a).
32.1	Certifications pursuant to the Securities Exchange Act of 1934 Rule 13a-14(b) or 15d-14(b) and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.1	Consulting Agreement between Body and Mind Inc., Fairlawn Capital Partners Ltd. and Michael Mills, dated August 21, 2019
99.2	Consulting Agreement between Body and Mind Inc., Toro Pacific Management Inc. and Leonard Clough, dated August 21, 2019
99.3	Consulting Agreement between Body and Mind Inc., Golden Tree Capital Corp. and Dong H. Shim, dated August 21, 2019
99.4	Consulting Agreement between Body and Mind Inc., Stonerock Financial Ltd. and Darren Tindale, dated August 21, 2019
99.5	Employment Agreement between Body and Mind Inc. and Stephen ‘Trip’ Hoffman, dated effective November 15, 2018
101.1NS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definitions Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BODY AND MIND INC.

Date: December 23, 2019

BY: */s/ Michael Mills*
Michael Mills,
President and Chief Executive Officer
(Principal Executive Officer)

Date: December 23, 2019

BY: */s/ Dong Shim*
Dong H. Shim,
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

EXHIBIT 10.1

SETTLEMENT & RELEASE AGREEMENT

This settlement and release agreement (this "**Settlement Agreement**"), is made and entered into as of November 30, 2019 (the "**Effective Date**"), by and between NMG Cathedral City, LLC, a California limited liability company ("**NMG**"), and Satellites Dip, LLC, a California limited liability company ("**SDL**"). As used herein, NMG and SDL shall collectively be referred to as the "**Parties**" and individually as a "**Party**."

WHEREAS, NMG and SDL entered into a management and administrative services agreement, dated as of June 6, 2019 (the "**Management Agreement**"), whereby NMG agreed to provide certain management and administrative services necessary or convenient for the day-to-day operation and maintenance of SDL's business, in exchange for certain compensation;

WHEREAS, pursuant to the Management Agreement, SDL owes NMG compensation for its services, and that compensation remains outstanding and unpaid, and totals one hundred sixty-three thousand, five hundred thirteen dollars and seventy-six cents ($163,513.76) (the "**Monies Owed**"), as documented and set forth in Exhibit A;

WHEREAS, as of November 1, 2019, SDL held or continues to hold certain inventory in its possession as is more specifically set forth in Exhibit B (the "**Inventory**") and has sole and exclusive rights and title to the Inventory;

WHEREAS, on the terms and conditions set herein, including as consideration of the payments provided for in this Settlement Agreement, NMG and SDL desire to terminate the Management Agreement and to release and discharge all further duties and obligations arising under the Management Agreement, including discharge and release of the Monies Owed; and

NOW THEREFORE, in consideration of the following covenants and conditions, the Parties acknowledge and agree as follows:

1. Termination of Management Agreement. As of the Effective Date, the Parties hereby terminate the Management Agreement. Upon the execution of this Settlement Agreement, the terms of the Management Agreement shall be deemed terminated, voided, and nullified, and shall be superseded and replaced by the terms of this Settlement Agreement.

2. Inventory. SDL warrants, covenants, and certifies that:

a. it has sole legal, equitable, and beneficial rights, title, and interest in and to each item (including all quantities of such items) included in the Inventory,

b. all items and quantities in the Inventory are accurate and complete as of November 1, 2019,

c. there has been no transfer or assignment, or attempted transfer or assignment, of any right, title, or interest in or to the Inventory,

d. the Inventory is fully unencumbered and no other party has any rights, title, or interest in the Inventory, and,

e. any proceeds from the sale of the Inventory from November 1, 2019 until the Effective Date shall also be included in the Settlement Payment defined in Section 3 of this Settlement Agreement.

3. Terms of Settlement.

a. Settlement Payment. In consideration of the terms and conditions set forth herein including discharge of the Monies Owed, SDL hereby agrees to pay one hundred percent (100%) of all economic proceeds received, derived, or arising from the sale of the Inventory or any part thereof (the "**Settlement Payment**") to NMG. For purposes of this Settlement Agreement, "economic proceeds" shall mean all consideration received, whether cash or non-cash proceeds, from the sale of any or all items in the Inventory. The Settlement Payment shall be paid as follows and be subject to the following restrictions:

i. Within two (2) business days of SDL's receipt of economic proceeds from the sale of any part of Inventory, SDL shall deliver to NMG such economic proceeds, until such time as the Inventory is exhausted. At the time of delivery of each Settlement Payment, SDL shall also deliver accounting documents showing each transaction involving any Inventory, including quantity and price of each sale.

ii. SDL shall sell each item in Inventory at a price determined by NMG. (the "**Stated Price**"). SDL shall not discount or modify the Stated Price, except with express prior written permission from NMG. SDL shall only accept payment in good and immediately available funds for the sale of the Inventory, and shall not accept any form of non-cash payment for the Inventory except with the express prior written permission of NMG.

iii. On the first (1st) business day of each calendar month, SDL shall provide to NMG an updated, and then-current spreadsheet of the remaining quantity of each item in the Inventory.

iv. Other than an arms-length transaction and sale of the Inventory, SDL shall not in any manner dispose of, transfer, bequeath, assign, encumber, or in any other manner divest itself of any item in Inventory, except with the express prior written permission of NMG. In addition, SDL shall not physically move the location of the Inventory unless as part of a sale or with the express prior written permission of NMG. If that certain brand director agreement entered into between the parties dated November 30, 2019 (the "**Brand Director Agreement**") should expire or be terminated for any reason by either party, it shall not adversely impact or affect NMG's rights to the Settlement Payment and the Inventory; provided further that if the Brand Director Agreement is terminated by either party, NMG shall have the right to direct SDL to transport the remaining Inventory to another licensed distributor of NMG's choice.

b. Non-Disparagement. For a period of two (2) years commencing as of the date hereof, each Party agrees not to, directly or indirectly, in any capacity or manner, make, express, transmit speak, write, verbalize or otherwise communicate in any way (or cause, further, assist, solicit, encourage, support or participate in any of the foregoing), any remark, comment, message, information, declaration, communication or other statement of any kind, whether verbal, in writing, electronically transferred or otherwise, that might reasonably be construed to be derogatory, defamatory, disparaging, harmful, damaging, critical, or negative towards the personal or business reputation, practices, or conduct of the other Party, or such Party's current or former successors, assigns, heirs, affiliates, parent companies, subsidiaries, related entities, representatives, agents, attorneys, employees, managers, directors, shareholders, officers, members, managers, and relatives, whether directly or indirectly related ("**Representatives**"). Any violation of this provision shall give rise to an action for damages and injunctive relief.

4. Confidentiality. Each Party agrees that the fact of, terms, and provisions of this Settlement Agreement are confidential and shall not, without prior written approval of the other Party, be disclosed to anyone except as provided herein. Nothing in this paragraph shall prohibit disclosure of information about the fact of, terms, and provisions of the Settlement Agreement: (i) as required by applicable law or regulation, court process, rule of an applicable regulatory body, and/or at the request of governmental or regulatory authority; (ii) to the Parties' respective attorneys, accountants, professional advisers, and/or other agents who are required to know of the Settlement Agreement or its terms to carry on the Parties' ordinary and customary business affairs; and (iii) to the extent necessary to enforce the terms and conditions of this Settlement Agreement and/or any modifications thereto.

5. Releases from Management Agreement.

a. SDL and its Representatives, and each of them, hereby releases and forever discharges NMG and its Representatives, and each of them, of and from any and all claims, debts, liabilities, demands, obligations, costs, expenses, actions, and causes of action ("**Claims**"), of every nature, character and description, known and unknown, which they or any person claiming or purporting to claim through them now owns or holds, or has at any time heretofore owned or held, or may at any time own or hold, by reason of any matter, cause or thing whatsoever, occurred, done, omitted or suffered to be done on or before the Effective Date arising from, through, or by the subject matter of the Management Agreement. The foregoing release is not intended to release any Claim relating to a breach of any provision of this Settlement Agreement or breach of any other agreement, contract, or document existing between the Parties.

b. NMG and its Representatives, and each of them, hereby release and forever discharge SDL and its Representatives, and each of them, of and from any and all Claims (including the Monies Owed), of every nature, character and description, known and unknown, which they or any person claiming or purporting to claim through them now owns or holds, or has at any time heretofore owned or held, or may at any time own or hold, by reason of any matter, cause or thing whatsoever, occurred, done, omitted or suffered to be done on or before the Effective Date arising from, through, or by the subject matter of the Management Agreement. The foregoing release is not intended to release any Claim relating to a breach of any provision of this Settlement Agreement or breach of any other agreement, contract, or document existing between the Parties.

6. Full and Final Accord. The Parties hereto intend this Settlement Agreement to be effective as a full and final accord and satisfaction and release of each and every possible Claim related to the Management Agreement. The Parties hereby acknowledge that they are familiar with Section 1542 of the Civil Code of the State of California which provides as follows:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE WHICH, IF KNOWN BY HIM OR HER, MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

Each Party to this agreement waives and relinquishes any right and benefit which they have or may have under Section 1542 to the full extent that they may lawfully waive all such rights and benefits pertaining to the subject matter hereof.

7. Indemnification. Each Party agrees to indemnify and hold harmless the other Parties, and any of their Representatives, against any Claim (including the payment of attorneys' fees and costs incurred, whether or not litigation to be commenced) by any person or entity that is not a party to this Settlement Agreement, which is inconsistent with this Settlement Agreement.

8. No Litigation. Each Party agrees to forever refrain and forebear from commencing, instituting or prosecuting any lawsuits, actions or other proceedings based on, arising out of or in connection with any Claim being released hereunder; and to cause to be dismissed, with prejudice, any lawsuits, actions or other proceedings that are subject to release and discharge by virtue of this Settlement Agreement. Notwithstanding the foregoing, in the event of a dispute between the Parties relating to the interpretation or enforcement of this Settlement Agreement, this Settlement Agreement shall be governed in accordance with the Section 10 of the Settlement Agreement.

9. Fees and Costs. The Parties shall bear their own costs and attorneys' fees incurred in connection with the preparation and negotiation of this Settlement Agreement. However, in the event any Party to this Agreement commences any legal proceeding concerning any aspect of this Settlement Agreement, including, but not limited to, the interpretation or enforcement of the Settlement Agreement or any of its provisions, the prevailing party shall be entitled to recover its expert witness fees, reasonable attorneys' fees, and all other costs and expenses incurred in connection with the action or proceeding. The "prevailing party" means the party determined by the arbitrator court to have most nearly prevailed, even if such party did not prevail in all matters, not necessarily the one in whose favor an arbitrator's decision is rendered. If an arbitrator fails or refuses to make a determination of the prevailing party, the party who is awarded costs of arbitration shall also be deemed to be the prevailing party for purposes of awarding attorneys' fees pursuant to this section.

10. Choice of Law; Mediation Arbitration.

a. The terms of this Settlement Agreement shall be construed in accordance with the laws of the State of California, as applied to agreements entered into by California residents within the State of California, and to be performed entirely within the State of California.

b. In the event of any Claim arising out of or relating to any performance required under this Settlement Agreement, or the interpretation, validity or enforceability of this Settlement Agreement, the Parties hereto shall use their best efforts to settle the Claim. To this effect, they shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable resolution satisfactory to the Parties. If the Claim cannot be settled through negotiation within a period of seven (7) days, the Parties agree to attempt in good faith to settle the Claim through mediation, administered by a mediator mutually agreeable to the Parties, before resorting to arbitration. If they do not reach such resolution, or an agreed upon mediator cannot be identified, within a period of thirty (30) days, then, upon notice by either Party to the other they shall commence arbitration as set forth in subparagraph (c) below.

c. The Parties agree to submit any and all Claims, or any dispute related in any way to this Settlement Agreement and the services rendered hereunder, to binding arbitration before JAMS. The arbitration shall be held in accordance with the JAMS then-current Streamlined Arbitration Rules & Procedures (and no other JAMS rules), which currently are available at: http://www.jamsadr.com/rules-streamlined-arbitration. The arbitrator shall be either a retired judge, or an attorney who is experienced in commercial contracts and licensed to practice law in California, selected pursuant to the JAMS rules. The Parties expressly agree that any arbitration shall be conducted in the County of Los Angeles, California. Each Party understands and agrees that by signing this Settlement Agreement, such Party is waiving the right to a jury. Pursuant to subparagraph (a), the arbitrator shall apply California substantive law in the adjudication of all Claims. Notwithstanding the foregoing, either Party may apply to the Superior Courts located in Los Angeles County for a provisional remedy, including but not limited to a temporary restraining order or a preliminary injunction. The application for or enforcement of any provisional remedy by a Party shall not operate as a waiver of the agreement to submit a dispute to binding arbitration pursuant to this provision. In no event shall a Claim be adjudicated in Federal District Court. In the event that either Party commences a lawsuit in Federal District Court or moves to remove such action to Federal District Court, the Parties hereby mutually agree to stipulate to a dismissal of such Federal action with prejudice. After a demand for arbitration has been filed and served, the Parties may engage in reasonable discovery in the form of requests for documents, interrogatories, requests for admission, and depositions. The arbitrator shall resolve any disputes concerning discovery. The arbitrator shall award costs and reasonable attorneys' fees to the prevailing Party, as determined by the arbitrator, to the extent permitted by California law. The arbitrator's decision shall be final and binding upon the Parties. The arbitrator's decision shall include the arbitrator's findings of fact and conclusions of law and shall be issued in writing within thirty (30) days of the commencement of the arbitration proceedings.

11. Miscellaneous.

a. This Settlement Agreement is intended by the Parties as the final expression of their resolution and understanding with respect to the subject matter hereof, and as a complete and exclusive statement of the provisions thereof. This Settlement Agreement supersedes any and all prior or contemporaneous agreements and understandings. Each signatory to this Settlement Agreement expressly warrants to the other parties that he, she, or it has the authority to execute this Settlement Agreement on behalf of the party or parties to be bound by his, her, or its signature, and on behalf of each and every principal or other owner of a legal, equitable, or beneficial interest in such party or parties. Each signatory agrees that he, she, or it will indemnify the other parties to this Settlement Agreement from any loss or damage resulting from a breach of warranty of authority.

b. The Parties agree to cooperate fully, to execute and deliver any and all supplementary documents, and to take all additional actions, which reasonably may be necessary or appropriate to give full force and effect to the terms and intent of this Settlement Agreement without the receipt of further consideration.

c. The Parties represent, warrant, and certify that there has been no transfer or assignment, or attempted transfer or assignment, of any right, title, or interest in or to any claim, action, or cause of action that is being released and discharged pursuant to the general releases provided above.

d. This Settlement Agreement is binding upon and inures to the benefit of the Parties and their heirs, executors, administrators, successors, legal representatives and permitted assignees.

e. This Settlement Agreement may be executed in two or more counterparts, any one of which need not contain the signatures of all Parties, but all of which counterparts when taken together will constitute one and the same agreement.

f. For purposes of this Settlement Agreement, a facsimile or other electronic version of a Party's signature, such as a .pdf, printed by a receiving facsimile or printer or a digital signature received via www.docusign.com will be deemed an original signature.

g. The Parties respectively represent and certify that they secured independent legal and tax advice and consultation, or waived such advice and consultation, in connection with this Settlement Agreement and any rights each may be relinquishing hereby, and that each has not relied upon any representations of statements made by any other party or by any other party's counsel, accountant, or representatives in executing this Settlement Agreement, other than as stated expressly herein. Each Party warrants and certifies it is responsible for its own tax obligations, duties, and responsibilities arising from the terms of this Settlement Agreement, and agrees to indemnify the other Party for failure or breach of any tax obligations arising under this Settlement Agreement.

IN WITNESS WHEREOF, the Parties have executed this agreement as of the date first written above.

NMG Cathedral City, LLC
("**NMG**")

By: /s/ Stephen 'Trip' Hoffman
Name: Stephen 'Trip' Hoffman
Title: Authorized Signatory

Satellites Dip, LLC
("**SDL**")

By: /s/ Azadeh Dastmalchi
Name: Azadeh Dastmalchi
Title: Authorized Signatory

EXHIBIT A

Summary of Current Inventory Value

	NMG Balance	SD Balance	
Past Sold Product Packaging Cost	$ 1,381.84		
Current Inventory Cost (material, labor, pkg)	$ 3,379.24	$ 135,625.63	
Payroll/Travel Payables	$ 158,752.68	$ 27,888.13	
Management Fee	$ 50,000.00	$ 10,000.00	
	$ 213,513.76	$ 173,513.76	
Inventory Value			$ 163,513.76
NMG Payables (w/o Mgt Fee)			$ 163,513.76
Net Difference			$ 0.00
Mr Atomizer Machine		$ 235,684.93	
Note Payable	$ 250,000.00		
Interest	$ 10,684.93		
Prepaid Service Fee (5mo @$5k/mo)		$ 25,000.00	
	$ 260,684.93	$ 260,684.93	
Asset Value, Service Fee Abatement			$ 260,684.93
NMG Note, Service Fee			$ 260,684.93
			$ 0.00

Exhibit A: Monies Owed

EXHIBIT B

Product Name	Product Variant	Product Type	Quantity (g)	Quantity (units)
Orange Phoenix Blunts	1g	Pre Roll		3,812
Orange Phoenix Smalls Bulk	BULK	Flower	2,270	
Grapefruit OG Pre rolls	1g	Pre Roll		1,335
Banana OG Bulk	BULK	Flower	23,608	
Lemon Brulee	1g	Live Resin		740
Lemon Sugar Kush	1g	Live Resin		1,347
Ghost Train Haze	1g	Live Resin		365
CBD Distilliate	BULK	Distillate	1,700	
DosiDo	BULK	Distillate	250	
Hardcore OG	BULK	Distillate	300	
Red Tail	BULK	Distillate	450	
Strawberry Banana/Golden Lemons	BULK	Live Resin Sauce	134	
Lemon Brulee	BULK	Live Resin Sauce	91	
Sled Dawg Sauce	BULK	Live Resin Sauce	341	
Yoga Fire (1,300g input)	BULK	Badder	95	
Other Name (14,165g input)	BULK	Badder	1,065	

Exhibit B: Complete Inventory

EXHIBIT 10.2

BRAND DIRECTOR AGREEMENT

This brand director agreement (this "**Agreement**") is made and entered into as of November 30, 2019 (the "**Effective Date**"), by and among NMG Cathedral City, LLC, a California limited liability company (the "**Brand Director**") and Satellites Dip, LLC, a California limited liability company (**"Licensee"**). Brand Director and Licensee are each referred to herein as a "**Party**" and are collectively referred to herein as the "**Parties**."

WHEREAS, Licensee is a licensed commercial cannabis business conducting Commercial Cannabis Activity within the state of California;

WHEREAS, Brand Director is engaged in the business of, *inter alia*, providing certain services to licensed commercial cannabis businesses operating throughout the state of California;

WHEREAS, Licensee desires to engage the Brand Director, and the Brand Director wishes to accept said engagement, to provide the Brand Director Services for the Managed Products on the terms and conditions set forth herein;

WHEREAS, Licensee has concurrently herewith entered into that certain Brand License Agreement with DEP Nevada, Inc. ("DEP") of even date herewith (the "License Agreement") to run coterminous with this Agreement, whereby Licensee shall license the Licensed Brands from DEP;

WHEREAS, these recitals are hereby incorporated and made a part of this Agreement; and

NOW, THEREFORE, in consideration of the promises and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, each intending to be legally bound hereby, do promise and agree as follows:

1. DEFINITIONS

a. "**Affiliate**" of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term "**control**" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

b. "**Agreement**" shall have the meaning set forth in the preamble of this Agreement.

c. "**Applicable Law**" means any and all applicable local, state and federal laws, rules and regulations. Notwithstanding anything to the contrary contained herein, the parties acknowledge that, at the time of the execution of this Agreement, the terms of this Agreement may not comply with the CSA. The parties acknowledge that a violation of the CSA shall not be deemed to violate Applicable Law as used herein.

d. "**BCC**" means the California Bureau of Cannabis Control.

e. "**BCC Regulations**" means the Bureau of Cannabis Control's final Text of Regulations, Title 16, Division 42.

f. "**Brand Director**" shall have the meaning set forth in the preamble to this Agreement.

g. "**Brand Director Fee**" shall be the fee paid to the Brand Director as consideration for the Brand Director Services as set forth in Section 3(b) of this Agreement.

h. "**Brand Director Services**" shall have the meaning set forth in Section 2 of this Agreement.

i. "**CDPH**" means the California Department of Public Health.

j. "**CDPH Regulations**" means the California Code of Regulations Title 17.

k. "**Claims**" means any claim, demand, dispute, controversy or cause of action.

l. "**Collection Costs**" means reasonable costs related to recovery of unpaid payments of the Brand Director Fee, including, but not limited to, administrative and attorney's fees that may be incurred by Brand Director and/or Brand Director's Representatives in an effort to collect past due amounts owed to Brand Director for more than sixty (60) days.

m. "**Commercial Cannabis Activity**" means all commercial cannabis activity that Licensee is lawfully engaged in within the State of California pursuant to the Licenses.

n. "**Confidential Information**" means any and all information relating to either Party, including information about either Party's business operations, strategies, goods and services, customers, pricing, marketing, and other information or documents that may reasonably be deemed to be sensitive, confidential or proprietary, disclosed to and/or obtained by one Party to the other in connection with this Agreement, whether orally, in writing, or in other recorded form, and regardless of whether such information is expressly stated to be confidential or marked as such. For purposes of clarity, Confidential Information shall not include information that, at the time of disclosure: (i) is or becomes generally available to and known by the public other than as a result of, directly or indirectly, any breach of a Party; (ii) is or becomes available to a Party on a non-confidential basis from another Person, provided that such Person is not and was not prohibited from disclosing such Confidential Information; (iii) was known by or in the possession of a Party prior to being disclosed by or on behalf of the other Party; or (iv) is required to be disclosed by Applicable Law, including pursuant to the terms of a court order; provided that the disclosing Party has given the other Party prior written notice of such disclosure and an opportunity to contest such disclosure and to seek a protective order or other remedy.

o. "**Contribution Fee**" shall be a monthly fee of Five Thousand Dollars ($5,000.00) to be paid by Brand Director to Licensee on or before the fifth (5th) calendar day of each month during the Term, subject to Section 3(e) of this Agreement, beginning November 1, 2019.

p. "**CSA**" means 21 U.S.C. § 811, et seq., short titled the Controlled Substance Act and its implementing regulations.

q. "**Designated Area**" means the area of the Licensed Premise reserved for the production of the Managed Products as set forth in the premises diagram attached hereto as Exhibit B.

r. "**Direct Costs**" means all direct, customary, necessary and verifiable "out-of-pocket" costs, expenses, and fees, which directly relate to the production and sale of the Managed Products only, including but not limited to: (1) wages paid to employees, contractors and consultants (as applicable); (2) fees paid in connection with the processing, manufacturing, packaging and labeling of the Managed Products, including but not limited to, source material costs, and general and product liability insurance; (3) Testing Costs; (4) any fees associated with the distribution, transportation, and sale of the Managed Products; and (5) any other reasonable and documented fees and expenses incurred in connection with the production and sale of the Managed Products.

s. "**Direct Taxes**" means all taxes paid by Licensee, which directly and exclusively relate to Licensee's production of the Managed Products, including, without limitation, any cannabis related taxes imposed, such as California cultivation tax, excise tax, and sales tax, local cannabis-related taxes and excise fees, and all other applicable local, State or Federal taxes, including, but not limited to, sales, use, receipts, excise, remittance or VAT.

t. "**Distribution Premise**" means the real property where Licensee is licensed to conduct commercial cannabis distribution activities.

u. "**Effective Date**" shall have the meaning set forth in the preamble of this Agreement.

v. "**Equipment Lease**" shall have the meaning set forth in Section 6(b).

w. "**Gross Revenue**" means the gross amount of monies, income, consideration and/or other compensation actually received by Licensee in connection with the sale of Managed Products.

x. "**Initial Term**" means a period commencing on the Effective Date and extending until such date that is six (6) months thereafter.

y. "**Intellectual Property**" means any and all trademarks, service marks, trade names, trade dress, word marks and design marks, slogans, domain names, graphics, images, logos, artwork, text and other works of authorship technical information, trade secrets, formulas, recipes, prototypes, specifications, directions, instructions, test protocols, procedures, results, studies, analyses, raw material sources, data, manufacturing data, formulation or production technology, conceptions, ideas, innovations, discoveries, inventions, processes, methods, materials, machines, devices, formulae, equipment, enhancements, modifications, technological developments, techniques, systems, tools, designs, drawings, plans, software, documentation, data, programs, and other knowledge, information, skills, and materials owned or developed by a particular Party.

z. "**License**" or "**Licenses**" means: both: (i) any and all approvals, permits and/or licenses required by local municipal law to engage in the Commercial Cannabis Activity at the Licensed Premises; and (ii) a license to engage in the Commercial Cannabis Activity granted by the applicable California licensing authority to engaged in the Commercial Cannabis Activity at the Licensed Premises. The Licenses issued from the State Regulatory Authorities are attached hereto as Exhibit C.

aa. "**License Agreement**" shall have the meaning set forth in the recitals of this Agreement.

bb. "**Licensed Brand(s)**" means the brand name(s), tradename(s), trademark(s), service mark(s), logo(s), design(s), artwork licensed by the Licensee pursuant to the License Agreement.

cc. "**Licensed Premise**" shall mean collectively, the Manufacturing Premises and the Distribution Premises.

dd. "**Licensee**" shall have the meaning set forth in the preamble of this Agreement.

ee. "**Losses**" means losses, damages, liabilities, deficiencies, actions, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys' fees and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers.

ff. "**Managed Brands**" shall mean the Licensed Brand, plus any other brands included on the Managed Products listed on Exhibit C, which may be updated from time to time by Brand Director.

gg. "**Managed Products**" means the cannabis products that are labeled with branding of the Licensed Brand and any additional cannabis products produced by Licensee under the management of Brand Director as set forth on Exhibit C attached hereto.

hh. "**Manufacturing Premise**" means the real property where Licensee is licensed to conduct commercial cannabis manufacturing activities.

ii. "**Net Revenue**" shall mean the Gross Revenues, minus all Direct Costs.

jj. "**Party**" or "**Parties**" shall have the meaning set forth in the preamble of this Agreement.

kk. "**Person**" means an individual, corporation, partnership, joint venture, limited liability company, governmental authority, unincorporated organization, trust, association or other entity.

ll. "**Representatives**" means a Party's and its Affiliates' shareholders, members, managers, employees, officers, directors, consultants, and legal advisors.

mm. "**Renewal Term**" means a period of three (3) months commencing upon the conclusion of the immediately preceding Term period.

nn. "**Source Materials**" means all raw ingredients, including cannabis and non-cannabis ingredients, packaging and labeling, and any other materials required to be used in the production of the Managed Products.

oo. "**State Regulatory Authorities**" means the BCC and the CDPH.

pp. "**Supply Chain License Holders**" means, collectively, all of Licensee's third-party nurseries, cultivators, processors, transporters, manufacturers, extractors, infusers, packagers, and suppliers and distributors involved in the supply chain of any Managed Product.

qq. "**Term**" means, collectively, the Initial Term and all Renewal Terms (if any).

rr. "**Testing Costs**" means all actual, documented costs charged by the Testing Laboratory to Licensee with respect to the testing of Managed Products (without mark-up). Licensee shall ensure that the Testing Costs are on a most favored nation basis with the lowest testing cost quoted to Licensee.

ss. "**Testing Laboratory**" means a testing laboratory that has obtained all local and state licenses required under Applicable Law to be a commercial cannabis testing laboratory in the state of California.

2. BRAND DIRECTOR SERVICES

a. Licensee Responsibilities. The Licensee shall be responsible for all day to day operations and expenses of Licensee's Commercial Cannabis Activity, with the exception of the duties and responsibilities expressly delegated to Brand Director as set forth in Section 2(b) of this Agreement.

b. Brand Director Services. Upon the terms and subject to the conditions contained herein, Licensee is engaging Brand Director to provide certain operational and advisory services in connection with the Licensee's production of the Managed Products (the "**Brand Director Services**"). The Brand Director Services may include, without limitation, the following services:

i. Brand Direction. Brand Director shall manage and oversee day-to-day operation of Licensee's production of the Managed Products only, which services may include, without limitation: (1) maintaining legally compliant and appropriate hours for production; (2) causing Licensee to hire an adequate and appropriate staff of personnel for production; and (3) managing, supervising, monitoring, and consulting with personnel as to the production of the Managed Products in compliance with the terms of this Agreement and Applicable Law.

ii. Payment of Reimbursement Fee. In connection with Licensee's production of the Managed Products, Brand Director shall pay to Licensee a monthly reimbursement fee equal to the amount of Direct Costs and Direct Taxes attributable to the production and sale of the Managed Products with such reimbursement fee to be paid no later than the first calendar day of each month during the Term (the "**Reimbursement Fee**").

iii. Inventory Management. Brand Director shall direct Licensee as to producing, establishing, purchasing, or otherwise acquiring and managing appropriate inventory and supply levels of Source Materials for use in connection with Licensee's production of the Managed Products as permitted under Applicable Law.

iv. Sale and Distribution. Brand Director shall direct Licensee to enter into distribution agreements and sale agreements with third-party commercial cannabis licensees for the distribution and sale of the Managed Products in accordance with Applicable Law. Brand Director shall have approval rights of any contracts between Licensee and any third-party licensees related to the Managed Products.

c. Production of the Managed Products. Upon execution of this Agreement, Licensee expressly grants Brand Director 24 hour access to the Designated Area to provide the Brand Director Services. Licensee further agrees to begin producing the Managed Products under the management and directions of Brand Director in the Designated Area. Only authorized personnel shall be permitted to participate in the production of the Managed Products and be granted access to the Brand Director's Intellectual Property, the Source Materials, and the Managed Products.

d. Cooperation. Licensee shall cooperate with Brand Director in all reasonable respects in matters relating to the provision and receipt of the Brand Director Services. Notwithstanding the foregoing, Brand Director's authority to manage Licensee is limited to the Brand Director Services as defined herein and all aspects of operations necessary to carry out such services.

3. CONSIDERATION

a. Source Materials. The Parties agree that Brand Director shall direct the Licensee to purchase and supply all Source Materials, other than non-cannabis Source Materials supplied by the Brand Director, in accordance with Applicable Law. Any costs incurred by Licensee for such Source Materials shall be subject to reimbursement in accordance with Section 2(b)(ii) of this Agreement.

b. Brand Director Fee. Subject to Section 3(e), for each calendar month during the Term, Licensee shall pay to Brand Director a fee, to be calculated as follows: (x) Net Revenue for a single calendar month, multiplied by, (y) seventy-five percent (75%); (z) plus any fees to be paid to Brand Director in connection with the Equipment Lease dated June 6, 2019 (the "**Equipment Lease Fees**") added to the product of (x) and (y), the (q) total amount shall be the fee paid to the Brand Director (the "**Brand Director Fee**"). If the Net Revenue, minus the product of (x) and (y) is less than the Equipment Lease Fees in any given month, the difference shall carry over to the subsequent month, to be added to that month's Equipment Lease Fee, or the difference may be paid by Licensee at its sole option.

c. Payment. Full payment of the Brand Director Fee pursuant to this Section 3 shall be made on a monthly basis by the Licensee no later than ten (10) calendar days following the end of each calendar month during the Term. In the event that Licensee fails to make payment of the Brand Director Fee, Licensee shall be charged a late payment fee, which shall be equal to the lesser of: (i) the interest at a rate of ten percent (10%) per annum, compounded monthly; or (ii) the highest interest rate permissible by Applicable Law. In addition, Licensee shall also be responsible for all Collection Costs, which Collection Costs shall be added to the amounts due to Brand Director and paid by Licensee. All payments made by Licensee following the incurrence of Collection Costs by Brand Director shall first be credited to Collection Costs amounts and then to the past due invoice until the account is brought current. Additionally, in the event that the Brand Director Fee remains unpaid for more than sixty (60) days, Brand Director shall have the right, but not the obligation, to terminate the Term of the Agreement. In such event, Licensee shall waive all rights and remedies and release all applicable claims that Licensee might have against Brand Director as a direct or indirect result of such termination.

d. Audit. Brand Director (or its Representative) shall have the right upon reasonable notice, and at Brand Director's sole cost and expense, to examine the books of account and records with respect to sales of Managed Products wherever such books and records are usually kept and to make reasonable copies thereof.

e. Contemporaneous Loan Addendum. The Parties previously entered into a certain Loan Agreement dated June 6, 2019 whereby Brand Director has made a loan of funds for operational expenses to Licensee (the "**Loan Agreement**"). Notwithstanding anything set forth in this Agreement to the contrary, as partial repayment for the principal and interest accrued under the Loan Agreement, the Licensee hereby waives payment of the Contribution Fee for the first five (5) calendar months of the Term of this Agreement.

4. REGULATORY COMPLIANCE

a. Regulatory Disclosures.

i. The Parties acknowledge the contractual relationship contemplated hereby requires regulatory disclosure of Brand Director as an "Owner" of Licensee's Licenses under Applicable Law. Licensee has previously notified the BCC and CDPH of Brand Director's status as a non-equity "Owner" under the Licenses pursuant to Section 5023(c) of the BCC Regulations and Section 40178 of the CDPH Regulations and completed the necessary and appropriate forms provided by each State Regulatory Authority. It is the Parties belief that administrative disclosure of the contractual relationship contemplated hereby to the City of Cathedral City is not required. In the event that the City of Cathedral City determines that disclosure of Brand Director's interest in the Licenses is required, the Parties agree to timely cooperate and promptly take all necessary steps to disclose such "Ownership." The Parties hereby agree to make all required disclosures to ensure ongoing compliance with Applicable Law.

ii. Brand Director agrees to provide Licensee with all personal information relating to Brand Director and Brand Director's Affiliates including LiveScans and all other information that is required by state law to be disclosed by Licensee to the State Regulatory Authorities. Brand Director hereby authorizes and consents to Licensee's submission all such required personal information of Brand Director and Brand Director's Affiliates to the State Regulatory Authorities and shall cause all such Affiliates to complete LiveScans, provide their personal information, and consent to such disclosure.

b. Compliance. It is the Parties' intent that this Agreement comply in all respects with all Applicable Laws and the Parties have structured their relationship with that specific intent. However, each Party understands that the Applicable Laws are complicated and in a state of flux. In the event that the State Regulatory Authorities require additional disclosure obligations pursuant to Section 4(a) above, or which require changes to the structure of this Agreement for compliance purposes, the Parties agree to use best efforts to make such disclosures and/or modify this Agreement to comply with the new requirements while preserving the intent of the Parties set forth herein. In addition, each Party further understands that United States Federal laws may render the subject of this Agreement as void or unenforceable, and as a result, the Parties expressly acknowledge and agree that if United States Federal laws that would render the subject of this Agreement as void or unenforceable that does not and will not apply to this Agreement, the transactions contemplated hereby, or the relationship of the Parties hereto, and notwithstanding, the Parties will cooperate to perform the substance of their obligations hereunder. Therefore, subject to this paragraph, in the event that any provision of this Agreement is rendered invalid or unenforceable by a court of competent jurisdiction, or the applicable laws and regulations are altered by any legislative or regulatory body, or either Party notifies the other Party in writing of its reasonable belief that this Agreement or any of its provisions may be declared null, void, unenforceable, or in violation of Applicable Laws, the remaining provisions, if any, of this Agreement shall nevertheless continue in full force and effect.

c. Regulatory Changes. In the event any authorized state or local regulatory agency deems the commercial relationship set forth in this Agreement non-compliant with Applicable Laws, the Parties agree to negotiate in good faith to modify this Agreement as necessary to preserve the economic and commercial aspects of this Agreement and bring this Agreement into compliance with Applicable Laws.

5. INTELLECTUAL PROPERTY

a. Intellectual Property. Each Party acknowledges and agrees that during the Term and thereafter, such Party shall retain all rights in its Intellectual Property as defined herein. Any Intellectual Property that may be utilized by either Party in connection herewith shall remain the property of such Party, and the other Party shall have no rights or interests therein, except as may otherwise be expressly provided in any separate agreement between the Parties. Neither Party shall, at any time during or after the Term of this Agreement or thereafter, dispute or contest, directly or indirectly, the other Party's right and title to the Intellectual Property or the validity thereof. Each Party agrees to execute any documents reasonably requested by the other Party to affect any of the above provisions.

b. Developing Intellectual Property. In the event any Intellectual Property is developed in connection with the production of the Managed Products, such Intellectual Property shall be solely owned by the Brand Director.

c. Intellectual Property Remedies. Without limiting either Party's other remedies, whether in law or equity, each Party acknowledges and agrees that the other Party shall have the right to injunctive relief, to prevent and/or cure a breach or threatened breach of this Section 5.

6. TERM AND TERMINATION

a. Initial Term. The Agreement and the provisions hereof, shall be in full force and effect for the duration of the Initial Term.

b. Option to Extend. Upon expiration of the Initial Term or the then current term, Brand Director shall have an option to extend the term of the Agreement for a Renewal Term, on the same terms and conditions contained in this Agreement. The option to extend may be exercised by the Brand Director, at its sole discretion, by delivering written notice to Licensee of Brand Director's intent to exercise the option within thirty (30) days prior to the expiration of the Initial term. Licensee may choose to deny Brand Director's request to extend the agreement with a written response to Brand Director indicating Licensee's intent to terminate, either before Brand Director's request to extend, or after, so long as the termination response is more than thirty (30) days prior to the expiration of the current term

c. Termination. Either Party shall be free to terminate this Agreement upon thirty (30) days prior written notice, should the non-moving Party be in breach of this Agreement and such breach is not cured within ten (10) business days.

d. Equipment Lease Termination. The Parties have previously entered into an Equipment Lease agreement dated June 6, 2019 (the "**Equipment Lease**"). Notwithstanding anything in the Equipment Lease to the contrary, the Parties hereby agree that in the event this Agreement is terminated, the Equipment Lease shall automatically terminate without any further action required by the Parties.

7. REPRESENTATIONS AND WARRANTIES

Each Party represents and warrants to the other Party that: (i) it is duly organized, validly existing and in good standing as a corporation or other entity as represented herein under the laws and regulations of its jurisdiction of incorporation, organization or chartering; (ii) it has the full right, power and authority to enter into this Agreement, to grant the rights granted hereunder and to perform its obligations hereunder; (iii) the execution of this the Agreement by its Representative whose signature is set forth at the end hereof has been duly authorized by all necessary corporate action of the Party; and (iv) when executed and delivered by such Party, this Agreement will constitute the legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms.

8. INDEMNITY; LIMITATION ON LIABILITY

a. Indemnity of Licensee. Brand Director hereby indemnifies and holds Licensee (along with its Representatives) harmless from any liability, cost or expense (including reasonable attorneys' fees) arising out of any claim asserted by a third party against Licensee which claim is based on a breach by Brand Director of its obligation hereunder and/or the gross negligence or intentionally wrongful acts or omissions of Brand Director in the performance of its obligations and responsibilities under this Agreement. If Licensee seeks indemnification from Brand Director, it shall give Brand Director notice of such claim, and Licensee shall defend and settle such claim at its sole expense, provided that Licensee shall cooperate in such defense, and further provided that Licensee may elect to engage counsel to participate in such defense at its own expense.

b. Indemnity of Brand Director. Licensee hereby indemnifies and holds Brand Director (along with its Representatives) harmless from any liability, cost or expense (including reasonable attorneys' fees) arising out of any claim asserted by a third party against Brand Director which claim is based on breach by Licensee of its obligation hereunder and/or the gross negligence or intentionally wrongful acts or omissions of Licensee in the performance of its obligations and responsibilities under this Agreement. If Brand Director seeks indemnification from Licensee, it shall give Licensee notice of such claim, and Brand Director shall defend and settle such claim at its sole expense, provided that Brand Director shall cooperate in such defense, and further provided that Brand Director may elect to engage counsel to participate in such defense at its own expense.

c. Limitation of Liability.

i. The obligations of either Party pursuant to this Agreement shall not constitute personal obligations of such Party's Representatives, and the other Party shall look solely to such Party and to no other Person for the satisfaction of any liability with respect to this Agreement. The limitations of liability set forth in this Section 8 are in addition to, and not in lieu of, any other limitations of liability or indemnification obligations set forth elsewhere in this Agreement or in other contracts, agreements, instruments, or other documents.

ii. EACH OF THE PARTIES HEREBY AGREES THAT IN NO EVENT SHALL THE OTHER PARTY BE LIABLE UNDER OR IN RELATION TO THIS AGREEMENT OR ARISING OUT OF THE TRANSACTIONS CONTEMPLATED HEREBY TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES (AND WHETHER IN RELATION TO TORT, INCLUDING NEGLIGENCE), BREACH OF CONTRACT, STRICT LIABILITY OR OTHERWISE, OR ANY OTHER LIABILITY FOR ANY OF THE FOLLOWING: (I) LOSS OF PROFITS, REVENUES OR SALES; (II) LOSS OF BARGAIN; (III) LOSS OF OPPORTUNITY; (IV) LOSS OF USE OF ANY SERVICE OR ANY COMPUTER EQUIPMENT; (V) LOSS OF TIME ON THE PART OF MANAGEMENT OR OTHER STAFF; (VI) BUSINESS INTERRUPTION, RELATED TO THIS AGREEMENT OR THE SERVICES PROVIDED HEREUNDER, (VII) DAMAGE TO OR LOSS OF DATA; OR (VIII) ANY INDIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, EXTRAORDINARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OF ANY KIND HOWSOEVER.

9. INSURANCE

a. Licensee shall maintain, throughout the Term and for a period of one (1) year thereafter, at its own cost and expense from a qualified insurance company Standard General Liability Insurance naming Brand Director as additional insured or named additional insured with limits no less than the greater of the amount required by Applicable Law and one million dollars ($1,000,000) per occurrence and two million dollars ($2,000,000) in the aggregate, including bodily injury, property damage, and products and completed operations, which policy will include contractual liability coverage insuring the activities of Brand Director under this Agreement. Upon demand, Licensee shall furnish to Brand Director a certificate of insurance evidencing same within five (5) days after request for same.

b. In addition, Licensee shall hold all other insurance policies required by Applicable Law.

10. CONFIDENTIALITY

a. Confidential Information. Each Party acknowledges that, in connection with this Agreement and it will gain access to the other Party's Confidential Information. Each Party shall: (i) protect and safeguard the confidentiality of the other Party's Confidential Information with at least the same degree of care as such Party would protect its own Confidential Information, but in no event with less than a commercially reasonable degree of care; (ii) not use the other Party's Confidential Information, or permit it to be accessed or used, for any purpose other than to exercise its rights or perform its obligations under this Agreement; and (c) not disclose any such Confidential Information to any person or entity, except to its Representatives who are bound by written confidentiality obligations and have a need to know the Confidential Information to exercise its rights or perform its obligations under this Agreement. Notwithstanding the foregoing, each Party expressly acknowledges that it does not and will not have an ownership interest, whatsoever, in any of the other Party's Confidential Information, and shall have no right to use any of the other Party's Confidential Information except during the Term of this Agreement with the other Party's express written consent.

b. Disclosure of Confidential Information. Notwithstanding the foregoing, a Party may disclose the other Party's Confidential Information to the extent required to comply with Applicable Law, governmental regulations, or pursuant to an order of a court of competent jurisdiction, but even then, only upon sufficient advanced written notice Licensee to permit Licensee to object, quash, or otherwise seek to avoid disclosure of the Confidential Information, should it choose to do so.

11. MISCELLANEOUS

c. Notice. Any notice required to be given pursuant to this Agreement shall be in writing and delivered personally to the other designated Party or mailed by certified or registered mail, return receipt requested or delivered by a recognized national overnight courier service, except e-mail may be used for day-to-day operations and contacts but not for 'notice' or other communications required under this Agreement or by law.

d. Waiver. No waiver by any Party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the Party so waiving. Except as otherwise set forth in this Agreement, no failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

e. Severability. In the event that any term, clause, or provision hereof is held invalid or unenforceable by a court of competent jurisdiction, such invalidity shall not affect the validity or operation of any other term, clause or provision and such invalid term, clause or provision shall be deemed to be severed from the Agreement.

f. Assignment. The rights granted hereunder are personal to each Party and shall not be assigned, delegated or sub-contracted by any act of any Party or by operation of law unless in connection with a transfer of substantially all of the assets of a Party, to an Affiliate, or with the consent of the other Party to this Agreement, which consent shall not be unreasonably withheld, delayed or conditioned.

g. Relationship of The Parties. The relationship between the Parties is that of independent contractors. Nothing in this Agreement shall create or shall be deemed to create any joint venture or partnership between the Parties, nor shall anything in this Agreement render or be construed to render any of employees or agents of one Party to be employees or agents of the other Party. This Agreement does not provide any of one Party's employees or agents with any rights or benefits to which an employee or agent of the other Party may be entitled. Each Party acknowledges exclusive responsibility for and indemnifies the other Party against withholding and payment of any and all taxes, including but not limited to FICA taxes, worker's compensation insurance premiums, unemployment, state and federal income taxes, and any such withholding payments required under state or federal law, as well as vacation pay, paid sick leave, retirement benefits, and employee benefits of any kind whatsoever for all personnel on their payroll, and neither Party shall be liable for any of the foregoing with regard to personnel on the other Party's payroll.

h. Compliance.

i. Change in Law. If any change to Applicable Law has a materially adverse effect on the ability of either Party to carry out its obligations under this Agreement, such Party, upon written notice, may request renegotiation of this Agreement in good faith to amend this Agreement to the extent reasonably necessary or prudent to address the change in Applicable Law in a manner that accomplishes the intents and objectives of the Parties, as evidenced by the terms of this Agreement, in all material respects to the extent possible. Such renegotiation will be undertaken in good faith and will include the use of a mutually approved independent third-party mediator. If the Parties are unable to renegotiate the terms within ninety (90) days after such notice and good faith negotiations, either Party may terminate this Agreement on sixty (60) days' further written notice or at the end of the Term (even if less than sixty (60) days remain until the end of the Term), whichever is earlier.

ii. Regulatory Compliance. It is the intent of the Parties that this Agreement comply in all respects with all Applicable Laws and the Parties have structured their relationship with that specific intent. However, each Party understands that the Applicable Laws are complicated and in a state of flux. In addition, each Party further understands that United States Federal laws may render the subject of this Agreement as void or unenforceable, and as a result, the Parties expressly acknowledge and agree that if United States Federal laws that would render the subject of this Agreement as void or unenforceable that does not and will not apply to this Agreement, the transactions contemplated hereby, or the relationship of the Parties hereto, and notwithstanding, the Parties will cooperate to perform the substance of their obligations hereunder. Therefore, subject to this paragraph, in the event that any provision of this Agreement is rendered invalid or unenforceable by a court of competent jurisdiction, or the applicable laws and regulations are altered by any legislative or regulatory body, or either Party notifies the other Party in writing of its reasonable belief that this Agreement or any of its provisions may be declared null, void, unenforceable, or in violation of Applicable Laws, the remaining provisions, if any, of this Agreement shall nevertheless continue in full force and effect.

i. Entire Agreement. This Agreement and any other documents incorporated herein by reference, constitutes the sole and entire agreement of the Parties to this Agreement with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter.

j. Amendments. Any amendment to this Agreement must be in writing and signed by an authorized person of each Party.

k. Surviving Rights. Any rights or obligations of the Parties in this Agreement which, by their nature, should survive termination or expiration of this Agreement will survive any such termination or expiration.

l. Further Assurances. Each Party shall, upon the reasonable request of the other Party, promptly execute such documents and perform such acts as may be necessary to give full effect to the terms of this Agreement.

m. No Third-Party Beneficiaries. This Agreement is for the sole benefit of the Parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever, under or by reason of this Agreement.

n. Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

o. Equitable Relief. Each Party acknowledges that a breach by the Party of this Agreement may cause the other Party irreparable damages, for which an award of damages would not be adequate compensation and agrees that, in the event of such breach or threatened breach, the other Party will be entitled to seek equitable relief, including a restraining order, injunctive relief, specific performance and any other relief that may be available from any court, in addition to any other remedy to which the other Party may be entitled at law or in equity. Such remedies shall not be deemed to be exclusive but shall be in addition to all other remedies available at law or in equity (which are cumulative and may be exercised singularly or concurrently), subject to any express exclusions or limitations in this Agreement to the contrary.

p. Counterparts; Electronic Execution. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same Agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

q. Force Majeure. Neither Party shall be responsible for delays or failure of performance under this Agreement to the extent resulting from causes that are beyond the reasonable control of such Party and which render the continued performance of this Agreement impossible, impractical or illegal, including, but not limited to, fire, flood, explosion, tornado, epidemic, earthquake, snowstorm, ice storm or other act of God, embargo, explosion, malfunction, riots, civil disputes, acts or threatened acts of terrorism or war, failure of the internet or government controls or regulations, lack of availability of source material meeting the qualifications and standards in this Agreement at commercially reasonable prices, and problems or defects in relation to the Internet and/or any telecommunication systems. The existence of such causes of such delay or failure shall extend the period for performance to the extent necessary to enable complete performance in the exercise of reasonable diligence after the causes of delay or failure have been removed.

r. Jurisdiction and Disputes.

i. This Agreement shall be governed and construed in accordance with the internal laws of the State of California without giving effect to any choice or conflict of law provision or rule (whether of the State of California or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the State of California.

ii. In the event of any Claim arising out of or relating to any performance required under this Agreement, or the interpretation, validity or enforceability hereof, the Parties hereto shall use their best efforts to settle the Claim. To this effect, they shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable resolution satisfactory to the Parties. If the Claim cannot be settled through negotiation within a period of seven (7) days, the Parties agree to attempt in good faith to settle the Claim through mediation, administered by a mediator mutually agreeable to the Parties, before resorting to arbitration. If they do not reach such resolution, or an agreed upon mediator cannot be identified, within a period of thirty (30) days, then, upon notice by either party to the other they shall commence arbitration as set forth below.

iii. The Parties agree to submit any and all Claims, or any dispute related in any way to this Agreement and the services rendered hereunder, to binding arbitration before JAMS. The arbitration shall be held in accordance with the JAMS then-current Streamlined Arbitration Rules & Procedures (and no other JAMS rules), which currently are available at: http://www.jamsadr.com/rules-streamlined-arbitration. The arbitrator shall be either a retired judge, or an attorney who is experienced in commercial contracts and licensed to practice law in California, selected pursuant to the JAMS rules. The Parties expressly agree that any arbitration shall be conducted in the Los Angeles County, California. Each party understands and agrees that by signing this Agreement, such party is waiving the right to a jury. The arbitrator shall apply California substantive law in the adjudication of all Claims. Notwithstanding the foregoing, either party may apply to the Superior Courts located in Los Angeles County, California for a provisional remedy, including but not limited to a temporary restraining order or a preliminary injunction. The application for or enforcement of any provisional remedy by a party shall not operate as a waiver of the Agreement to submit a dispute to binding arbitration pursuant to this provision. In no event shall a Claim be adjudicated in Federal District Court. In the event that either party commences a Claim in Federal District Court or moves to remove such action to Federal District Court, the Parties hereby mutually agree to stipulate to a dismissal of such Federal Claim with prejudice. After a demand for arbitration has been filed and served, the Parties may engage in reasonable discovery in the form of requests for documents, interrogatories, requests for admission, and depositions. The arbitrator shall resolve any disputes concerning discovery. The arbitrator shall award costs and reasonable attorneys' fees to the prevailing party, as determined by the arbitrator, to the extent permitted by California law. The arbitrator's decision shall be final and binding upon the Parties. The arbitrator's decision shall include the arbitrator's findings of fact and conclusions of law and shall be issued in writing within thirty (30) days of the commencement of the arbitration proceedings. The prevailing party may submit the arbitrator's decision to Superior Courts located in Los Angeles County for an entry of judgment thereon.

IN WITNESS WHEREOF, the Parties hereto, intending to be legally bound hereby, have duly executed this Agreement as of the date set forth below.

Satellites Dip, LLC ("**Licensee**")	NMG Cathedral City, LLC ("**Brand Director**")
By: /s/ Azadeh Dastmalchi	By: /s/ Stephen 'Trip' Hoffman
Name: Azadeh Dastmalchi	Name: Stephen 'Trip' Hoffman
Title: Authorized Signatory	Title: Authorized Signatory

EXHIBIT A
DESIGNATED AREA

[*attach premises diagram on next page*]

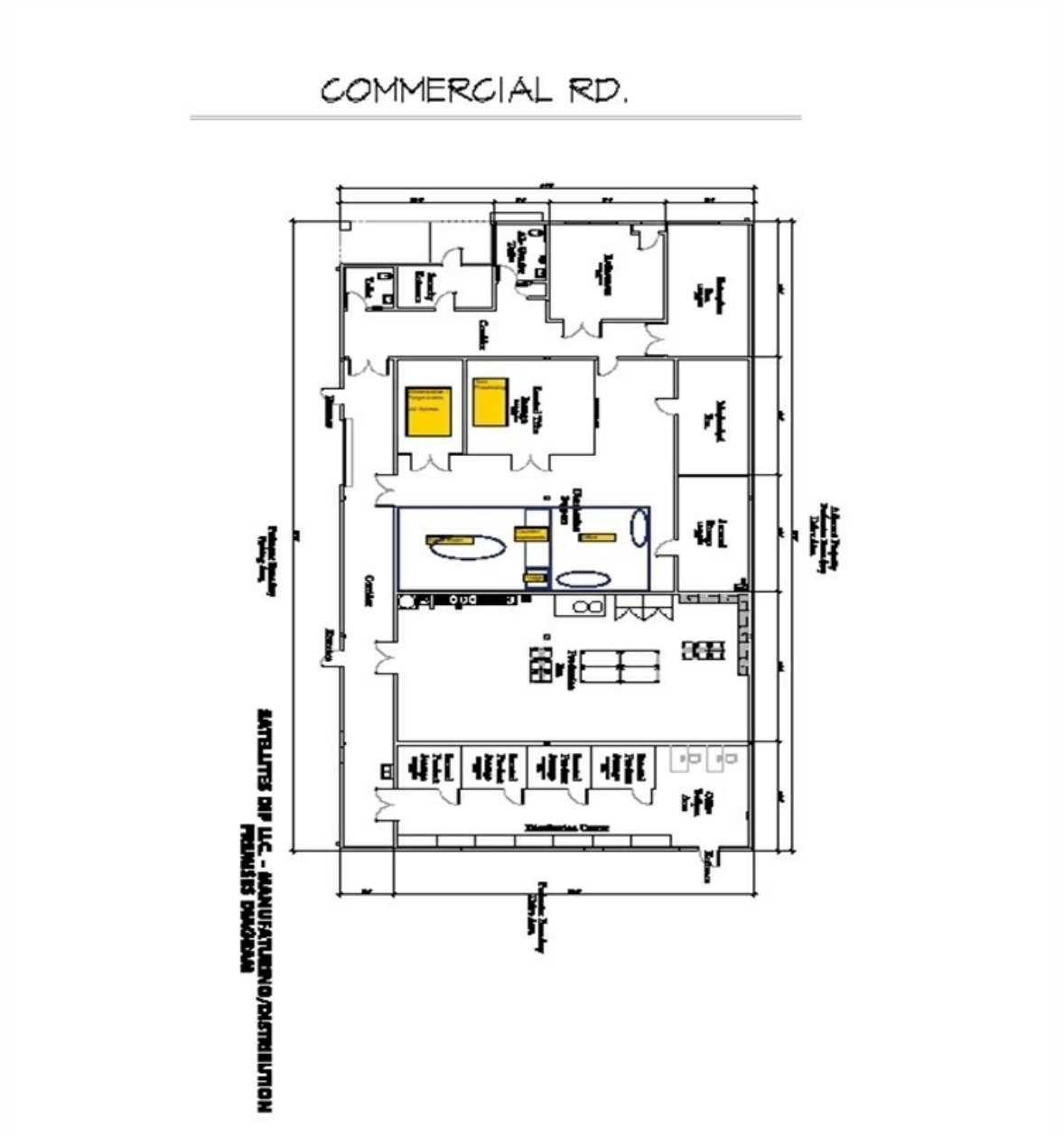
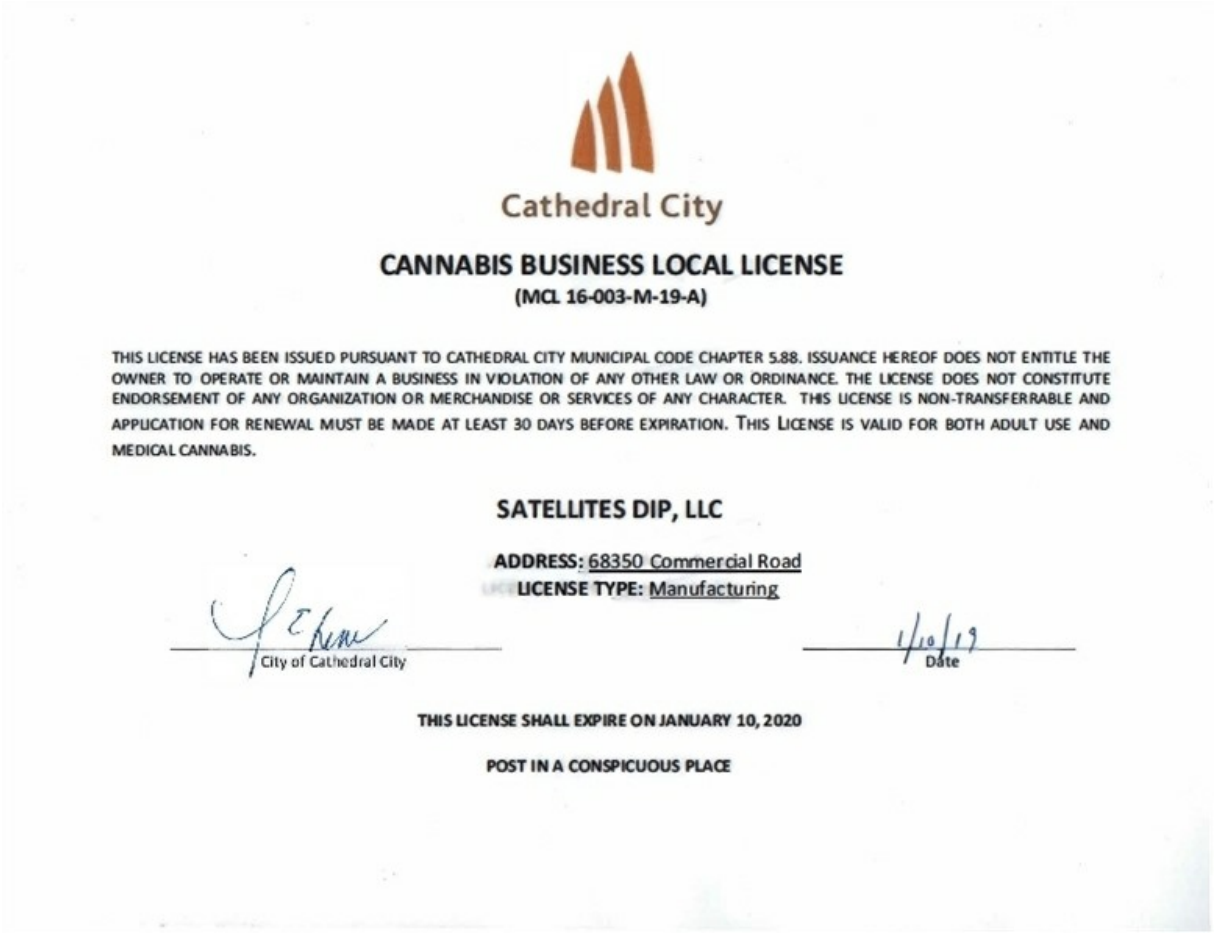

COMMERCIAL RD.
SATELLITE DIP TILE MANUFACTURING/DISTRIBUTION
PREMISES BOUNDARY

EXHIBIT A

EXHIBIT B

LICENSES

[*attach Licenses on next page*]



Cathedral City

CANNABIS BUSINESS LOCAL LICENSE

(MCL 16-003-M-19-A)

THIS LICENSE HAS BEEN ISSUED PURSUANT TO CATHEDRAL CITY MUNICIPAL CODE CHAPTER 5.88. ISSUANCE HEREOF DOES NOT ENTITLE THE OWNER TO OPERATE OR MAINTAIN A BUSINESS IN VIOLATION OF ANY OTHER LAW OR ORDINANCE. THE LICENSE DOES NOT CONSTITUTE ENDORSEMENT OF ANY ORGANIZATION OR MERCHANDISE OR SERVICES OF ANY CHARACTER. THIS LICENSE IS NON-TRANSFERRABLE AND APPLICATION FOR RENEWAL MUST BE MADE AT LEAST 30 DAYS BEFORE EXPIRATION. THIS LICENSE IS VALID FOR BOTH ADULT USE AND MEDICAL CANNABIS.

SATELLITES DIP, LLC

ADDRESS: 68350 Commercial Road
LICENSE TYPE: Manufacturing

City of Cathedral City

1/10/19
Date

THIS LICENSE SHALL EXPIRE ON JANUARY 10, 2020

POST IN A CONSPICUOUS PLACE

EXHIBIT B

Cathedral City

CANNABIS BUSINESS LOCAL LICENSE

(MCL 16-003-T-19-A)

THIS LICENSE HAS BEEN ISSUED PURSUANT TO CATHEDRAL CITY MUNICIPAL CODE CHAPTER 5.88. ISSUANCE HEREOF DOES NOT ENTITLE THE OWNER TO OPERATE OR MAINTAIN A BUSINESS IN VIOLATION OF ANY OTHER LAW OR ORDINANCE. THE LICENSE DOES NOT CONSTITUTE ENDORSEMENT OF ANY ORGANIZATION OR MERCHANDISE OR SERVICES OF ANY CHARACTER. THIS LICENSE IS NON-TRANSFERRABLE AND APPLICATION FOR RENEWAL MUST BE MADE AT LEAST 30 DAYS BEFORE EXPIRATION. THIS LICENSE IS VALID FOR BOTH ADULT USE AND MEDICAL CANNABIS.

SATELLITES DIP, LLC

ADDRESS: 68350 Commercial Road
LICENSE TYPE: Distribution/Transportation

City of Cathedral City

1/10/19
Date

THIS LICENSE SHALL EXPIRE ON JANUARY 10, 2020

POST IN A CONSPICUOUS PLACE

EXHIBIT B

BUREAU OF CANNABIS CONTROL
CALIFORNIA

Bureau of Cannabis Control
(833) 768-5880

Adult-Use and Medicinal - Distributor License
Provisional

LICENSE NO:
C11-0000058-LIC

VALID:
5/8/2019

LEGAL BUSINESS NAME:
SATELLITES DIP LLC

EXPIRES:
5/7/2020

PREMISE:
68350 COMMERCIAL RD
CATHEDRAL CTY, CA 92234-7603

Non-Transferable

Prominently display this license as required by Title 16 CCR § 5039

EXHIBIT B

EXHIBIT B

STATE OF CALIFORNIA
DEPARTMENT OF PUBLIC HEALTH
MANUFACTURED CANNABIS SAFETY BRANCH

ANNUAL MANUFACTURING LICENSE

ADULT AND MEDICINAL CANNABIS PRODUCTS - PROVISIONAL

LICENSEE:
SATELLITES DIP LLC
SATELLITES DIP LLC

LICENSED PREMISES:
68350 COMMERCIAL RD
CATHEDRAL CITY, CA 92234-7603

LICENSE NUMBER: CDPH-10002335
LICENSE TYPE: Type 7: Volatile Solvent Extraction

EFFECTIVE DATE: 04/08/2019
EXPIRATION DATE: 04/08/2020

The licensee named herein is authorized to manufacture cannabis products at the licensed premises listed herein through the expiration date of this license. This annual license issued is in accordance with the provisions of Division 10 of the California Business and Professional Code and is not transferable to any other person or premises. The licensee is required by law to notify the Manufactured Cannabis Safety Branch of changes pertaining to this license. This license shall always be displayed in a prominent place at the licensed premises. This license shall be subject to suspension or revocation by the California Department of Public Health if it is found that manufacturing operation is in violation of Division 10 of the Business and Professions Code or regulations adopted thereunder.

California Department of Public Health
P.O. Box 997377, MS-7000
Sacramento, CA 95899-7377

Asif A. Maan Ph.D.
Chief, Manufactured Cannabis Safety Branch

EXHIBIT C

MANAGED BRANDS

Managed Products/Brands
Body and Mind Products
G-Pen Products

EXHIBIT 10.3

BRAND LICENSE AGREEMENT

This brand license agreement (the "**Agreement**") is made and entered into as of November 30, 2019 (the "**Effective Date**"), by and between DEP Nevada, Inc., a Nevada corporation ("**Licensor**") and Satellites Dip, LLC ("**Licensee**"). Licensor and Licensee are each referred to herein as a "**Party**" and are collectively referred to herein as the "**Parties**."

WHEREAS, Licensee holds all Cannabis Licenses required to perform Commercial Cannabis Activity at the Licensed Premises in accordance with Applicable Laws;

WHEREAS, Licensor believes that it is the exclusive owner of the Licensed Marks;

WHEREAS, subject to the terms and conditions hereof, Licensee desires to utilize the Licensed Marks in connection with the production and sale of the Licensed Products in the Territory;

WHEREAS, for further consideration, Licensee shall contemporaneously enter into that Brand Director Agreement;

WHEREAS, subject to the terms and conditions hereof, Licensor desires to license to Licensee the right to use the Licensed Marks in connection with the production and sale of the Licensed Products in the Territory; and

WHEREAS, the Recitals are hereby incorporated and made a part of this Agreement.

NOW, THEREFORE, in consideration of the promises and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, each intending to be legally bound hereby, do promise and agree as follows:

1. DEFINITIONS

a. "**Agreement**" has the meaning set forth in the preamble.

b. "**Affiliate**" of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term "**control**" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

c. "**Applicable Law**" means any and all applicable local, state and federal laws, rules and regulations; provided, however, that notwithstanding anything to the contrary contained herein, the CSA shall for purposes hereof not constitute an Applicable Law, and a violation of the CSA shall not be deemed to constitute non-compliance with Applicable Law as used herein.

d. "**Brand Director Agreement**" shall mean that certain brand director agreement, dated November 30, 2019, entered into contemporaneously with this Agreement, between Licensee and NMG Cathedral City, LLC.

e. "**Cannabis Licenses**" means the local and state licenses, permits, and any other authorizations required for Licensee to conduct the Commercial Cannabis Activity on the Licensed Premises.

f. "**Claims**" means any claim, demand, dispute, controversy or cause of action.

g. "**Collection Costs**" means reasonable costs related to recovery of unpaid payments of any License Fee and/or any other fees or amounts payable hereunder, including, but not limited to, administrative and attorney's fees that may be incurred by Licensor and/or Licensor's Representatives in an effort to collect past due amounts owed to Licensor for more than sixty (60) days.

h. "**Commercial Cannabis Activity**" means all commercial cannabis activity that Licensee is lawfully engaged in at the Licensed Premises pursuant to the Cannabis Licenses in accordance with Applicable Law.

i. "**Confidential Information**" means any and all information relating to the Disclosing Party, including information about the Disclosing Party's business operations, strategies, goods and services, customers, pricing, marketing, and other information or documents that may reasonably be deemed to be sensitive, confidential or proprietary, disclosed to and/or obtained by the Receiving Party from Disclosing Party in connection with this Agreement, whether orally, in writing, or in other recorded form, and regardless of whether such information is expressly stated to be confidential or marked as such. For purposes of clarity, Confidential Information shall not include information that, at the time of disclosure: (i) is or becomes generally available to and known by the public other than as a result of, directly or indirectly, any breach of the Receiving Party; (ii) is or becomes available to the Receiving Party on a non-confidential basis from another Person, provided that such Person is not and was not prohibited from disclosing such Confidential Information; (iii) was known by or in the possession of the Receiving Party prior to being disclosed by or on behalf of the Disclosing Party; (iv) was independently developed by the Receiving Party; or (v) is required to be disclosed by Applicable Law, including pursuant to the terms of a court order; provided that the Receiving Party has given the Disclosing Party prior written notice of such disclosure and an opportunity to contest such disclosure and to seek a protective order or other remedy.

j. "**CSA**" means 21 U.S.C. § 811, et seq., short titled the Controlled Substance Act, and all implementing regulations.

k. "**Disclosing Party**" means a Party who discloses Confidential Information to the Receiving Party.

l. "**Effective Date**" has the meaning set forth in the preamble.

m. "**GAAP**" means United States Generally Accepted Accounting Principles.

n. "**Labeling Materials**" means any label or other written, printed, or graphic matter upon any Licensed Product, or upon the Licensed Product's Packaging Materials, including without limitation, the primary panel and informational panel.

o. "**License Fee**" means a monthly fee in the amount of One Hundred Dollars ($100.00) payable to Licensor, in addition to Licensee entering into that certain Brand Director Agreement and abiding by the terms therein.

p. "**Licensee**" has the meaning set forth in the preamble.

q. "**Licensor**" has the meaning set forth in the preamble.

r. "**Licensed Marks**" means the trademarks set forth in Exhibit A whether registered or unregistered, including the listed registrations and applications and any registrations which may be granted pursuant to such applications, and shall also mean those brand name(s), tradename(s), service mark(s), logo(s), design(s), mask(s), and artwork(s) also set forth in Exhibit A.

s. "**Licensed Premises**" means the premises where the Licensee is licensed to engaged in Commercial Cannabis Activity in accordance with Applicable Law.

t. "**Licensed Product**" means the products listed in Exhibit D, and any other products that may be agreed upon in writing by Licensor and Licensee from time to time, for productions, advertising, marketing, distribution, and sale in the Territory bearing the Licensed Marks.

u. "**Losses**" means losses, damages, liabilities, deficiencies, actions, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys' fees and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers.

v. "**Other Licensed Parties**" means third-parties who have been or will be granted the right to utilize the Licensed Marks, by Licensor and/or its Affiliates.

w. "**Party**" or "**Parties**" has the meaning set forth in the preamble.

x. "**Packaging and Labeling Materials**" means all Packaging Materials and/or Labeling Materials.

y. "**Packaging Materials**" means any containers, packages or wrappers that are intended to be used for enclosing, packaging or containing any Licensed Product for final retail sale.

z. "**Person**" means an individual, corporation, partnership, joint venture, limited liability company, governmental authority, unincorporated organization, trust, association or other entity.

aa. "**Quality Assurance Standards**" means the specifications and quality of the Licensed Products mutually agreed upon by the Parties.

bb. "**Receiving Party**" means a Party that receives Confidential Information from a Disclosing Party.

cc. "**Representatives**" means a Party's and its Affiliates' shareholders, members, managers, employees, officers, directors, consultants and legal advisors.

dd. "**Supply Chain License Holders**" means, collectively, all of Licensee's Cannabis License holding third-party nurseries, cultivators, processors, transporters, manufacturers, extractors, infusers, packagers, and suppliers and distributors involved in the supply chain of any Licensed Product, provided said Supply Chain License Holders are pre-approved in writing by Licensor.

ee. "**Term**" means the terms of this agreement as set forth in Section 7(a) of this Agreement.

ff. "**Term Derived IP**" means any new and original intellectual property, invention, original work of authorship, discovery, design, formula, technology, copyright, trademark, patent, improvement, trade secret, result of experiments, process, technique or know-how that is developed, created, commissioned, invented, conceived, discovered, or reduced to practice during the Term by Licensee (either alone or jointly with others) that relates to or arises from Licensor, the Licensed Marks, the Licensed Products, and/or the rights or duties of Licensee hereunder.

gg. "**Termination Inventory**" shall mean all inventory, consisting of finished products and work in process, Packaging and Labeling Materials, and advertising and promotional material on hand at the time of the termination of this Agreement and/or any material, in any and all medians, that includes any reference whatsoever to the Licensed Marks.

hh. "**Territory**" means the State of California.

ii. "**Transfer**" means any transfer, assignment, license, sublicense, pledge or encumbrance, whether voluntarily, involuntarily, by operation of law or otherwise.

2. GRANT OF RIGHTS

a. License. Licensor is informed and believes that Licensor is the exclusive owner of the Licensed Marks but is unable to provide evidence of Federal or State registration to substantiate its claims of ownership. Subject to the terms and conditions of this Agreement, Licensor hereby grants to Licensee, to the extent that Licensor owns or controls such rights, and without express or implied representations or warranties of any kind, during the Term, *a non-exclusive, non-transferable, and non-sublicensable* (except as otherwise set forth in herein) right to utilize the Licensed Marks in connection with or on the Licensed Products, solely in connection with Licensee's Commercial Cannabis Activity at the Licensed Premises. It is understood and agreed that the foregoing grant shall pertain only to the use of the Licensed Marks in connection with the Licensed Products in accordance with the terms and conditions herein and does not extend to any other cannabis product or commercial cannabis activity. For the avoidance of doubt, Licensor shall be free to enter into license deals with Other Licensed Parties during the Term.

b. Reservation of Rights.

i. This Agreement does not authorize or permit any use that is not expressly set forth herein and all such other rights are expressly reserved by Licensor.

ii. Licensee acknowledges and agrees that during the Term and thereafter, that as between the Parties, the Licensed Marks and all rights therein, belong exclusively to Licensor. Licensee agrees that its use of the Licensed Marks inures solely to the benefit of Licensor and that the Licensee shall not acquire any rights in the Licensed Marks by its use hereunder. In the event that Licensee acquires any rights in the Licensed Marks, by operation of law, or otherwise, such rights shall be deemed and are hereby irrevocably assigned to Licensor without further action by the Parties. Licensee shall not, at any time during or after the Term of this Agreement dispute or contest, directly or indirectly, Licensor's right and title to the Licensed Marks or the validity of the Licensed Marks. Licensee agrees to execute any documents reasonably requested by Licensor to effect any of the above provisions. Licensor makes no representations, extends no warranties of any kind, and confers no right by implication, estoppel or otherwise, other than the licenses, rights and warranties expressly provided herein. Without limiting any of Licensor's other remedies, whether in law or equity, Licensee acknowledges and agrees that Licensor shall have the right to injunctive relief, to prevent and/or cure a breach or threatened breach of this Agreement by Licensee.

iii. In strict compliance with Applicable Law, in no event whatsoever shall Licensee: (A) produce the Licensed Products outside of the Licensed Premise; or (B) sell the Licensed Products outside of the Territory.

iv. Without Licensor's prior written consent, Licensee shall not use the Licensed Marks (or any mark confusingly similar thereto), individually or in combination, as part of: (A) its corporate or trade name, or (B) any domain name.

v. Licensee specifically agrees that any and all Term Derived IP and all other results and proceeds of Licensee's services in connection with the Term Derived IP are, and shall from inception be deemed, works "made-for-hire" for Licensor, and as such shall be Licensor's sole and exclusive property, in perpetuity and throughout the world, and shall free from any claims whatsoever by Licensee or any individual or entity deriving any rights or interests from Licensee. In the event the Term Derived IP, or any of the other results and proceeds (or any portion thereof) of the services described herein, shall not be deemed a work "made-for-hire," and/or to the extent that Licensor is not deemed to be the author thereof in any territory of the world, Licensee hereby irrevocably transfers, assigns and grants to Licensor all rights of ownership, and all other rights in and to the Term Derived IP, and the results and proceeds of Licensee's services in connection therewith, throughout the world in perpetuity. Licensee will, upon request, execute, acknowledge and deliver to Licensor such additional documents as Licensor may deem necessary to evidence and effectuate Licensor's rights hereunder, and Licensee hereby grants to Licensor the right as attorney-in-fact to execute, acknowledge, deliver and record any and all such documents if Licensee shall fail to execute the same within five (5) business days after so requested by Licensor.

3. USE OF LICENSED MARKS

a. Licensee must maintain all governmental permits, licenses, registrations, and approvals, including the Cannabis Licenses, needed to produce and sell the Licensed Products in the Territory and must operate under the Cannabis Licenses in compliance with all Applicable Law.

b. During the Term, Licensee agrees to use its best efforts to continuously produce and sell the Licensed Products throughout the entire Territory in accordance with Applicable Law.

c. Licensee shall comply with all established industry standards, generally accepted practices, and all laws and regulations having application to the advertisement, production, or sale of Licensed Products, and shall maintain a vigorous quality control and safety assurance program with respect to the Licensed Products.

d. Licensee shall at all times maintain, or contract for, facilities and personnel adequate to fulfill its obligations under this Agreement.

e. All Licensed Products made, sold, manufactured, packaged, or otherwise distributed by Licensee in the Territory must carry the Licensed Marks. Licensee shall comply strictly with the directions of Licensor regarding the form and manner of the application of the Licensed Marks. All advertising and promotion in connection herewith is subject to the approval of Licensor.

f. Apart from the Licensed Marks, no other trademark or logo may be affixed to, or used in connection with, the Licensed Products, except that Licensee may use its trade name on packaging, advertising, and promotional materials for the Licensed Products.

g. Licensee shall ensure that all Licensed Products sold by Licensee and all related quotations, specifications, and descriptive literature, and all other materials carrying the Licensed Marks, be marked with the appropriate trademark notices, in accordance with Licensor's instructions.

4. QUALITY CONTROL

Licensee shall cause the Licensed Products to meet and conform to best in practice style, quality, and appearance and the following:

a. Pre-Production. Licensee shall follow the guidance of Licensor and only utilize the Packaging and Labeling Materials purchased from (or at the direction of) Licensor in connection with producing the Licensed Products. Any deviations from the guidelines of Licensor must be approved by Licensor in writing before Licensee shall be entitled to distribute, advertise, use, produce commercial quantities of, or sell any item relating to any such submission. Licensor shall approve or disapprove any submitted item within twenty (20) days after receipt by Licensor. If Licensor has not notified Licensee of its approval or disapproval within such twenty (20) day period, the item shall be deemed disapproved by Licensor. Approval of an item or Licensed Product which uses particular artwork does not imply approval of such artwork with a different item or Licensed Product or of such item or Licensed Product with different artwork. After a sample of an item has been approved, Licensee shall not make any changes without resubmitting the modified item for Licensor's written approval. All decisions by Licensor relating to disapproval of any Licensed Product shall be made in Licensor's sole discretion.

b. Packaging and Labeling Materials. The Licensee shall purchase all Packaging and Labeling Materials from the Licensor, or at the direction of Licensor from approved suppliers. At the time of such purchase, Licensee shall pay to Licensor the License Fee as described in Exhibit C to this Agreement.

c. Rejections and Noncompliance. The rights granted hereunder do not permit the sale of "seconds" or "irregulars." All Licensed Products that fail to conform with the Quality Assurance Standards shall promptly be destroyed by Licensee. Licensee shall advise Licensor regarding the time and place of such destruction (in sufficient time to arrange for a Licensor representative to witness such destruction, if Licensor so desires) and such destruction shall be attested to in a certificate signed by one of Licensee's executive officers and submitted to Licensor within fifteen (15) days of the date on which the sample was not approved.

d. Testing. Licensee shall strictly comply with all procedures for testing the Licensed Products in compliance with Applicable Law, and in accordance with industry standards, and, in accordance with Applicable Law, shall permit Licensor to inspect Licensee's testing, production and quality control records, procedures and facilities. Licensed Products that fail to comply with Applicable Laws, shall be deemed disapproved; even if previously approved by Licensor, and shall not be shipped unless and until Licensee can demonstrate to Licensor's satisfaction that such Licensed Products have been brought into full compliance.

e. Revocation of Approval. Licensor shall have the right, in Licensor's sole discretion, to withdraw its approval of a Licensed Product in the event that: (i) Licensee uses the Licensed Marks improperly or violates any term of this Agreement; (ii) Licensor becomes aware of any material or content in any Licensed Product that was not presented to Licensor for its approval; or (iii) a ruling, decision, finding of Applicable Law, which, in the reasonable opinion of Licensor, reflects unfavorably upon the professional, business or reputation of Licensor. In the event of such withdrawal, Licensor shall provide written notice to Licensee and Licensee shall promptly thereupon cease the use of the Licensed Marks in connection with the production, sale, distribution, advertisement or use of such Licensed Product and all Licensee's inventory of such Licensed Product shall be promptly destroyed at Licensor's option.

f. Compliance with Applicable Laws. All Licensed Products shall be produced and sold in compliance with all Applicable Laws and in accordance with the terms of Licensee's Cannabis Licenses. Licensee shall ensure that all labels of the Licensed Products comply with Applicable Laws. Licensee shall immediately inform Licensor in writing of any complaint by any consumer, governmental or other regulatory or self-regulatory body relevant to the Licensed Products, and the status and resolution thereof. Licensee shall act expeditiously to resolve any such complaint. Without limiting the provisions hereof, Licensee covenants on behalf of itself and on behalf of all Supply Chain License Holders, as follows:

i. Licensee and Supply Chain License Holders shall ensure that no person involved in the production, packaging, or distribution of Licensed Products or Packaging and Labeling Materials or advertising or promotional materials hereunder, is younger than the age minimums established pursuant to Applicable Laws.

ii. Licensee and Supply Chain License Holders shall provide their employees with a safe and healthy workplace in compliance with all Applicable Laws. Licensee and the Supply Chain License Holders agree to provide Licensor with all information Licensor may reasonably request about production, packaging and distribution facilities for the Licensed Products.

iii. Licensee and Supply Chain License Holders shall comply with all Applicable Laws relating to wage and hour issues, including minimum wage, overtime, and maximum hours. Licensee and the Supply Chain License Holders agree to utilize fair employment practices as defined by Applicable Laws.

iv. Licensee and Supply Chain License Holders shall comply with all Applicable Laws relating to environmental issues and discrimination issues.

v. Licensee agrees that, to the extent permitted by Applicable Laws, Licensor may make on-site inspections of Licensee's facilities and all Supply Chain License Holder facilities in order to monitor compliance with Applicable Laws. Licensee shall obtain an agreement with each third-party Supply Chain License Holder and supplier to comply with the provisions hereof.

g. License Number. Licensor reserves the right to utilize the Licensee's license number for all advertisement of the Licensed Products in accordance with Applicable Laws. Licensor will list the addresses and phone numbers of the licensed premises on its website at Licensor's sole discretion.

h. Remedies. In the event of Licensee's unapproved or unauthorized production, distribution, use, or sale of any Licensed Products or any Packaging and Labeling Materials bearing any reference to the Licensed Marks, including promotional and advertising materials, or the failure of Licensee to comply with any provisions hereof, Licensor shall have the right to: (i) immediately revoke Licensee's rights with respect to any such Licensed Product licensed under this Agreement, and/or (ii) at Licensee's expense, confiscate, or order the destruction of such unapproved, unauthorized or noncomplying products, Packaging and Labeling Materials. Such right(s) shall be in addition to and without prejudice to any other rights Licensor may have under this Agreement or otherwise.

5. LICENSE FEE.

a. License Fee. In consideration of the rights granted hereunder, Licensee shall pay to Licensor the License Fee on a quarterly basis.

b. Taxes. All sums payable under this Agreement are exclusive of taxes including Value Added Tax (or similar tax) and must be paid free and clear of all deductions and withholdings whatsoever, unless the deduction or withholding is required by Applicable Law. If any deduction or withholding is required by Applicable Law, Licensee shall: (i) pay to Licensor such sum as will, after the deduction or withholding has been made, leave Licensor with the same amount as it would have been entitled to receive in the absence of any such requirement to make a deduction or withholding; and (ii) within five business days of making the deduction or withholding, provide a statement in writing showing the gross amount of the payment, the amount of the sum deducted and the actual amount paid.

c. Late Payment. In the event that Licensor does not receive payments due under this Agreement by the applicable due date, Licensee shall pay to Licensor interest on the overdue payment from the date such payment was due to the date of actual payment at a rate of, the lessor of: (i) ten percent (10%) per year, compounded monthly or (ii) the maximum amount permitted under Applicable Law. In addition, Licensee shall also be responsible for all Collection Costs, which Collection Costs shall be added to the amounts due to Licensor and paid by Licensee. All payments made by Licensee following the incurrence of Collection Costs by Licensor shall first be credited to Collection Costs amounts and then to the past due amounts until the account is brought current. Additionally, in the event that any amount due remains unpaid for more than sixty (60) days, Licensor shall have the right, but not the obligation, to terminate the Term of the agreement. In such event, Licensee shall waive all rights and remedies and release all applicable Claims that Licensee might have against Licensor as a direct or indirect result of such termination.

6. LICENSEE'S BOOKS AND RECORDS

a. Licensee shall maintain separate and appropriate books of account and records, of all its operations under or in connection with this agreement all in accordance with GAAP (including, without limitation, a sales journal, sales return journal, cash receipt book, general ledger, purchase orders, cutting tickets, and inventory records) and shall make accurate entries concerning all transactions relevant to this Agreement.

b. As soon as practicable, but in no event later than one hundred twenty (120) days after the end of each fiscal year of Licensee, Licensee shall furnish Licensor with a copy of Licensee's financial statements for such fiscal year, which shall be certified by an independent certified public accountant or, if Licensee does not issue audited financial statements, by Licensee's chief financial officer or chief executive officer.

7. TERM AND TERMINATION

a. Term. Unless otherwise terminated in accordance with the terms and conditions contained herein, this Agreement and the provisions hereof, shall be in full force and effect for the duration of the term of the Brand Director Agreement. This Agreement may only be terminated by Licensee in accordance with the termination procedures in the Brand Director Agreement. Provided however, if either Party materially breaches this Agreement, which breach cannot reasonably be cured or remains uncured for a period of thirty (30) calendar days after non-breaching Party provides written notice of the breach to the breaching Party, the non-breaching Party shall have the right to terminate. The expiration or termination of this Agreement shall not act as a waiver of any claims, suits, or causes of action of any kind that either Party may have against the other arising out of this Agreement.

b. Effect of Termination.

i. Upon the expiration or termination of this Agreement for any reason whatsoever, all rights of Licensee under this Agreement shall terminate and automatically revert to Licensor, except as otherwise provided herein. Upon expiration or termination, Licensee shall immediately discontinue all use of the Licensed Marks and shall no longer have any right to use the Licensed Marks or any variation or derivative work thereof in any manner or for any purpose whatsoever, except as provided herein. Subject to the provisions of hereof concerning the sale of Termination Inventory, Licensee shall deliver to Licensor, at Licensee's expense, all sketches, samples, designs, or other matters belonging to Licensor and relating to Licensed Products and packaging materials and advertising and promotional materials bearing reference to the Licensed Products in any form, in accordance with Applicable Law.

ii. Upon termination or expiration, of this Agreement for any reason, no trustee in bankruptcy, assignee for the benefit of creditors, custodian, receiver, sheriff, or court officer or other successors to Licensee or its assets or business shall have any right to continue this Agreement or to use or exploit the Licensed Marks in any manner whatsoever.

iii. Within twenty (20) days after the expiration or termination of this Agreement, Licensee shall prepare and deliver to Licensor a written statement of the Termination Inventory, including a complete and accurate schedule as of the date of expiration or termination of all completed Licensed Products on hand that bear reference to the Licensed Marks or Licensor's name in any form; all work in process that bears reference to the Licensed Marks or Licensor's name in any form relating to Licensed Products on hand, including uncut piece goods and products and materials in the process of production; all Packaging and Labeling Materials, advertising and promotional materials and other documents or items that bear reference to the Licensed Marks or Licensor's name in any form in Licensee's possession or control or in the process of production for Licensee and the cost of each item included in such Termination Inventory. Licensee shall be free to sell the Termination Inventory to Licensor or to third parties for a period of ninety (90) days after expiration or termination of this Agreement, unless the Agreement was terminated by Licensor as a result of: (A) Licensee's failure to make payments as agreed herein, (B) failure of the Licensed Products to comply with Applicable Law, (C) violation of any provision of this Agreement by Licensee whereby such violation could result in jeopardy to Licensor's rights in the Licensed Marks by the continued sale of Licensed Products; and/or (D) Licensee's failure to comply with the consent and approval requirements as agreed herein. Any items in the Termination Inventory bearing reference to the Licensed Marks or Licensor's name in any form that have not been sold and remain after the selling period provided for in this Section shall have all uses of the Licensed Marks removed by Licensee, including but not limited to, all tags and labels bearing any reference to the Licensed Marks, from the Licensed Products and shall thereafter be dispose of or destroyed in accordance with Applicable Law and Licensee's sole expense.

iv. Notwithstanding any termination of this Agreement, Licensor hereby reserves all rights and remedies which are granted or available to it under this Agreement or applicable law, and termination shall not be deemed to be an exclusive remedy or to limit Licensor in any manner from enforcing any other rights or remedies.

c. Acceleration. In the event of termination by Licensor, upon termination, any other fees payable hereunder, then unpaid, shall immediately become due and payable by Licensee.

8. PROTECTION OF TRADEMARK

a. Licensee acknowledges that, Licensor has obtained all rights, title and interest in and to the Licensed Marks, in any form or embodiment and is also the owner of the good will attached or which shall become attached to the Licensed Marks in connection with the Licensed Products. Sales by Licensee shall be deemed to have been made for purposes of trademark registration for the benefit of Licensor, and all uses of the Licensed Marks by Licensee shall inure to the benefit of Licensor.

b. At Licensor's request and expense, Licensee shall execute any documents reasonably required by Licensor to confirm Licensor's ownership of all rights in and to the Licensed Marks in the Territory and the respective rights of Licensor and Licensee under this Agreement. Licensee shall cooperate with Licensor at Licensor's expense, in connection with the filing and prosecution by Licensor of applications in Licensor's name relating to the use of the Licensed Marks for Licensed Products in the Territory.

c. Licensee shall never challenge or encourage anyone to challenge Licensor's ownership of or the validity of the Licensed Marks or any application for registration thereof or any trademark, copyright, or other registration relating to the Licensed Products or any rights of Licensor thereto.

d. Licensee shall not, at any time or in any manner, knowingly or intentionally, engage in any activity or perform or permit any act which may in any way adversely affect any rights of Licensor to the Licensed Marks or any registrations or applications for registration thereof or which may directly or indirectly reduce the value of the Licensed Marks or derogate or detract from the repute thereof. To the extent that Licensee should have known that the consequences of the aforesaid action taken by or on behalf of Licensee, or caused by Licensee, was likely to materially adversely affect the interests of Licensor, such action shall be deemed to be a breach of this subsection, whether or not the Licensee engaged in such action knowingly and/or intentionally.

e. Licensee shall not use any other tradenames, trademarks, or other designations including, without limitation, Licensee's own corporate name or tradename in connection with the Licensed Marks in any consumer advertising and publicity, labeling, packaging or printed matter utilized by Licensee in connection with the Licensed Products, without Licensor's prior written consent. Licensee may, however, use its own corporate name or tradename in connection with the Licensed Marks in transactions between and among the parties hereto, and with Supply Chain License Holders, merchants, wholesale customers and others relating to: the production of Licensed Products; the creation and development of designs, styles, advertising, promotional materials, packaging, printed matter and labeling of the Licensed Products; and the wholesale sale of the Licensed Products. Licensee shall not use the Licensed Marks in combination with any other names or marks to form a new mark and shall not use the Licensed Marks as a tradename or in any other manner other than in connection with the production, distribution, sale and promotion of Licensed Products under this Agreement. Licensee will at all times make reference on the Licensed Products and on all packaging and promotional materials used in connection therewith that the Licensed Marks is under license from the Licensor.

f. Licensee recognizes the great value of the good will associated with the Licensed Marks and acknowledges that such good will belongs exclusively to Licensor, and that Licensee shall acquire no proprietary rights in the Licensed Marks or their good will by virtue of this Agreement. Licensee further recognizes that the Licensed Marks have acquired secondary meaning in the mind of the public. Accordingly, Licensee agrees that the breach of its obligations under this Agreement (other than breaches relating to the payment of monetary sums) will cause Licensor irreparable damages which may not be compensable by monetary damages, and that in the event of such breach, in addition to any other rights or remedies which Licensor may have, Licensor may seek and obtain injunctive relief, without the necessity of posting bond (unless otherwise required by law).

g. Licensee shall prominently display on all Licensed Products, all Packaging and Labeling Materials, and in all advertising and promotional materials using the Licensed Mark, such trademark and/or copyright notices as Licensor shall designate in the Brand Manual.

h. Licensee shall promptly notify Licensor in writing, giving reasonable detail, if any of the following matters come to its attention: (A) any actual, suspected or threatened infringement of the Licensed Marks; (B) any actual, suspected or threatened claim contesting Licensor's ownership of the Licensed Marks; (C) any actual, suspected or threatened claim that use of the Licensed Marks infringes the rights of any third party; or (D) any other actual, suspected or threatened claim to which the Licensed Marks may be subject.

i. Licensor shall have the initial right, but not the obligation, in Licensor's sole discretion, to determine whether, and in what manner, to assert and bring claims to protect, preserve, or defend the Licensed Marks against actual or suspected infringement, attack or challenge. If Licensor decides to assert its rights or bring any Claim, Licensee agrees, as may be reasonably requested by Licensor, to cooperate with Licensor in any such action, including, without limitation, by joining the action as a party if necessary to maintain standing or otherwise bring suit. All out-of-pocket expenses, including reasonable attorneys' fees, expert witness fees, and court costs, related to Licensee's participation in such infringement action at the request of Licensor, shall be borne solely by Licensor. Any award, or portion of any award, recovered by Licensor in any such action or proceeding commenced by Licensor shall belong solely to Licensor after recovery by both parties of their respective actual out-of-pocket costs. To the extent that Licensee shares any costs as a result of such assistance, Licensee shall share in any recovery, pro-rata in proportion to any costs actually incurred by Licensee.

j. If Licensor determines not to take any such action with respect to the Licensed Marks, it shall notify Licensee, who, upon receiving the consent of Licensor, may take such protective action in its own name and at its own expense; provided that Licensee keep Licensor informed of the status of Licensee's activities regarding such action and any settlement or other resolution thereof. Prior to entering into any settlement or commencing or engaging in any litigation or suit with respect to any Licensed Marks, Licensee shall obtain Licensor's approval to enter into such settlement or commence or engage in such litigation. Licensor shall cooperate with Licensee or join in any such action at Licensee's reasonable request and expense. All out-of-pocket expenses, including reasonable attorneys' fees, expert witness fees, and court costs, related to Licensor's participation in such infringement action at the request of Licensee shall be borne solely by Licensee. Any award, or portion of any award, recovered by Licensee in any such action or proceeding commenced by Licensee shall belong solely to Licensee, after recovery by both Parties of their respective actual out-of-pocket costs. To the extent that Licensor shares any costs as a result of such assistance, Licensor shall share in any recovery, pro-rata in proportion to any costs actually incurred by Licensor.

k. The Parties hereby agree to cooperate with each other in the conduct or defense of any legal action, and in the negotiations in respect of any legal action relating to any of the Licensed Marks, and each will provide to the other all relevant data, information and material in its possession which may be helpful in such action or negotiation, at the cost and expense of the Party requesting such data, information and material.

9. REPRESENTATIONS AND WARRANTIES

a. Each Party represents and warrants to the other Party that: (i) it is duly organized, validly existing and in good standing as a corporation or other entity as represented herein under the laws and regulations of its jurisdiction of incorporation, organization or chartering; (ii) it has the full right, power and authority to enter into this Agreement, to grant the rights granted hereunder and to perform its obligations hereunder; (iii) it has disclosed to the other Party all material facts that pertain to this Agreement; (iv) no statement contained in this Agreement or any writing furnished to the other Party pursuant to this Agreement, contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading or necessary in order to consummate this Agreement; (v) the execution of this Agreement by its Representative whose signature is set forth at the end hereof has been duly authorized by all necessary corporate action of the Party; and (vi) when executed and delivered by such Party, this Agreement will constitute the legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms.

b. Licensor represents and warrants to Licensee that: (i) Licensor has not entered into any other agreements with any other Person in conflict herewith; (ii) to Licensor's knowledge, Licensor has the right and authority to grant the rights granted herein; (iii) as of execution of this Agreement, Licensor is unaware of any Claim or potential Claim by any third-party relating to the ownership in the Licensed Marks; and (iv) as of execution of this Agreement, Licensor is unaware of any Claim or potential Claim by any third-party which might affect Licensee's rights hereunder.

c. Licensee represents and warrants to Licensor that: (i) Licensee has not entered into any other agreements with any other Person in conflict herewith; (ii) Licensee has the right and authority to grant the rights granted herein; (iii) for the duration of the Term, Licensee shall maintain, in good standing, all Cannabis Licenses required by Applicable Law to conduct the activities contemplated hereby; (iv) for the duration of the Term, Licensee shall maintain all applicable insurance policies described herein; (v) for the duration of the Term, Licensee shall comply with all Applicable Laws and all Licensed Products shall conform with Applicable Law and all applicable industry standards, including but not limited to, those relating to cannabis and those relating to product safety; (vi) all Licensed Products produced, sold and distributed hereunder will be merchantable and fit for the purpose for which they are intended; and (vii) all Licensed Products will conform in all respects to the samples approved by Licensor and that Licensee will not distribute or sell any Licensed Products which are of a quality or standard inferior to or different from the approved quality or are injurious to the reputation and good will associated with the Licensed Marks.

10. INDEMNITY

a. Licensor agrees to defend, indemnify and hold harmless Licensee and its Representatives against all Losses arising out of or resulting from any third-party Claim related to or arising out of any breach or alleged breach by Licensor of this Agreement, including the representations, warranties and agreements set forth in Section 9.

b. Licensee agrees to indemnify, hold harmless and defend Licensor and its Representatives against all Losses arising out of or resulting from any third-party Claim related to or arising out of: (i) any breach or alleged breach by Licensee of this Agreement, including the representations, warranties and agreements set forth in Section 9; (ii) any product liability claim; and (iii) Licensee's gross negligence or willful misconduct related to Licensee's performance of its obligations hereunder.

c. The indemnified Party shall promptly notify the indemnifying Party in writing of any Claim and cooperate with the indemnifying party at the indemnifying Party's sole cost and expense. The indemnifying Party shall immediately take control of the defense and investigation of such Claim and shall employ competent counsel of its choice to handle and defend the same, at the indemnifying Party's sole cost and expense. The indemnifying Party shall not settle any Claim in a manner that adversely affects the rights of the indemnified Party without the indemnified Party's prior written consent, which shall not be unreasonably withheld or delayed. The indemnified Party's failure to perform any obligations under this Section shall not relieve the indemnifying Party of its obligations hereunder except to the extent that the indemnifying Party can demonstrate that it has been materially prejudiced as a result of such failure. The indemnified Party may participate in and observe the proceedings at its own cost and expense.

11. LIMITATION OF LIABILITY

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, LICENSOR WILL NOT BE LIABLE TO LICENSEE FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, PUNITIVE, OR ENHANCED DAMAGES WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, REGARDLESS OF WHETHER SUCH DAMAGE WAS FORESEEABLE AND WHETHER OR NOT LICENSEE HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, LICENSOR'S MAXIMUM LIABILITY TO LICENSEE ARISING HEREUNDER SHALL BE LIMITED TO THE SUMS PAID BY LICENSEE TO LICENSOR HEREUNDER.

12. INSURANCE

a. Licensee shall maintain, throughout the Term and for a period of one (1) year thereafter, at its own cost and expense from a qualified insurance company Standard General Liability Insurance naming Licensor as additional insured or named additional insured with limits no less than the greater of the amount required by Applicable Law and one million dollars ($1,000,000) per occurrence and two million dollars ($2,000,000) in the aggregate, including bodily injury, property damage, products and completed operations, and advertising liability, which policy will include contractual liability coverage insuring the activities of Licensor under this Agreement. In addition, Licensee shall hold all other insurance policies required by Applicable Law.

b. All insurance policies required hereunder must: (i) be issued by insurance companies reasonably acceptable to Licensor; (ii) provide that such insurance carriers give Licensor at least thirty (30) days' prior written notice of cancellation or non-renewal of policy coverage; provided that, prior to such cancellation, Licensee has new insurance policies in place that meet the requirements hereof; (iii) waive any right of subrogation of the insurers against Licensor and/or any of their respective Affiliates; (iv) provide that such insurance be primary insurance and any similar insurance in the name of and/or for the benefit of Licensor is excess and non-contributory; and (v) name Licensor, and their respective Affiliates, including, in each case, all successors and permitted assigns, as additional insureds.

c. Licensee shall provide Licensor with copies of the certificates of insurance and policy endorsements required hereby upon the written request of Licensor and shall not do anything to invalidate such insurance.

d. For purposes of clarity, Licensee's compliance with this Section 12 shall not limit or reduce, in any way whatsoever, Licensee's indemnification obligations pursuant to Section 10 of the Agreement.

13. TRANSFER RESTRICTIONS.

a. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and assigns.

b. This Agreement and the rights hereunder are personal to Licensee and shall not be transferred by Licensee, without Licensor's prior written consent. For purposes of the preceding sentence, and without limiting its generality, any merger, consolidation, or reorganization involving Licensee (regardless of whether Licensee is a surviving or disappearing entity) or sale of a majority interest of the shares of Licensee, will be deemed to be a Transfer. No Transfer will relieve Licensee of any of its obligations under this Agreement. Any Transfer shall be void and of no force and effect unless permitted in accordance with the express provisions hereof.

c. Licensor may freely Transfer all or any of its rights or obligations under this Agreement without Licensee's consent.

14. MISCELLANEOUS

a. Notice. Any notice required to be given pursuant to this Agreement shall be in writing and delivered personally to the other designated Party at the below stated address or mailed by certified or registered mail, return receipt requested or delivered by a recognized national overnight courier service, except e-mail may be used for day-to-day operations and contacts but not for 'notice' or other communications required under this agreement or by law.

b. Confidentiality. Each Party acknowledges that in connection with this Agreement it will gain access to Confidential Information. The Receiving Party shall: (i) protect and safeguard the confidentiality of the Disclosing Party's Confidential Information with at least the same degree of care as the Receiving Party would protect its own Confidential Information, but in no event with less than a commercially reasonable degree of care; (ii) not use the Disclosing Party's Confidential Information, or permit it to be accessed or used, for any purpose other than to exercise its rights or perform its obligations under this Agreement; and (iii) not disclose any such Confidential Information to any Person, except to the Receiving Party's Representatives who are bound by written confidentiality obligations and have a need to know the Confidential Information to assist the Receiving Party, or act on its behalf, to exercise its rights or perform its obligations under this Agreement.

c. Waiver. No waiver by any Party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the Party so waiving. Except as otherwise set forth in this Agreement, no failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

d. Severability. In the event that any term, clause, or provision hereof is held invalid or unenforceable by a court of competent jurisdiction, such invalidity shall not affect the validity or operation of any other term, clause or provision and such invalid term, clause or provision shall be deemed to be severed from the Agreement.

e. Relationship of The Parties. The relationship between the Parties is that of independent contractors. Nothing contained herein shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the Parties, and neither Party shall have authority to contract for or bind the other Party in any manner whatsoever.

f. Compliance.

i. Change in Law. If any change to Applicable Law has a materially adverse effect on the ability of either Party to carry out its obligations under this Agreement, such Party, upon written notice, may request renegotiation of this Agreement in good faith to amend this Agreement to the extent reasonably necessary or prudent to address the change in Applicable Law in a manner that accomplishes the intents and objectives of the Parties, as evidenced by the terms of this Agreement, in all material respects to the extent possible. Such renegotiation will be undertaken in good faith and will include the use of a mutually approved independent third-party mediator. If the Parties are unable to renegotiate the terms within ninety (90) days after such notice and good faith negotiations, either Party may terminate this Agreement on sixty (60) days' further written notice or at the end of the Term (even if less than sixty (60) days remain until the end of the Term), whichever is earlier.

ii. Regulatory Compliance. It is the intent of the Parties that this Agreement comply in all respects with all Applicable Laws and the Parties have structured their relationship with that specific intent. However, each Party understands that the Applicable Laws are complicated and in a state of flux. In addition, each Party further understands that United States Federal laws may render the subject of this Agreement as void or unenforceable, and as a result, the Parties expressly acknowledge and agree that if United States Federal laws that would render the subject of this Agreement as void or unenforceable that does not and will not apply to this Agreement, the transactions contemplated hereby, or the relationship of the Parties hereto, and notwithstanding, the Parties will cooperate to perform the substance of their obligations hereunder. Therefore, subject to this paragraph, in the event that any provision of this Agreement is rendered invalid or unenforceable by a court of competent jurisdiction, or the applicable laws and regulations are altered by any legislative or regulatory body, or either Party notifies the other Party in writing of its reasonable belief that this Agreement or any of its provisions may be declared null, void, unenforceable, or in violation of Applicable Laws, the remaining provisions, if any, of this Agreement shall nevertheless continue in full force and effect.

g. Entire Agreement. This Agreement and any other documents incorporated herein by reference, constitutes the sole and entire agreement of the Parties to this Agreement with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter.

h. Amendments. Any amendment to this Agreement must be in writing and signed by an authorized person of each Party.

i. Surviving Rights. Any rights or obligations of the Parties in this Agreement which, by their nature, should survive termination or expiration of this Agreement will survive any such termination or expiration.

j. Further Assurances. Each Party shall, upon the reasonable request of the other Party, promptly execute such documents and perform such acts as may be necessary to give full effect to the terms of this Agreement.

k. No Third-Party Beneficiaries. This Agreement is for the sole benefit of the Parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever, under or by reason of this Agreement.

l. Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

m. Equitable Relief. Each Party acknowledges that a breach by the Party of this Agreement may cause the other Party irreparable damages, for which an award of damages would not be adequate compensation and agrees that, in the event of such breach or threatened breach, the other Party will be entitled to seek equitable relief, including a restraining order, injunctive relief, specific performance and any other relief that may be available from any court, in addition to any other remedy to which the other Party may be entitled at law or in equity. Such remedies shall not be deemed to be exclusive but shall be in addition to all other remedies available at law or in equity (which are cumulative and may be exercised singularly or concurrently), subject to any express exclusions or limitations in this Agreement to the contrary.

n. Counterparts; Electronic Execution. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

o. Jurisdiction and Disputes.

i. This Agreement shall be governed and construed in accordance with the internal laws of the State of California without giving effect to any choice or conflict of law provision or rule (whether of the State of California or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the State of California.

ii. In the event of any Claim arising out of or relating to any performance required under this Agreement, or the interpretation, validity or enforceability hereof, the Parties hereto shall use their best efforts to settle the Claim. To this effect, they shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable resolution satisfactory to the Parties. If the Claim cannot be settled through negotiation within a period of seven (7) days, the Parties agree to attempt in good faith to settle the Claim through mediation, administered by a mediator mutually agreeable to the Parties, before resorting to arbitration. If they do not reach such resolution, or an agreed upon mediator cannot be identified, within a period of thirty (30) days, then, upon notice by either party to the other they shall commence arbitration as set forth below.

iii. The Parties agree to submit any and all Claims, or any dispute related in any way to this Agreement and the services rendered hereunder, to binding arbitration before JAMS. The arbitration shall be held in accordance with the JAMS then-current Streamlined Arbitration Rules & Procedures (and no other JAMS rules), which currently are available at: http://www.jamsadr.com/rules-streamlined-arbitration. The arbitrator shall be either a retired judge, or an attorney who is experienced in commercial contracts and licensed to practice law in California, selected pursuant to the JAMS rules. The Parties expressly agree that any arbitration shall be conducted in the Los Angeles County, California. Each party understands and agrees that by signing this Agreement, such party is waiving the right to a jury. The arbitrator shall apply California substantive law in the adjudication of all Claims. Notwithstanding the foregoing, either party may apply to the Superior Courts located in Los Angeles County, California for a provisional remedy, including but not limited to a temporary restraining order or a preliminary injunction. The application for or enforcement of any provisional remedy by a party shall not operate as a waiver of the agreement to submit a dispute to binding arbitration pursuant to this provision. In no event shall a Claim be adjudicated in Federal District Court. In the event that either party commences a Claim in Federal District Court or moves to remove such action to Federal District Court, the Parties hereby mutually agree to stipulate to a dismissal of such Federal Claim with prejudice. After a demand for arbitration has been filed and served, the Parties may engage in reasonable discovery in the form of requests for documents, interrogatories, requests for admission, and depositions. The arbitrator shall resolve any disputes concerning discovery. The arbitrator shall award costs and reasonable attorneys' fees to the prevailing party, as determined by the arbitrator, to the extent permitted by California law. The arbitrator's decision shall be final and binding upon the Parties. The arbitrator's decision shall include the arbitrator's findings of fact and conclusions of law and shall be issued in writing within thirty (30) days of the commencement of the arbitration proceedings. The prevailing party may submit the arbitrator's decision to Superior Courts located in Los Angeles County for an entry of judgment thereon.

[*signature page to follow*]

IN WITNESS WHEREOF, the Parties hereto, intending to be legally bound hereby, have duly executed this Agreement as of the date set forth below.

DEP Nevada, Inc.
("Licensor")

By: /s/ Stephen 'Trip' Hoffman
Name: Stephen 'Trip' Hoffman
Title: Authorized Signatory

Satellites Dip LLC
("Licensee")

By: /s/ Azadeh Dastmalchi
Name: Azadeh Dastmalchi
Title: Authorized Signatory

Exhibit A

Licensed Marks

- BaM (trademark pending)
- Body and Mind (trademark pending)
- BamCannabis (trademark pending)
- BaMMarijuana (trademark pending)

The Parties may subsequently supplement this Exhibit with additional, mutually agreed, Licensed Marks.

Exhibit A

EQUIPMENT PURCHASE AGREEMENT

This equipment purchase agreement (the "**Agreement**"), is made and entered into effective as of November 30, 2019 by and between Satellites Dip, LLC, a California limited liability company ("**Seller**"), and NMG Cathedral City, LLC, a California limited liability company ("**Buyer**"). As used herein, Seller and Buyer shall collectively be referred to as the "**Parties**" and each as a "Party".

WHEREAS, subject to the terms and conditions set forth herein Seller wishes to sell to Buyer certain Equipment;

WHEREAS, subject to the terms and conditions set forth Buyer wishes to purchase from Seller the Equipment;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

ARTICLE I
DEFINITIONS

Section 1.01 "**Affiliate**" of a Person shall mean any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term "**control**" (including the terms "**controlled by**" and "**under common control with**") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise.

Section 1.02 "**Action**" shall mean any claim, action, causes of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena, or investigation of any nature, whether at law or in equity.

Section 1.03 "**Applicable Law**" shall mean any and all applicable local, state and federal laws, rules and regulations. Notwithstanding anything to the contrary contained herein, the Parties acknowledge that, at the time of the execution of this Agreement, the terms of this Agreement may not comply with the CSA. The Parties acknowledge that a violation of the CSA shall not be deemed to violate Applicable Law as used herein.

Section 1.04 "**Bill of Sale**" shall mean the bill of sale attached hereto as Exhibit B, duly executed by Seller, transferring the Equipment to Buyer.

Section 1.05 "**Brand Director Agreement**" means that certain brand director agreement entered into contemporaneously with this Agreement between the Parties.

Section 1.06 "**Buyer**" shall have the meaning set forth in the recitals of this Agreement.

Section 1.07 "Closing" shall mean the consummation of the transactions contemplated by this Agreement.

Section 1.08 "**Closing Date**" shall mean a date, mutually agreed by the Parties, when the transactions contemplated by this Agreement shall be consummated.

Section 1.09 "**CSA**" shall mean 21 U.S.C. § 811, et seq., short titled the Controlled Substance Act and all applicable regulations promulgated thereunder.

Section 1.10 "**Encumbrance**" shall mean a charge, claim, pledge, equitable interest, lien, security interest, restriction of any kind, or other encumbrance.

Section 1.11 "**Equipment**" shall mean all equipment, machinery, tools, supplies, and other tangible personal property enumerated in the Equipment List.

Section 1.12 "**Equipment List**" shall mean the list of equipment being purchased, attached hereto as Exhibit A.

Section 1.13 "**Governmental Authority**" shall mean any federal, state, local, or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any arbitrator, court, or tribunal of competent jurisdiction.

Section 1.14 "**Indemnified Party**" shall mean the Party entitled to indemnification pursuant to Article VII of this Agreement.

Section 1.15 "**Indemnifying Party**" shall mean the Party from whom indemnification is sought pursuant to Article VII of this Agreement.

Section 1.16 "Loan Agreement" shall have the meaning set forth in Section 2.02 of this Agreement.

Section 1.17 "**Losses**" shall mean losses, damages, liabilities, deficiencies, Actions, judgments, interest, awards, penalties, fines, costs, or expenses of whatever kind, including reasonable attorneys' fees.

Section 1.18 "**Party**" and "**Parties**" shall have the meanings set forth in the recitals of this Agreement.

Section 1.19 "Payment Date" shall mean the six (6) month anniversary of the Closing Date.

Section 1.20 "**Person**" shall mean an individual, corporation, partnership, joint venture, limited liability company, governmental authority, unincorporated organization, trust, association or other entity.

Section 1.21 "**Purchase Price**" shall be two hundred thirty-five thousand six hundred eighty-four dollars and ninety-three cents ($235,684.93), which shall be applied to the outstanding balance of the Loan Agreement.

Section 1.22 "**Representatives**" shall mean a Party's and such Party's Affiliates' shareholders, members, managers, officers, directors, employees, consultants, representatives, agents and legal advisors.

Section 1.23 "**Seller**" shall have the meaning set forth in the recitals of this Agreement.

Section 1.24 "**Taxes**" shall mean all federal, state, local, foreign, and other income, gross receipts, sales, use, production, ad valorem, transfer, documentary, franchise, registration, profits, license, withholding, payroll, employment, unemployment, excise, severance, stamp, occupation, premium, property (real or personal), customs, duties, or other taxes, fees, assessments, or charges of any kind whatsoever, together with any interest, additions, or penalties with respect thereto.

Section 1.25 "**Transaction Documents**" shall mean this Agreement, the Equipment List and the Bill of Sale.

ARTICLE II
PURCHASE AND SALE

Section 2.01 Purchase and Sale of the Equipment. Subject to the terms and conditions set forth herein, at the Closing, Seller shall sell, convey, assign, transfer, and deliver to Buyer, and Buyer shall purchase from Seller, all of Seller's right, title, and interest in and to the Equipment.

Section 2.02 Purchase Price. The aggregate purchase price for the Equipment shall be the Purchase Price, which shall be applied to the outstanding balance of that certain loan agreement previously entered into between the Parties on June 6, 2019 (the "**Loan Agreement**"). The Parties hereby acknowledge that the Purchase Price and the waiver of certain additional consideration in the Brand Director Agreement shall fully satisfy all outstanding amounts owed under the Loan Agreement; Buyer shall provide evidence of satisfaction and/or cancellation of the Loan Agreement within 10 business days following the Closing Date.

Section 2.03 Withholding Tax. Buyer shall be entitled to deduct and withhold from the Purchase Price all Taxes that Buyer may be required to deduct and withhold under any provision of Applicable Law. All such withheld amounts shall be treated as delivered to Seller hereunder.

Section 2.04 Third Party Consents. To the extent that Seller's rights under any piece of Equipment may not be assigned to Buyer without the consent of another Person which has not been obtained, this Agreement shall not constitute an agreement to assign the same if an attempted assignment would constitute a breach thereof or be unlawful, and Seller, at its expense, shall use its reasonable best efforts to obtain any such required consent(s) as promptly as possible. If any such consent shall not be obtained or if any attempted assignment would be ineffective or would impair Buyer's rights in the Equipment so that Buyer would not in effect acquire the benefit of all such rights, Seller, to the maximum extent permitted by Applicable Law, shall act after the Closing as Buyer's agent in order to obtain for it the benefits thereunder and shall cooperate, to the maximum extent permitted by Applicable Law, with Buyer in any other reasonable arrangement designed to provide such benefits to Buyer.

ARTICLE III
CLOSING DELIVERIES; POST-CLOSING OBLIGATIONS

Section 3.01 Closing. Subject to the terms and conditions of this Agreement, the Closing shall take place at the Closing Date.

Section 3.02 Closing Deliverables.

a. At the Closing, Seller shall deliver to Buyer the Equipment, and such other customary instruments of transfer, filings, or documents, in form and substance reasonably satisfactory to Buyer, as may be required to give effect to the transaction contemplated by this Agreement.

b. At the Closing, Buyer shall deliver to Seller the Transaction Documents, as applicable.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer that the statements contained in this Article IV are true and correct as of the date hereof.

Section 4.01 Organization and Authority of Seller. Seller is a duly organized limited liability company, validly existing, and in good standing under the laws of the State of California. Seller has full legal power and authority to enter into this Agreement and the Transaction Documents and to carry out its obligations and to consummate the transaction contemplated herein. This Agreement and the Transaction Documents constitute legal, valid, and binding obligations of Seller enforceable against Seller in accordance with their respective terms.

Section 4.02 No Conflicts or Consents. The execution, delivery, and performance by Seller of this Agreement and the Transaction Documents, and the consummation of the transaction contemplated herein, do not and will not: (a) violate or conflict with any provision of any Applicable Law applicable to Seller, or the Equipment; (b) require the consent, notice, declaration, or filing with or other action by any Person or require any permit, or order of any Governmental Authority; or (c) result in the creation or imposition of any Encumbrance on the Equipment.

Section 4.03 Title to Equipment. Seller has good and valid title to all of the Equipment, free and clear of Encumbrances.

Section 4.04 Third Party Warranties. Prior to the Closing, Seller shall deliver to Buyer true and correct copies of all applicable Equipment warranties, which are in the possession of Seller, of manufacturers and/or vendors affecting any of the pieces of Equipment sold hereunder.

Section 4.05 Maintaining of Insurance. The Equipment being sold herein by Seller is and will be adequately insured against fire or other casualty up to the Closing Date and valid policies therefore are and will be outstanding and duly in force and the premiums thereon will be paid until the Closing Date.

Section 4.06 Condition and Sufficiency of Equipment. Each item of Equipment is structurally sound, is in good operating condition and repair, and is adequate for the uses to which it is being put, and no item of Equipment needs maintenance or repairs except for ordinary, routine maintenance and repairs that are not material in nature or cost.

Section 4.07 Legal Proceedings; Order of Governmental Authorities. There are no Actions pending or, to Seller's knowledge, threatened against or by Seller: (a) relating to or affecting the Equipment; or (b) that challenge or seek to prevent, enjoin, or otherwise delay the transaction contemplated by the Transaction Documents. No event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such Action. Seller is in compliance with all orders of all Governmental Authorities against, relating to, or affecting the Equipment.

Section 4.08 Compliance with Laws. Seller is in compliance with all Applicable Law applicable to the ownership and use of the Equipment.

Section 4.09 Additional Disclosures. In the event any material adverse changes occur prior to the Closing Date as to any information, documents, schedules or exhibits contained or referred to in this Agreement, Seller will immediately disclose the same to Buyer when first known to Seller.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller that the statements contained in this Article V are true and correct as of the date hereof.

Section 5.01 Organization and Authority of Buyer. Buyer is a duly organized limited liability company, validly existing, and in good standing under the laws of the State of California. Buyer has full legal power and authority to enter into this Agreement and the Transaction Documents, to carry out its obligations, and to consummate the transactions contemplated herein. This Agreement and the Transaction Documents constitute legal, valid, and binding obligations of Buyer enforceable against Buyer in accordance with their respective terms.

ARTICLE VI
COVENANTS

Section 6.01 Confidentiality. From and after the Closing, Seller shall, and shall cause its Representatives to hold, in confidence any and all information, whether written or oral, concerning the Buyer's business, except to the extent that Seller can show that such information: (a) is generally available to and known by the public through no fault of Seller or its Representatives; or (b) is lawfully acquired by Seller or its Representatives from and after the Closing from sources which are not prohibited from disclosing such information by a legal, contractual, or fiduciary obligation. If Seller or its Representatives are compelled to disclose any information by order of Governmental Authority or Applicable Law, Seller shall promptly notify Buyer in writing and shall disclose only that portion of such information which is legally required to be disclosed, *provided that* Seller shall use reasonable best efforts to obtain as promptly as possible an appropriate protective order or other reasonable assurance that confidential treatment will be accorded such information.

Section 6.02 Further Assurances. Following the Closing, each of the parties hereto shall, and shall cause their respective Affiliates to, execute and deliver such additional documents, instruments, conveyances, and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement and the other Transaction Documents.

ARTICLE VII
INDEMNIFICATION

Section 7.01 Survival. All representations, warranties, covenants, and agreements contained herein and all related rights to indemnification shall survive the Closing.

Section 7.02 Indemnification by Seller. Subject to the other terms and conditions of this Article VII, Seller shall indemnify and defend Buyer (and/or Buyer's Representatives) against, and shall hold each of them harmless from and against, any and all Losses, incurred or sustained by, or imposed upon, the Buyer (and/or Buyer's Representatives) based upon, arising out of, or with respect to:

a. any inaccuracy in or breach of any of the representations or warranties of Seller contained in this Agreement, any Transaction Document, or any schedule, certificate, or exhibit related thereto, as of the date such representation or warranty was made or as if such representation or warranty was made on and as of the Closing Date (except for representations and warranties that expressly relate to a specified date, the inaccuracy in or breach of which will be determined with reference to such specified date);

b. any breach or non-fulfillment of any covenant, agreement, or obligation to be performed by Seller pursuant to this Agreement, any Transaction Document, or any schedule, certificate, or exhibit related thereto;

Section 7.03 Indemnification by Buyer. Subject to the other terms and conditions of this Article VII, Buyer shall indemnify and defend each of Seller (and/or Seller's Representatives) against, and shall hold each of them harmless from and against any and all Losses incurred or sustained by, or imposed upon, the Seller (and/or Seller's Representatives) based upon, arising out of, or with respect to:

a. any inaccuracy in or breach of any of the representations or warranties of Buyer contained in this Agreement, the Transaction Documents or any schedule, certificate, or exhibit related thereto as of the date such representation or warranty was made or as if such representation or warranty was made on and as of the Closing Date (except for representations and warranties that expressly relate to a specified date, the inaccuracy in or breach of which will be determined with reference to such specified date); or

b. any breach or non-fulfillment of any covenant, agreement, or obligation to be performed by Buyer pursuant to this Agreement or any schedule, certificate, or exhibit related thereto.

Section 7.04 Indemnification Procedures. Whenever any claim shall arise for indemnification hereunder, the Indemnified Party shall promptly provide written notice of such claim to the Indemnifying Party. In connection with any claim giving rise to indemnity hereunder resulting from or arising out of any Action by a Person who is not a party to this Agreement, the Indemnifying Party, at its sole cost and expense and upon written notice to the Indemnified Party, may assume the defense of any such Action with counsel reasonably satisfactory to the Indemnified Party. The Indemnified Party shall be entitled to participate in the defense of any such Action, with its counsel and at its own cost and expense. If the Indemnifying Party does not assume the defense of any such Action, the Indemnified Party may, but shall not be obligated to, defend against such Action in such manner as it may deem appropriate, including settling such Action, after giving notice of it to the Indemnifying Party, on such terms as the Indemnified Party may deem appropriate and no action taken by the Indemnified Party in accordance with such defense and settlement shall relieve the Indemnifying Party of its indemnification obligations herein provided with respect to any damages resulting therefrom. The Indemnifying Party shall not settle any Action without the Indemnified Party's prior written consent (which consent shall not be unreasonably withheld or delayed).

Section 7.05 Cumulative Remedies. The rights and remedies provided in this Article VII are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise.

ARTICLE VIII
MISCELLANEOUS

Section 8.01 Notice. Any notice required to be given pursuant to this Agreement shall be in writing and delivered personally to the other designated Party or mailed by certified or registered mail, return receipt requested or delivered by a recognized national overnight courier service, except e-mail may be used for day-to-day operations and contacts but not for 'notice' or other communications required under this Agreement or by law.

Section 8.02 Waiver. No waiver by any Party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the Party so waiving. Except as otherwise set forth in this Agreement, no failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

Section 8.03 Severability. In the event that any term, clause, or provision hereof is held invalid or unenforceable by a court of competent jurisdiction, such invalidity shall not affect the validity or operation of any other term, clause or provision and such invalid term, clause or provision shall be deemed to be severed from the Agreement.

Section 8.04 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party may assign its rights or obligations hereunder, without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed. Any purported assignment in violation of this Section shall be null and void. No assignment shall relieve the assigning party of any of its obligations hereunder.

Section 8.05 Entire Agreement. This Agreement and the Transaction Documents constitute the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein and therein, and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements in the body of this Agreement and those in the other Transaction Documents, the statements in the body of this Agreement will control.

Section 8.06 Amendments. Any amendment to this Agreement must be in writing and signed by an authorized person of each Party.

Section 8.07 Surviving Rights. Any rights or obligations of the Parties in this Agreement which, by their nature, should survive termination or expiration of this Agreement will survive any such termination or expiration.

Section 8.08 Further Assurances. Each Party shall, upon the reasonable request of the other Party, promptly execute such documents and perform such acts as may be necessary to give full effect to the terms of this Agreement and the Transaction Documents.

Section 8.09 No Third-Party Beneficiaries. This Agreement is for the sole benefit of the Parties hereto and their respective Representatives and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever, under or by reason of this Agreement.

Section 8.10 Interpretation; Headings. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement

Section 8.11 Equitable Relief. Each Party acknowledges that a breach by the Party of this Agreement may cause the other Party irreparable damages, for which an award of damages would not be adequate compensation and agrees that, in the event of such breach or threatened breach, the other Party will be entitled to seek equitable relief, including a restraining order, injunctive relief, specific performance and any other relief that may be available from any court, in addition to any other remedy to which the other Party may be entitled at law or in equity. Such remedies shall not be deemed to be exclusive but shall be in addition to all other remedies available at law or in equity (which are cumulative and may be exercised singularly or concurrently), subject to any express exclusions or limitations in this Agreement to the contrary.

Section 8.12 Counterparts; Electronic Execution. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same Agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

Section 8.13 Force Majeure. Neither Party shall be responsible for delays or failure of performance under this Agreement to the extent resulting from causes that are beyond the reasonable control of such Party and which render the continued performance of this Agreement impossible, impractical or illegal, including, but not limited to, fire, flood, explosion, tornado, epidemic, earthquake, snowstorm, ice storm or other act of God, embargo, explosion, malfunction, riots, civil disputes, acts or threatened acts of terrorism or war, failure of the internet or government controls or regulations, lack of availability of source material meeting the qualifications and standards in this Agreement at commercially reasonable prices, and problems or defects in relation to the Internet and/or any telecommunication systems. The existence of such causes of such delay or failure shall extend the period for performance to the extent necessary to enable complete performance in the exercise of reasonable diligence after the causes of delay or failure have been removed.

Section 8.14 Jurisdiction and Disputes.

a. This Agreement shall be governed and construed in accordance with the internal laws of the State of California without giving effect to any choice or conflict of law provision or rule (whether of the State of California or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the State of California.

b. In the event of any Action arising out of or relating to any performance required under this Agreement, or the interpretation, validity or enforceability hereof, the Parties hereto shall use their best efforts to settle the Action. To this effect, they shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable resolution satisfactory to the Parties. If the Action cannot be settled through negotiation within a period of seven (7) days, the Parties agree to attempt in good faith to settle the Action through mediation, administered by a mediator mutually agreeable to the Parties, before resorting to arbitration. If they do not reach such resolution, or an agreed upon mediator cannot be identified, within a period of thirty (30) days, then, upon notice by either party to the other they shall commence arbitration as set forth below.

c. The Parties agree to submit any and all Actions, or any dispute related in any way to this Agreement and the services rendered hereunder, to binding arbitration before JAMS. The arbitration shall be held in accordance with the JAMS then-current Streamlined Arbitration Rules & Procedures (and no other JAMS rules), which currently are available at: http://www.jamsadr.com/rules-streamlined-arbitration. The arbitrator shall be either a retired judge, or an attorney who is experienced in commercial contracts and licensed to practice law in California, selected pursuant to the JAMS rules. The Parties expressly agree that any arbitration shall be conducted in the Los Angeles County, California. Each party understands and agrees that by signing this Agreement, such party is waiving the right to a jury. The arbitrator shall apply California substantive law in the adjudication of all Actions. Notwithstanding the foregoing, either party may apply to the Superior Courts located in Los Angeles County, California for a provisional remedy, including but not limited to a temporary restraining order or a preliminary injunction. The application for or enforcement of any provisional remedy by a party shall not operate as a waiver of the Agreement to submit a dispute to binding arbitration pursuant to this provision. In no event shall an Action be adjudicated in Federal District Court. In the event that either party commences an Action in Federal District Court or moves to remove such action to Federal District Court, the Parties hereby mutually agree to stipulate to a dismissal of such Federal Action with prejudice. After a demand for arbitration has been filed and served, the Parties may engage in reasonable discovery in the form of requests for documents, interrogatories, requests for admission, and depositions. The arbitrator shall resolve any disputes concerning discovery. The arbitrator shall award costs and reasonable attorneys' fees to the prevailing party, as determined by the arbitrator, to the extent permitted by California law. The arbitrator's decision shall be final and binding upon the Parties. The arbitrator's decision shall include the arbitrator's findings of fact and conclusions of law and shall be issued in writing within thirty (30) days of the commencement of the arbitration proceedings. The prevailing party may submit the arbitrator's decision to Superior Courts located in Los Angeles County for an entry of judgment thereon.

IN WITNESS WHEREOF, the Parties hereto, intending to be legally bound hereby, have duly executed this Agreement as of the Effective Date.

Satellites Dip, LLC ("**Seller**")	NMG Cathedral City, LLC ("**Buyer**")
By: /s/ Azadeh Dastmalchi	By: Stephen 'Trip' Hoffman
Name: Azadeh Dastmalchi	Name: Stephen 'Trip' Hoffman
Title: Authorized Signatory	Title: Authorized Signatory

EXHIBIT A

EQUIPMENT LIST

Mr Atomizer Wiped Film System	Distillation Equipment	1
Jacketed Heated Feed Tank & Pumps	Distillation Equipment	1
Chillers attached to Mr Atomizer system	Distillation Equipment	5

EXHIBIT B

BILL OF SALE

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Satellites Dip, LLC, a California limited liability company ("**Seller**"), does hereby grant, bargain, transfer, sell, assign, convey and deliver to NMG Cathedral City, LLC, a California limited liability company ("**Buyer**"), all of its right, title and interest in and to the Equipment, as such term is defined in the Equipment Purchase Agreement, dated as of November 30, 2019 (the "**Agreement**"), by and between Seller and Buyer, to have and to hold the same unto Buyer, its successors and assigns, forever.

IN WITNESS WHEREOF, Seller has duly executed this Bill of Sale as of the Effective Date.

Satellites Dip, LLC
("Seller")

By: /s/ Azadeh Dastmalchi
Name: Azadeh Dastmalchi
Title: Authorized Signatory

EXHIBIT 10.5

FIRST AMENDMENT TO THE EQUIPMENT LEASE AGREEMENT

This first amendment to the equipment lease agreement (this "First Amendment") is made and entered into on November 30, 2019 (the "Effective Date**"),** by and between NMG Cathedral City, LLC, a California limited liability company ("Lessor"), and Satellites Dip, LLC ("Lessee"). Lessor and Lessee are hereinafter sometimes referred to together as the "Parties" and individually as a "Party."

WHEREAS, Lessor and Lessee entered into an Equipment Lease Agreement dated June 6, 2019 (the "Equipment Lease Agreement"), which includes Exhibit A: Equipment ("Exhibit A") (collectively, the Equipment Lease Agreement and this First Amendment shall be referred to as the "Agreement");

WHEREAS, Lessor and Lessee desire to amend Exhibit A to the Equipment Lease Agreement through this First Amendment as set forth below;

WHEREAS, Lessor and Lessee desire to amend the term of the Equipment Lease Agreement to be coterminous with that certain brand director agreement, dated November 30, 2019, entered into between the Parties (the "Brand Director Agreement"); and

NOW, THEREFORE, in consideration of the covenants, agreements, representations, and warranties contained in this First Amendment, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, the Parties hereby agree as follows:

1. **Definitions**. Except as expressly amended hereby, any capitalized terms used herein which are defined in the Equipment Lease Agreement shall have the same meanings herein as in the Equipment Lease Agreement, unless the context clearly indicates otherwise.

2. **Amendments**. The Equipment Lease Agreement shall be and hereby is amended as follows:

(a) *Global Intent and Interpretation.* The overall intent of the Parties in entering into this First Amendment is to amend the Equipment Lease Agreement so that its terms and provisions apply as equally or comparably as possible, *mutatis mutandis*, to the intent of the parties in every respect within the original spirit and context of the Equipment Lease Agreement.

(b) *New Definitions.* All capitalized terms used and defined in this First Amendment shall be incorporated by reference into the Equipment Lease Agreement as new definitions. The Brand Director Agreement definition in the recitals shall be incorporated by reference into the Equipment Lease Agreement as a new definition.

(c) *Amendment of Section 1, subpart (o)*. Section 1(o) of the Equipment Lease Agreement shall be and hereby is amended and restated, which shall read in its entirety as follows:

"o. "**Initial Term**" means a period commencing on the Effective Date and running coterminous with the Brand Director Agreement, until such time as the Brand Director Agreement expires or terminates."

(d) *Amendment of Section 1, subpart (ee)*. Section 1(ee) of the Equipment Lease Agreement shall be and hereby is amended and restated, which shall read in its entirety as follows:

"ee. "**Renewal Term**" means a period commencing on the date of any renewal term of the Brand Director Agreement and running until such time as the Brand Director Agreement renewal term expires or terminates or is further renewed."

(e) *Amendment of Section 3, subpart (a)*. Section 3(a) of the Equipment Lease Agreement shall be and hereby is amended and restated, which shall read in its entirety as follows:

"a. Term. This Agreement and the provisions hereof, shall be in full force and effect for the duration of the Term. This Agreement shall automatically extend upon any renewal of the Brand Director Agreement's term and shall run for the duration of that renewal term. The Term of this Agreement shall automatically terminate upon the termination of the Brand Director Agreement by Lessor, or by expiration of the term of the Brand Director Agreement."

(f) *Amendment of Exhibit A*. Exhibit A to the Equipment Lease Agreement shall be and hereby is amended and restated which shall read in its entirety as set forth in Exhibit A to this First Amendment.

3. **No Further Amendments**. Except as expressly provided herein, the Equipment Lease Agreement (including Exhibit A) shall be unaffected hereby and shall remain in full force and effect.

4. **Miscellaneous**.

(a) *Governing Law*. This First Amendment will be governed and construed according to the choice of governing and constructive law set forth in the Equipment Lease Agreement.

(b) *Assignment.* Neither this First Amendment nor any of the rights or obligations of the parties hereunder may be assigned without the prior written consent of the other party.

(c) *Entire Agreement*. This First Amendment constitutes the sole and complete understanding of the Parties with respect to its subject matter addressed herein and supersedes all prior or contemporaneous communications between the parties concerning such subject matter.

(d) *Counterparts*. This First Amendment may be executed in counterparts, including facsimile counterparts, each of which will constitute an original, but which collectively will form one and the same instrument.

LESSOR AND LESSEE ACKNOWLEDGE THAT EACH HAS READ, UNDERSTANDS, AND AGREES TO BE BOUND BY THE TERMS SET FORTH ABOVE, AND HAS EXECUTED THIS FIRST AMENDMENT ON THE DAY AND YEAR SPECIFIED BELOW EACH PARTY'S RESPECTIVE SIGNATURE:

LESSOR:

NMG Cathedral City, LLC

Signature: /s/ Stephen 'Trip' Hoffman

Name: Stephen 'Trip' Hoffman

Its: Authorized Signatory

Date: November 30, 2019

LESSEE:

Satellites Dip, LLC

Signature: /s/ Azadeh Dastmalchi

Name: Azadeh Dastmalchi

Its: Authorized Signatory

Date: November 30, 2019

EXHIBIT A

EQUIPMENT

Description	Category	Qty	Monthly Rent
Deluxe Stainless Steel Worktable - 72 x 36"	Facility Equipment	4	$0.01
Standard Stainless Steel Worktable - 72 x 36"	Facility Equipment	1	$0.01
Wide Span Storage Rack - Particle Board, 72 x 24 x 48"	Facility Equipment	4	$0.01
Futurola Knockbox Machine	Pre-Roll Equipment	1	$0.01
Futurola Shredder	Pre-Roll Equipment	1	$0.01
Futurola Unload Station	Pre-Roll Equipment	1	$0.01
Adjustable Height Desk - 60 x 24", Gray	Office Furniture	1	$0.01
Deluxe Mesh Work Stool	Office Furniture	6	$0.01
Deluxe Vinyl Padded Folding Chair - Black	Office Furniture	4	$0.01
Mesh Task Chair	Office Furniture	1	$0.01
Mobile Pedestal File - 3 Drawer, Black	Office Furnitur	1	$0.01
Ohaus Scout® Balance Scale - 220 grams x .01 gram	Scales	6	$0.01
Mr Atomizer Wiped Film System	Distillation Equipment	1	$1,000.00
Jacketed Heated Feed Tank & Pumps	Distillation Equipment	1	$0.01
Chillers attached to Mr Atomizer system	Distillation Equipment	5	$0.01

EXHIBIT 10.6

RELEASE & SATISFACTION OF LOAN

This release & satisfaction of loan agreement (this "**Release Agreement**"), is made and entered into as of November 30, 2019 (the "**Effective Date**"), by and between NMG Cathedral City, LLC, a California limited liability company (the "**Lender**"), and Satellites Dip, LLC, a California limited liability company (the "**Borrower**"). As used herein, Lender and Borrower shall collectively be referred to as the "**Parties**" and individually as a "**Party**."

WHEREAS, Lender and Borrower entered into a loan and security agreement, dated as of June 6, 2019 (the "**Loan Agreement**"), whereby Borrower secured a loan from Lender, evidenced by a promissory note (the "**Note**") (collectively, the "Loan Documents");

WHEREAS, the Parties agree and acknowledge that there remains a certain amount of the loan outstanding, due and payable to Lender (the "Loan Amount");

WHEREAS, as partial satisfaction for the Loan Amount, Borrower is entering contemporaneously into that certain equipment purchase agreement (the "Equipment Purchase Agreement") whereby Borrower is selling certain enumerated equipment to Lender, the value of the sale to be applied to the outstanding Loan Amount (the "Equipment Value");

WHEREAS, contemporaneously with this Release Agreement, the Parties are entering into that certain brand director agreement (the "Brand Director Agreement"), and as additional satisfaction for the loan amount, Lender is receiving a waiver of five (5) months of the contribution fee (as defined therein) (the "Waiver");

WHEREAS, the Parties expressly agree that the Equipment Value plus the Waiver shall constitute complete payment and satisfaction of the Loan Amount; and

NOW THEREFORE, in consideration of the following covenants and conditions, the Parties acknowledge and agree as follows:

1. Satisfaction and Discharge of Loan Agreement. Lender hereby acknowledges and agrees that all indebtedness and any other obligation from Borrower to Lender arising under the Loan Agreement and the Note in the original principal amount of Two Hundred Fifty Thousand Dollars ($250,000.00) is hereby satisfied and discharged in full, including without limitation, any accrued and unpaid interest, fees, charges, and expenses relating to the Loan Documents. The Borrower expressly acknowledges and agrees that the discharge, release, and satisfaction of the Loan Amount contained herein is granted based upon Borrower's obligations and duties pursuant to the Equipment Purchase Agreement (including assigning all rights, title, and interest to the equipment therein to Lender) and its Waiver of certain consideration under the Brand Director Agreement.

2. Release of Loan Agreement. Lender, for itself and its representatives, executors, successors, and assigns, hereby remise, release, and forever discharge the Borrower, its successors and assigns, from any and all manner of actions, cause and causes of action, suits, debts, sums of money, bills, bonds, damages, and demands whatsoever, in law or equity, arising out of the Loan Documents, and the execution and delivery thereof.

3. Cancellation of Note. Pursuant to Section 2(d) of the Loan Agreement, Lender is providing this Release Agreement to Borrower, and is attaching the Note as canceled, attached hereto as Exhibit A.

4. Limited to Loan Documents. The Parties expressly agree and acknowledge that this Release Agreement only applies to and relates to the Loan Agreement and Note, and does not relate to or apply to any other contract, agreement, undertaking, understanding, or covenant.

The signature below signifies the binding intention of this Release Agreement to benefit both the Lender and any successors, dated as of November 30, 2019.

NMG Cathedral City, LLC
("**Lender**")

By: /s/ Stephen 'Trip' Hoffman

Name: Stephen 'Trip' Hoffman

Title: Authorized Signatory

EXHIBIT A

Promissory Note

[see attached]

PROMISSORY NOTE

FOR VALUE RECEIVED, Satellites Dip, LLC, a California limited liability company (the "Borrower"), does hereby promise to pay to the order of NMG Cathedral City, LLC, a California limited liability company (the "Lender"), in lawful money of the United States of America in immediately available funds, an amount equal to the Loan Amount (as defined in the Loan Agreement), and to pay interest on the unpaid principal amount of the Loan Amount (unless such interest is forgiven as set forth in the Loan Agreement) from time to time outstanding hereunder in the amount set forth in the Loan Agreement, in like money, at such times as set forth in the Loan Agreement. Reference is made to the Loan Agreement dated as of the date hereof, by and between the Borrower and the Lender, to which this Promissory Note is attached as Exhibit [illegible] (as amended, supplemented, restated, renewed, extended or otherwise modified, the "Loan Agreement").

The Borrower and [illegible] all endorsers of this Promissory Note and all other parties now or hereafter liable hereon severally waive grace, demand, presentment for payment, protest, notice of any kind not expressly provided for in the Loan Agreement or this Promissory Note (including, but not limited to, notice of dishonor or notice of protest) and diligence in collecting and bringing suit against any party hereto and agree to the extent permitted by applicable law (i) to all extensions and partial payments with or without notice, (ii) to any substitution, exchange or release of any security now or hereafter given for this Promissory Note, and (iii) to the release of any party primarily or secondarily liable hereon. The non-exercise by the holder of any of its rights hereunder in any particular instance shall not constitute a waiver thereof in that or any subsequent instance.

This Promissory Note may be delivered in portable document format (.pdf) by facsimile or electronic mail.

This Promissory Note is the Promissory Note referred to in the Loan Agreement, and is entitled to the benefits of, and is secured by the security interests granted in, the Loan Agreement.

In the event of a conflict between this Promissory Note and the Loan Agreement, the provisions of the Loan Agreement will govern.

THIS PROMISSORY NOTE SHALL NOT BE SOLD, TRANSFERRED OR ASSIGNED, IN WHOLE OR IN PART, EXCEPT, IN THE CASE OF THE LENDER, TO ITS AFFILIATE UNDER COMMON CONTROL, AS EXPRESSLY PERMITTED BY THE LOAN AGREEMENT. THIS PROMISSORY NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA (WITHOUT REGARD FOR CONFLICTS OF LAWS PRINCIPLES) APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED WHOLLY WITHIN THE STATE OF CALIFORNIA.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

[SIGNATURE PAGE TO PROMISSORY NOTE]

IN WITNESS WHEREOF, the Borrower has executed this Promissory Note as of the date first set forth above.

BORROWER:

Satellites Dip, LLC

By:
Name: Azade N. Dastmalchi
Title: Authorized Signatory

EXHIBIT 31.1

CERTIFICATION

I, Michael Mills, certify that:

1. I have reviewed this Form 10-Q of Body and Mind Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a–15(e) and 15d–15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 23, 2019

/s/ Michael Mills
Michael Mills,
President and CEO
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION

I, Dong H. Shim, certify that:

1. I have reviewed this Form 10-Q of Body and Mind Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a–15(e) and 15d–15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 23, 2019

/s/ Dong Shim
Dong H. Shim, CFO
(Principal Financial Officer and Principal Accounting Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q (the "Report") of Body and Mind Inc. (the "Company") for the quarter ended October 31, 2019, each of Michael Mills, the Chief Executive Officer, and Dong H. Shim, the Chief Financial Officer, of the Company, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of the undersigned's knowledge and belief: (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: December 23, 2019

/s/ Michael Mills
Michael Mills, Principal Executive Officer
(Principal Executive Officer)

/s/ Dong Shim
Dong H. Shim,
Principal Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signatures that appear in typed form within the electronic version of this written statement required by Section 906, has been provided to Body and Mind Inc. and will be retained by Body and Mind Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 99.1

CONSULTING AGREEMENT

THIS AGREEMENT is made and dated effective as of the 21st day of August, 2019 (the "Effective Date")

BETWEEN:

BODY AND MIND INC. a Nevada corporation with an address at 750 - 1095 West Pender Street, Vancouver, British Columbia, V6E 2M6 (the **"Company")**

AND: **FAIRLAWN CAPITAL PARTNERS LTD.,** a company incorporated under the laws of British Columbia and having an office address of 9298 Emerald Drive, Whistler, B.C. V0N 1B9

(the **"Consultant")**

AND: **MICHAEL MILLS,** an individual having an address of 9298 Emerald Drive, Whistler, B.C. V0N 1B9

(the "**Principal**")

WHEREAS:

A. The Principal has been appointed to the position of President and Interim Chief Executive Officer (hereinafter collectively referred to as **"CEO")** of the Company and;

B. The Company wishes to engage the Consultant to provide the services of the Principal as CEO of the Company on the terms and conditions set forth in this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the premises and mutual covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by both parties, the Company and the Consultant agree as follows:

PART 1

POSITION, SERVICES, REPORTING

Position and Services

Subject as otherwise herein provided, the Company hereby engages the Consultant as an independent contractor and not as an employee or agent of the Company as of the Effective Date, and hereby appoints the Principal to the position of CEO of the Company**.** As of the Effective Date, the Consultant will cause the Principal to perform the duties and responsibilities normally and reasonably associated with the position of CEO including, without limitation, those duties set out in Schedule "A" attached hereto and such other duties and responsibilities as may from time to time be assigned by the Company to the Consultant, subject always to the limitations as may from time to time be set by the Company (all services to be provided by the Consultant hereunder are referred to as the **"Services").**

Standard of Performance

1.1 The Consultant warrants that the Services will be performed in a timely, competent and professional manner in accordance with the highest standards and practices commonly expected of qualified and experienced providers of similar services and that the Principal will devote sufficient time to the performance of the Services as may be reasonably required by the Company to fulfil the standard of performance as aforesaid, including, without limitation, making himself available at such times and at such places as may reasonably be required by the Company in connection with the Services.

Reporting Procedures

1.2 The Consultant and the Principal will report to the CEO of the Company on an as needed basis.

Subcontracting and Assignment

1.3 The Consultant will not, without the prior written consent of the Company (which consent the Company may in its sole discretion withhold), subcontract, delegate or otherwise assign any or all of the Consultant's obligations under this Agreement.

Concurrent Work

1.4 Provided that the Consultant is fulfilling the terms of this Agreement and in particular the standards of performance contemplated in §1.2 herein, the Consultant may take employment, concurrently work on projects, accept assignments and serve on boards that are in related industries to the Company (or substantially similar enterprise) provided that such work or engagement does not directly or indirectly compete with the Company at the time such work or engagement is entered into or is intended or could reasonably be perceived to compete with the Company. Whether such work or engagement directly or indirectly competes with the Company, or is intended or could reasonably be perceived to compete with the Company, will be determined solely at the discretion of the Company. The Consultant may take on any assignment, work on projects, serve as a board member or management of any entity not engaged in a competitive activity as aforesaid provided that such position or activity does not unreasonably limit or prohibit the Consultant from fulfilling the Services contemplated in §1.1 hereof.

PART 2

CONSULTING FEES

Fees

2.1 The Company will pay to the Consultant a monthly fee of USD $12,500 (or equivalent in $CAD) plus any good and services taxes, if applicable, (hereinafter the **"Fee")** payable on the first day of each calendar month during the term of this Agreement by way of cheque, wire or direct deposit to the account of the Consultant. The Company will review the Fee from time to time during the term of this Agreement and may in its sole discretion increase the Fee depending on the Principal's performance of the Services and having regard to the financial circumstances of the Company. The Consultant will be responsible for remitting and paying any applicable taxes.

Bonuses

2.2 The Company, from time to time, will consider, but will be under no obligation, to provide the Consultant with a bonus, which is entirely discretionary.

Expenses

2.3 The Company will reimburse the Consultant for all reasonable pre-approved travel and other out-of-pocket expenses incurred by the Consultant directly related to the performance of the Services, subject to the policies of the Company, within 30 days of the expense being submitted to the Company. The Consultant will account for such expenses in accordance with the policies and directions provided by the Company.

Stock Options

2.4 The Company, from time to time, and at its sole discretion, may grant stock options to the Consultant or its' designate in accordance with the Company's Stock Option Plan.

PART 3

TERM, TERMINATION, PLACE OF WORK

Term and Termination

3.1 The term of the Agreement will begin on the Effective Date, and will continue until the Agreement is terminated, as follows:

By the Company:

(a) for any reason, without cost, charge or liability, except as provided in §3.3 below, upon 90 days' written notice or payment in lieu thereof to the Consultant;

(b) immediately, without cost, charge or liability, except as provided in §3.3 below, if the Consultant;

i. is not carrying out the terms of this Agreement or is otherwise failing to comply with any term of this Agreement;

ii. if the Company becomes bankrupt or insolvent; and

iii. commits an act of fraud, intentional deceit or criminal action in respect of the provision of Services contemplated hereunder.

By the Consultant:

(a) at any time and at its sole discretion, without cause and without any cost, charge, or liability, upon 90 days' written notice of such termination to the Company.

3.2 Termination upon change of control. If at any time during the term of this Agreement there is a Change of Control of the Company ("Change of Control"), the Consultant shall be entitled to receive the Change of Control Termination Payments described in §3.3 below. A Change of Control includes, but is not limited to, circumstances in which the Company is bought, sold, acquired, or transferred, to another person, group, entity or company.

3.3 Change of Control Termination Payment. Upon notice by the Company to the Consultant of a Change of Control at any time during the term of this Agreement, the Company is obligated and required to make a change of control termination Payment to the Consultant equal to 6 months' consulting fees if terminated after the Effective Date**.** The change of control termination Payment is to be paid within 30 days of the effective date of the Change of Control of the Company.

Place of Work and Tools

3.4 The Company may, at its sole discretion, provide reasonable office space for the Consultant as the Company deems appropriate. It is acknowledged that office space is currently not required.

3.5 The Company may, at its sole discretion, provide additional software, hardware and other tools to the Consultant to perform the Services.

PART 4

CONFIDENTIALITY; INTELLECTUAL PROPERTY; AND RESTRICTIVE COVENANTS

4.1 **Definitions.** In this Part,

(a) **"Company Entities"** means the Company and its affiliate, subsidiary and parent corporations, to the extent that such reference does not require any other party to be added as a party to this Agreement other than as a third party beneficiary, each of whom will be expressly deemed an intended third party beneficiary of this Agreement and will have the right to enforce the terms and conditions of this Agreement;

(b) **"Company Inventions"** mean all Inventions owned by the Company Entities prior to or outside of this Agreement (together with those forming part of Work Product);

(c) **"Company Property"** means all Confidential Information, Work Product and Company Inventions;

(d) **"Confidential Information"** means all information in any form (including all electronic, magnetic, physical, intangible, visual and oral forms) and whether or not such information has been marked or indicated as confidential, that is known, held, used or disclosed by or on behalf of the Company Entities in connection with its business, and that, at the time of its disclosure (i) is not available or known to the general public, (ii) by its nature or the nature of its disclosure, would reasonably be determined to be confidential, or (iii) is marked or indicated as proprietary or confidential, and in any event includes trade secrets, know-how, supplier and customer information (whether past, present, future and prospective), strategic plans, source code and related data, financial information, marketing information, information as to business opportunities (including strategies and research and development), consultation records and plans, engineering data, third party data, Company Inventions, and Work Product, whether they are trade secrets or not;

(e) **"Develop"** means conceive, develop, create, acquire, reduce to practice or otherwise make, either alone or with others, whether or not during regular working hours and whether or not having been specifically instructed to do so;

(f) **"Intellectual Property Rights"** means, collectively, all proprietary rights provided or recognized under patent law, copyright law, trade-mark law, design patent or industrial design law, semi-conductor chip or mask work law, or any other applicable statutory provision or otherwise arising at law or in equity anywhere in the world, including trade secret law, that may provide or recognize any right in Materials, Inventions, Work Product, Confidential Information, know-how, or the expression or use thereof, including (i) applications, registrations, licenses, sublicenses, agreements, or any other evidence of a right in any of the foregoing, and (ii) past, present, and future causes of action, rights of recovery, and claims for damage, accounting for profits, royalties, or other relief relating, referring, or pertaining to any of the foregoing;

(g) **"Inventions"** means, collectively, whether patentable or not, discoveries, inventions, innovations, ideas, suggestions, technology, methodologies, techniques, concepts, procedures, processes, protocols, treatments, tests, developments, scientific or other formulae and each and every portion thereof, and any and all revisions and improvements relating to any of the foregoing;

(h) **"Materials"** means, collectively, all materials in any form (including verbal, visual, magnetic, electronic, or physical), including any reports, documents, designs, compilations, products, works, and computer programs (including all source code, object code, compilers, libraries and developer tools, and any manuals, descriptions, data files, resource files and other such materials relating thereto), studies, reports, records, research, surveys, services, sales, patterns, machines, manufactures, compositions, technical data, devices, sketches, photographs, plans, drawings, specifications, samples, manuals, documents, prototypes, hardware, software and other equipment, working materials, findings and each and every portion thereof, and any and all revisions and improvements relating to any of the foregoing;

(i) **"Solicit"** means solicit by any means, including persuasion, enticement inducement, or the direct or indirect assistance to any other person in any such activity, in all cases regardless of whether successful or not and regardless of whether the initial contact was by the Consultant, Principal or any other person; and

(j) **"Work Product"** means all Materials and Inventions that are Developed during the term of this Agreement that in any way relate to (i) the present or proposed programs, services, products or business of the Company Entities, (ii) tasks assigned to the Consultant or the Principal in relation to or arising from this Agreement, or (iii) any other Company Inventions, Work Product or Confidential Information.

4.2 **Confidentiality.** In connection with the Consultant's performance under this Agreement, the Company has furnished or may furnish to the Consultant or Principal, or the Consultant or Principal may acquire, develop or conceive of, Confidential Information, all of which the Consultant or Principal will each treat strictly in accordance with this Agreement. For greater clarity, the parties hereby acknowledge and agree that Confidential Information can encompass information regardless of whether it was disclosed prior to the date of this Agreement or after. In connection with this,

(a) ***Obligations.*** at all times during and after this Agreement, each of the Consultant or Principal will protect the Confidential Information using a reasonable degree of care, and will take all reasonable steps to safeguard the Confidential Information from unauthorized disclosure, and without limiting the foregoing will not, directly or indirectly, (i) copy or reproduce any of the Confidential Information, (ii) use any Confidential Information for any purpose other than the proper performance of the Consultant's duties, or (iii) subject to Section 4.3(e) disclose any of the Confidential Information except strictly to those of Company's directors, officers, consultants, attorneys, accountants, advisors and personnel to whom disclosure is necessary to carry out the Consultant's duties,

(b) ***Exceptions.*** this Section 4.2 imposes no obligation upon the Consultant and the Principal with respect to any information or part thereof that the Consultant can establish with documentary evidence that, other than as a result of a breach of this Agreement, (i) was already known to, or in the possession of, the Consultant or the Principal at the time the Consultant or the Principal obtained it or access to it from Company in the same form and substance without a duty of confidentiality, (ii) is or becomes generally available to the public rightfully without restrictions of confidentiality, or (iii) becomes available to the Consultant or the Principal after the term of the Agreement from a third party (other than any Company Entity) who has no obligation of confidentiality with respect thereto,

(c) ***Required Disclosures.*** if the Consultant or the Principal is requested or required (including, without restriction, by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand or other similar process) by any law to disclose any Confidential Information, the Consultant or the Principal may disclose strictly that Confidential Information for which disclosure is required to comply with any such applicable law, provided that the Consultant or the Principal (i) unless prohibited by such applicable law, provides the Company with written notice as soon as practicable in the circumstances so that the Company may contest the disclosure or seek an appropriate protective order, and (ii) cooperates reasonably and in good faith with the Company in its efforts to prevent, restrict or contest such required or requested disclosure, and

(d) ***Acknowledgement.*** each of the Consultant and the Principal acknowledge and agree that the right to maintain the confidentiality of Confidential Information, and the right to preserve the Company's goodwill therein, constitute proprietary rights which the Company is entitled to protect.

4.3 **Ownership and Intellectual Property Rights.** Each of the Consultant and the Principal agree that all right, title and interest (including Intellectual Property Rights) in and to all Company Property, and all services and products which embody, emulate or employ any Company Property, are and will remain fully vested in the Company. For greater clarity, the parties hereby acknowledge and agree that Company Property includes Confidential Information, Work Product and Company Inventions regardless of whether they were conceived, developed, prepared, known, used or disclosed prior to the date of this Agreement or its execution.

In connection with this, the following provisions apply:

(a) ***Assignment.*** to the extent that the foregoing does not fully vest in the Company all right, title and interest (including all Intellectual Property Rights) in and to any Company Property, the Consultant and the Principal each hereby assign to the Company or its nominee (or their respective successors or assigns), all of the Consultant's or the Principal's right, title and interest (including all Intellectual Property Rights) in and to such Company Property without further payment by the Company (and, for greater certainty, this assignment includes any future-arising Company Property, which the Consultant and the Principal will be deemed to have automatically assigned pursuant to this provision as it arises without further instrument);

(b) ***Opportunities.*** if the Consultant's or Principal's access, possession, use or creation of Company Property should give rise to a business opportunity to commercially exploit the Company Property, any such exploitation by the Consultant or Principal, directly or indirectly, is strictly prohibited;

(c) ***Disclosure-***the Consultant will promptly disclose to the Company, or any persons designated by the Company, all Inventions that are Derived from Work, and agrees the Company has all right, title and interest (including all Intellectual Property Rights) to such Company Inventions under this Section 4.3;

(d) ***Third Party Rights.*** the Consultant and the Principal each agree not to introduce into any Company Property any third-party Intellectual Property Right, including any (i) Intellectual Property Rights relating to Materials and Inventions owned by the Consultant or the Principal, such as those that are not Work Product, or (ii) confidential information, trade secrets or other proprietary rights of former employers, in each case without first obtaining the written consent of the Company and, if requested by the Company, the third-party rights holder;

(e) ***Work for Hire.*** for purposes of the copyright laws of the United States of America, to the extent (if any) that such laws are applicable to any Work Product, to the duties arising hereunder, or to the Consultant or Principal, all Work Product will be considered a work made for hire and the Company will be considered the author thereof; and

(f) ***Moral Rights.*** the Consultant and the Principal hereby irrevocably waives for the benefit of the Company Entities and their successors or assigns any and all of the Consultant or Principal's moral rights or *"droits d'autuers"* in respect of the Work Product.

4.4 **Return or Destruction.** Upon the request of the Company, the Consultant will immediately return or cause to be returned to Company all originals and copies in any form of Company Property (including Confidential Information or Work Product) in the possession or control of the Consultant or the Principal and will destroy or cause to be destroyed all originals, copies or other reproductions or extracts of such Company Property not so returned. For the purposes of this paragraph, Company Property stored in electronic form on non-removable media (i) will be deemed to be returned when a copy thereof is delivered in reasonable electronic form to the Company, and (ii) destroyed when the Consultant performs a commercially reasonable "delete" function with respect to such data, provided that the Consultant thereafter does not directly or indirectly permit or perform any recovery or restoration of such Company Property, whether through undeletion, archives, forensics or otherwise (except as it relates to source code or other information indicated as requiring further acts of deletion by Company, in which case such information must be deleted using reasonably secure deletion techniques as directed by the Company).

4.5 **Further Assistance.** The Consultant agrees to assist the Company in every proper way to obtain and, from time to time, enforce the Intellectual Property Rights to the Company Property in any and all countries, and to that end the Consultant will execute all documents for use in applying for, obtaining and enforcing the Intellectual Property Rights in and to such Company Property may desire, together with any assignments of Work Product or Company Inventions to the Company or persons designated by it. The Consultant's obligation to assist Company in obtaining and enforcing such Intellectual Property Rights in any and all countries will continue beyond the termination of this Agreement, and shall always be at the Company's reasonable expense.

4.6 **No Solicitation.** During the Term of this Agreement and for a period of 12 months thereafter, the Consultant will not, directly or indirectly, solicit any of the Company Entities' customers or clients with which the Consultant performed services or had business dealings (or access to Confidential Information with respect to Company's other business dealings) in connection with the Services hereunder.

4.7 **No Hire.** During the Term of this Agreement and for a period of 12 months thereafter, the Consultant will not, directly or indirectly, hire or engage any of the Company's employees, staff, contractors or consultants, or solicit or encourage any of the foregoing, to terminate any employment or contract with the Company, nor will the Consultant provide any information concerning such persons to any recruiter or prospective employer without prior written consent from the Company.

4.8 **Non-Disparagement.** Neither Consultant nor Principal shall make any statement in any format (whether orally, electronically, or in writing including, without limitation, via email, on the internet or on social media) which is defamatory, disparaging or otherwise derogatory pertaining to the Company or any Company Entities. This prohibition is specifically meant to be broader than defamation and includes, without limitation, contacting employees, customers, clients, vendors, investors or potential investors of Company or Company Entities and saying or implying anything negative about Company or Company Entities by words, actions, context or any combination of these. Provided, however, that nothing in this Agreement shall be construed to prohibit Consultant or Principal from making such truthful disclosures as are compelled or required by law and as are necessary for legitimate law enforcement or compliance purposes.

4.9 **Arbitration.** As a condition of this Agreement Consultant and Company agree to exclusively submit to final and binding arbitration of any and all claims, counterclaims, demands, and causes of action (collectively, "Claims") arising out of or in any way related to the Agreement.

The Consultant and Company further are hereby waiving the right to a jury or bench trial with respect to the Claims. Arbitration shall be by a single arbitrator selected by the parties. Each party shall be responsible for its own costs and fees of the arbitration, including, but not limited to attorney's fees. Arbitrator fees shall be borne equally by the parties.

PART 5

OTHER PROVISIONS

No Liability

5.1 In no event will the Company be liable for any claims made by the Consultant for any special, indirect, incidental, or consequential damages, whether for negligence or breach of contract, including without limitation, loss of business opportunities, profits or revenues, and whether or not the possibility of such damages or loss of opportunities, profits or revenues has been disclosed by the Consultant in advance or could have been reasonably foreseen by the Company.

Insurance

5.2 The Company, at its sole cost and expense, will provide and maintain, throughout the term of this Agreement, directors and officers insurance of no less than USD $1 million pertaining to professional errors or omissions and/or directors and officers liability.

Taxes

5.3 The Consultant represents, warrants and covenants that the Consultant is acting and will act only as an independent contractor and not as an employee of the Company, and acknowledges that in so acting, the Consultant will not be entitled to any employee-like benefits, or any direct or indirect compensation other than that expressly set out in this Agreement. The Consultant will, as an independent contractor, collect and/or remit as required, all amounts, and will register with any workers' compensation entities or other governmental bodies, and deal with all tax and other requirements, and satisfy all applicable compliance requirements, as required or permitted under law by all municipal, provincial or federal governments. Without affecting the Consultant's other obligations in this §5.2, the Consultant will provide proof acceptable to the Company, acting reasonably, of the Consultant's registrations, remittances or other tax or other compliance with applicable law, upon each such registration or remittance or upon request by the Company. The Consultant agrees that the Company will not be responsible for registering under any workers' compensation legislation or for withholding or remitting any amounts for income taxes, Canada Pension Plan, Employment Insurance, or other deductions that would be required in an employment relationship. The Consultant will promptly indemnify the Company for any liability that the Company incurs as a result of not making such registrations or remittances or other relevant compliance. In the event that the Canada Revenue Agency determines that remuneration paid by the Company for the Services was employment income to the Consultant, and further determines that the Company was obligated to withhold taxes at source, the Consultant shall be liable to indemnify the Company for any and all costs or assessment thereby occasioned.

Survival

5.3 All obligations and rights that, by their nature, are intended to survive the termination or expiration of this Agreement (the **"Surviving Terms"),** will survive the actual or purported termination or expiration, for any reason, of the Agreement.

Severability

5.4 If any provision of this Agreement is held invalid, illegal or unenforceable, the remaining provisions will not be affected.

Governing Law

5.5 This Agreement will be governed by and interpreted in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

Notice

5.6 Every notice, request, demand or direction (each, for the purposes of this section, a **"notice")** to be given pursuant to this Agreement by either party to another will be in writing and will be delivered or sent by registered or certified mail postage prepaid and mailed in any government post office or by email, or other similar form of written communication, in each case, addressed as above or as follows:

If to the Company, at:

Address: 750- 1095 West Pender Street, Vancouver, BC, V6E
Telephone: (778) 513-3511
Email: dongshim@shimaccounting.com
Attention: Dong Shim, Chief Financial Officer

If to the Consultant, at:

Address: 9298 Emerald Drive, Whistler, B.C. V0N 1B9
Telephone: (604) 938-9876
E-Mail: mmills@fairlawncapitalpartners.com
Attention: Michael Mills

or to such other address as is specified by the particular party by notice to the other.

Entire Agreement

5.7 This Agreement forms the entire agreement between the parties and supersedes all prior agreements, proposals or communications relative to the subject matter of this Agreement. Amendments to or waivers of this Agreement will be effective only if in writing and signed by authorized representatives of both parties. Unless otherwise expressly stated, if there is any necessary conflict or inconsistency between any of the terms of this Agreement, this Agreement will take precedence.

Independent Legal Advice

5.8 The parties agree that each has had independent legal advice, or the opportunity to receive such independent legal advice, in connection with the execution of this Agreement and has read this Agreement in its entirety, understands its contents and is signing this Agreement freely and voluntarily, without duress or undue influence from any party.

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto as of the day and year first above written.

BODY AND MIND INC.

/s/ Leonard Clough

Per Authorized Signatory

FAIRLAWN CAPITAL PARTNERS LTD.

/s/ Michael Mills

Per Authorized Signatory

Signed, Sealed and Delivered by **MICHAEL MILLS** in the presence of:

/s/ Leslie Mills

Witness Signature

Leslie Mills

Name (Please Print)

Address

Clerk

Occupation

/s/ Michael Mills

Michael Mills, Signature

SCHEDULE "A"

Duties

1.0 Culture

The CEO must understand, reflect and foster the culture and goals of the Company. The Company's culture and goals, although continuously evolving, include the following:

(a) to practice the highest standards of integrity;

(b) to achieve superior financial returns;

(c) pursue growth opportunities in the context of stability and a long-term perspective; and

(d) to be a respected and leading employer, customer, supplier and investment.

2.0 Leadership

The CEO is responsible for executive leadership and overall day-to-day management of the Company. The CEO is responsible for the implementation of policies, directives and resolutions adopted by the Company's Board of Directors from time to time. The CEO must be able to communicate effectively with managers and promote a sense of participation in, and commitment to, the organization. The CEO is expected to be "hands on", accessible, collaborative and resourceful.

The CEO must set goals for the various members of the Company's management team and ensure accountability.

3.0 Specific Responsibilities

The responsibilities of the CEO include, but not limited to:

(a) in collaboration with the Board of Directors, developing and monitoring the Company's strategic direction;

(b) directing the overall business operations of the Company and taking steps to increase shareholder value;

(c) ensuring that the Board of Director are kept appropriately informed of the overall business operations of the Company and major issues facing the Company;

(d) having ultimate accountability for the development (with the Board of Directors) and execution of the strategy and policies of the Company and their communication to the Company's key internal and external stakeholders;

(e) identifying and assessing key business risks and implementing strategies to mitigate those risks;

(f) having responsibility for the day-to-day operations of the Company, including the annual planning process, capital and financial management, acquisitions, divestitures, etc., all of which must be accomplished within the strategic framework of the Company approved by the Board of Directors;

(g) having responsibility for ensuring the proper discharge of management's duties in relation to financial reporting and disclosure;

(h) having the responsibility for the employment, compensation, job descriptions, performance assessment, leadership development and succession planning of senior management personnel in order to ensure adequate resources and expertise are available to fulfil the Company's goals; and

(i) representing the Company to its major stakeholders, including investment and financial communities, governments, customers and the public.

4.0 Priorities

A key responsibility of the CEO is to identify, assess and determine priorities for the Company, its management and employees. These include priorities for improvement of existing operations, growth opportunities and general allocation of financial, management and other resources. In establishing priorities the CEO is guided by determinations of the Board of Directors. The CEO is responsible for ensuring buy-in by management of priorities that are established. This will require effective communications skills as well as decisiveness and consistency.

5.0 Scope of Involvement

The CEO of the Company must deal with a broad spectrum of matters including international trade, national, regional and local politics, as well as employee, investor and customer relations. As a result, the CEO must have a high energy level combined with a total commitment to the Company's interests. The breadth of the CEO's involvement also emphasizes the importance of prioritizing. The CEO is management's representative on the Board of Directors and must be able to effectively articulate management's vision to the Board of Directors. Conversely, the CEO is responsible to effectively articulate to management and implement determinations made by the Board of Directors.

EXHIBIT 99.2

CONSULTING AGREEMENT

THIS AGREEMENT is made and dated effective as of the 21st day of August, 2019 (the "Effective Date")

BETWEEN:

BODY AND MIND INC. a Nevada corporation with an address at 750 - 1095 West Pender Street, Vancouver, British Columbia, V6E 2M6 (the **"Company")**

AND: **TORO PACIFIC MANAGEMENT INC.,** a company incorporated under the laws of British Columbia and having an office address of 3071 Spencer Court, West Vancouver, B.C. V7V 3C5

(the **"Consultant"**)

AND: **LEONARD CLOUGH,** an individual having an address of 3071 Spencer Court, West Vancouver, B.C. V7V 3C5, North Vancouver, B.C. V7L 2J3

(the **"Principal"**)

WHEREAS:

A. The Principal has been appointed to the position of Financial Markets Advisor of the Company and;

B. The Company wishes to engage the Consultant to provide the services of the Principal as Financial Markets Advisor of the Company on the terms and conditions set forth in this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the premises and mutual covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by both parties, the Company and the Consultant agree as follows:

PART I

POSITION, SERVICES, REPORTING

Position and Services

Subject as otherwise herein provided, the Company hereby engages the Consultant as an independent contractor and not as an employee or agent of the Company as of the Effective Date, and hereby appoints the Principal to the position of Financial Markets Advisor of the Company (hereinafter collectively referred to as **"Financial Markets Advisor").** As of the Effective Date, the Consultant will cause the Principal to perform the duties and responsibilities normally and reasonably associated with the position of Financial Markets Advisor including, without limitation, those duties set out in Schedule "A" attached hereto and such other duties and responsibilities as may from time to time be assigned by the Company to the Consultant, subject always to the limitations as may from time to time be set by the Company (all services to be provided by the Consultant hereunder are referred to as the **"Services").**

Standard of Performance

1.1 The Consultant warrants that the Services will be performed in a timely, competent and professional manner in accordance with the highest standards and practices commonly expected of qualified and experienced providers of similar services and that the Principal will devote sufficient time to the performance of the Services as may be reasonably required by the Company to fulfil the standard of performance as aforesaid, including, without limitation, making himself available at such times and at such places as may reasonably be required by the Company in connection with the Services.

Reporting Procedures

1.2 The Consultant and the Principal will report to the Chief Executive Officer, and the Board of Directors of the Company on an as needed basis.

Subcontracting and Assignment

1.3 The Consultant will not, without the prior written consent of the Company (which consent the Company may in its sole discretion withhold), subcontract, delegate or otherwise assign any or all of the Consultant's obligations under this Agreement.

Concurrent Work

1.4 Provided that the Consultant is fulfilling the terms of this Agreement and in particular the standards of performance contemplated in §1.2 herein, the Consultant may take employment, concurrently work on projects, accept assignments and serve on boards that are in related industries to the Company (or substantially similar enterprise) provided that such work or engagement does not directly or indirectly compete with the Company at the time such work or engagement is entered into or is intended or could reasonably be perceived to compete with the Company. Whether such work or engagement directly or indirectly competes with the Company, or is intended or could reasonably be perceived to compete with the Company, will be determined solely at the discretion of the Company. The Consultant may take on any assignment, work on projects, serve as a board member or management of any entity not engaged in a competitive activity as aforesaid provided that such position or activity does not unreasonably limit or prohibit the Consultant from fulfilling the Services contemplated in §1.1 hereof.

PART 2

CONSULTING FEES

Fees

2.1 The Company will pay to the Consultant a monthly fee of USD $12,500 (or equivalent in $CAD) plus any good and services taxes, if applicable, (hereinafter the **"Fee")** payable on the first day of each calendar month during the term of this Agreement by way of cheque, wire or direct deposit to the account of the Consultant. The Company will review the Fee from time to time during the term of this Agreement and may in its sole discretion increase the Fee depending on the Principal's performance of the Services and having regard to the financial circumstances of the Company. The Consultant will be responsible for remitting and paying any applicable taxes.

Bonuses

2.2 The Company, from time to time, will consider, but will be under no obligation, to provide the Consultant with a bonus, which is entirely discretionary.

Expenses

2.3 The Company will reimburse the Consultant for all reasonable pre-approved travel and other out-of-pocket expenses incurred by the Consultant directly related to the performance of the Services, subject to the policies of the Company, within 30 days of the expense being submitted to the Company. The Consultant will account for such expenses in accordance with the policies and directions provided by the Company.

Stock Options

2.4 The Company, from time to time, and at its sole discretion, may grant stock options to the Consultant or its' designate in accordance with the Company's Stock Option Plan.

PART 3

TERM, TERMINATION, PLACE OF WORK

Term and Termination

3.1 The term of the Agreement will begin on the Effective Date, and will continue until the Agreement is terminated, as follows:

By the Company:

(a) for any reason, without cost, charge or liability, except as provided in §3.3 below, upon 90 days' written notice or payment in lieu thereof to the Consultant;

(b) immediately, without cost, charge or liability, except as provided in §3.3 below, if the Consultant;

i. is not carrying out the terms of this Agreement or is otherwise failing to comply with any term of this Agreement;

ii. if the Company becomes bankrupt or insolvent; and

iii. commits an act of fraud, intentional deceit or criminal action in respect of the provision of Services contemplated hereunder.

By the Consultant:

(a) at any time and at its sole discretion, without cause and without any cost, charge, or liability, upon 90 days' written notice of such termination to the Company.

3.2 Termination upon change of control. If at any time during the term of this Agreement there is a Change of Control of the Company ("Change of Control"), the Consultant shall be entitled to receive the Change of Control Termination Payments described in §3.3 below. A Change of Control includes, but is not limited to, circumstances in which the Company is bought, sold, acquired, or transferred, to another person, group, entity or company.

3.3 Change of Control Termination Payment. Upon notice by the Company to the Consultant of a Change of Control at any time during the term of this Agreement, the Company is obligated and required to make a change of control termination Payment to the Consultant equal to 6 months' consulting fees if terminated after the Effective Date**.** The change of control termination Payment is to be paid within 30 days of the effective date of the Change of Control of the Company.

Place of Work and Tools

3.4 The Company may, at its sole discretion, provide reasonable office space for the Consultant as the Company deems appropriate. It is acknowledged that office space is currently not required.

3.5 The Company may, at its sole discretion, provide additional software, hardware and other tools to the Consultant to perform the Services.

PART 4

CONFIDENTIALITY; INTELLECTUAL PROPERTY; AND RESTRICTIVE COVENANTS

4.1 **Definitions.** In this Part,

(a) **"Company Entities"** means the Company and its affiliate, subsidiary and parent corporations, to the extent that such reference does not require any other party to be added as a party to this Agreement other than as a third party beneficiary, each of whom will be expressly deemed an intended third party beneficiary of this Agreement and will have the right to enforce the terms and conditions of this Agreement;

(b) **"Company Inventions"** mean all Inventions owned by the Company Entities prior to or outside of this Agreement (together with those forming part of Work Product);

(c) **"Company Property"** means all Confidential Information, Work Product and Company Inventions;

(d) **"Confidential Information"** means all information in any form (including all electronic, magnetic, physical, intangible, visual and oral forms) and whether or not such information has been marked or indicated as confidential, that is known, held, used or disclosed by or on behalf of the Company Entities in connection with its business, and that, at the time of its disclosure (i) is not available or known to the general public, (ii) by its nature or the nature of its disclosure, would reasonably be determined to be confidential, or (iii) is marked or indicated as proprietary or confidential, and in any event includes trade secrets, know-how, supplier and customer information (whether past, present, future and prospective), strategic plans, source code and related data, financial information, marketing information, information as to business opportunities (including strategies and research and development), consultation records and plans, engineering data, third party data, Company Inventions, and Work Product, whether they are trade secrets or not;

(e) **"Develop"** means conceive, develop, create, acquire, reduce to practice or otherwise make, either alone or with others, whether or not during regular working hours and whether or not having been specifically instructed to do so;

(f) **"Intellectual Property Rights"** means, collectively, all proprietary rights provided or recognized under patent law, copyright law, trade-mark law, design patent or industrial design law, semi-conductor chip or mask work law, or any other applicable statutory provision or otherwise arising at law or in equity anywhere in the world, including trade secret law, that may provide or recognize any right in Materials, Inventions, Work Product, Confidential Information, know-how, or the expression or use thereof, including (i) applications, registrations, licenses, sublicenses, agreements, or any other evidence of a right in any of the foregoing, and (ii) past, present, and future causes of action, rights of recovery, and claims for damage, accounting for profits, royalties, or other relief relating, referring, or pertaining to any of the foregoing;

(g) **"Inventions"** means, collectively, whether patentable or not, discoveries, inventions, innovations, ideas, suggestions, technology, methodologies, techniques, concepts, procedures, processes, protocols, treatments, tests, developments, scientific or other formulae and each and every portion thereof, and any and all revisions and improvements relating to any of the foregoing;

(h) **"Materials"** means, collectively, all materials in any form (including verbal, visual, magnetic, electronic, or physical), including any reports, documents, designs, compilations, products, works, and computer programs (including all source code, object code, compilers, libraries and developer tools, and any manuals, descriptions, data files, resource files and other such materials relating thereto), studies, reports, records, research, surveys, services, sales, patterns, machines, manufactures, compositions, technical data, devices, sketches, photographs, plans, drawings, specifications, samples, manuals, documents, prototypes, hardware, software and other equipment, working materials, findings and each and every portion thereof, and any and all revisions and improvements relating to any of the foregoing;

(i) **"Solicit"** means solicit by any means, including persuasion, enticement inducement, or the direct or indirect assistance to any other person in any such activity, in all cases regardless of whether successful or not and regardless of whether the initial contact was by the Consultant, Principal or any other person; and

(j) **"Work Product"** means all Materials and Inventions that are Developed during the term of this Agreement that in any way relate to (i) the present or proposed programs, services, products or business of the Company Entities, (ii) tasks assigned to the Consultant or the Principal in relation to or arising from this Agreement, or (iii) any other Company Inventions, Work Product or Confidential Information.

4.2 **Confidentiality.** In connection with the Consultant's performance under this Agreement, the Company has furnished or may furnish to the Consultant or Principal, or the Consultant or Principal may acquire, develop or conceive of, Confidential Information, all of which the Consultant or Principal will each treat strictly in accordance with this Agreement. For greater clarity, the parties hereby acknowledge and agree that Confidential Information can encompass information regardless of whether it was disclosed prior to the date of this Agreement or after. In connection with this,

(a) ***Obligations.*** at all times during and after this Agreement, each of the Consultant or Principal will protect the Confidential Information using a reasonable degree of care, and will take all reasonable steps to safeguard the Confidential Information from unauthorized disclosure, and without limiting the foregoing will not, directly or indirectly, (i) copy or reproduce any of the Confidential Information, (ii) use any Confidential Information for any purpose other than the proper performance of the Consultant's duties, or (iii) subject to Section 4.3(e) disclose any of the Confidential Information except strictly to those of Company's directors, officers, consultants, attorneys, accountants, advisors and personnel to whom disclosure is necessary to carry out the Consultant's duties,

(b) ***Exceptions.*** this Section 4.2 imposes no obligation upon the Consultant and the Principal with respect to any information or part thereof that the Consultant can establish with documentary evidence that, other than as a result of a breach of this Agreement, (i) was already known to, or in the possession of, the Consultant or the Principal at the time the Consultant or the Principal obtained it or access to it from Company in the same form and substance without a duty of confidentiality, (ii) is or becomes generally available to the public rightfully without restrictions of confidentiality, or (iii) becomes available to the Consultant or the Principal after the term of the Agreement from a third party (other than any Company Entity) who has no obligation of confidentiality with respect thereto,

(c) ***Required Disclosures.*** if the Consultant or the Principal is requested or required (including, without restriction, by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand or other similar process) by any law to disclose any Confidential Information, the Consultant or the Principal may disclose strictly that Confidential Information for which disclosure is required to comply with any such applicable law, provided that the Consultant or the Principal (i) unless prohibited by such applicable law, provides the Company with written notice as soon as practicable in the circumstances so that the Company may contest the disclosure or seek an appropriate protective order, and (ii) cooperates reasonably and in good faith with the Company in its efforts to prevent, restrict or contest such required or requested disclosure, and

(d) ***Acknowledgement.*** each of the Consultant and the Principal acknowledge and agree that the right to maintain the confidentiality of Confidential Information, and the right to preserve the Company's goodwill therein, constitute proprietary rights which the Company is entitled to protect.

4.3 **Ownership and Intellectual Property Rights.** Each of the Consultant and the Principal agree that all right, title and interest (including Intellectual Property Rights) in and to all Company Property, and all services and products which embody, emulate or employ any Company Property, are and will remain fully vested in the Company. For greater clarity, the parties hereby acknowledge and agree that Company Property includes Confidential Information, Work Product and Company Inventions regardless of whether they were conceived, developed, prepared, known, used or disclosed prior to the date of this Agreement or its execution.

In connection with this, the following provisions apply:

(a) ***Assignment.*** to the extent that the foregoing does not fully vest in the Company all right, title and interest (including all Intellectual Property Rights) in and to any Company Property, the Consultant and the Principal each hereby assign to the Company or its nominee (or their respective successors or assigns), all of the Consultant's or the Principal's right, title and interest (including all Intellectual Property Rights) in and to such Company Property without further payment by the Company (and, for greater certainty, this assignment includes any future-arising Company Property, which the Consultant and the Principal will be deemed to have automatically assigned pursuant to this provision as it arises without further instrument);

(b) ***Opportunities.*** if the Consultant's or Principal's access, possession, use or creation of Company Property should give rise to a business opportunity to commercially exploit the Company Property, any such exploitation by the Consultant or Principal, directly or indirectly, is strictly prohibited;

(c) ***Disclosure-***the Consultant will promptly disclose to the Company, or any persons designated by the Company, all Inventions that are Derived from Work, and agrees the Company has all right, title and interest (including all Intellectual Property Rights) to such Company Inventions under this Section 4.3;

(d) ***Third Party Rights.*** the Consultant and the Principal each agree not to introduce into any Company Property any third-party Intellectual Property Right, including any (i) Intellectual Property Rights relating to Materials and Inventions owned by the Consultant or the Principal, such as those that are not Work Product, or (ii) confidential information, trade secrets or other proprietary rights of former employers, in each case without first obtaining the written consent of the Company and, if requested by the Company, the third-party rights holder;

(e) ***Work for Hire.*** for purposes of the copyright laws of the United States of America, to the extent (if any) that such laws are applicable to any Work Product, to the duties arising hereunder, or to the Consultant or Principal, all Work Product will be considered a work made for hire and the Company will be considered the author thereof; and

(f) ***Moral Rights.*** the Consultant and the Principal hereby irrevocably waives for the benefit of the Company Entities and their successors or assigns any and all of the Consultant or Principal's moral rights or *"droits d'autuers"* in respect of the Work Product.

4.4 **Return or Destruction.** Upon the request of the Company, the Consultant will immediately return or cause to be returned to Company all originals and copies in any form of Company Property (including Confidential Information or Work Product) in the possession or control of the Consultant or the Principal and will destroy or cause to be destroyed all originals, copies or other reproductions or extracts of such Company Property not so returned. For the purposes of this paragraph, Company Property stored in electronic form on non-removable media (i) will be deemed to be returned when a copy thereof is delivered in reasonable electronic form to the Company, and (ii) destroyed when the Consultant performs a commercially reasonable "delete" function with respect to such data, provided that the Consultant thereafter does not directly or indirectly permit or perform any recovery or restoration of such Company Property, whether through undeletion, archives, forensics or otherwise (except as it relates to source code or other information indicated as requiring further acts of deletion by Company, in which case such information must be deleted using reasonably secure deletion techniques as directed by the Company).

4.5 **Further Assistance.** The Consultant agrees to assist the Company in every proper way to obtain and, from time to time, enforce the Intellectual Property Rights to the Company Property in any and all countries, and to that end the Consultant will execute all documents for use in applying for, obtaining and enforcing the Intellectual Property Rights in and to such Company Property may desire, together with any assignments of Work Product or Company Inventions to the Company or persons designated by it. The Consultant's obligation to assist Company in obtaining and enforcing such Intellectual Property Rights in any and all countries will continue beyond the termination of this Agreement, and shall always be at the Company's reasonable expense.

4.6 **No Solicitation.** During the Term of this Agreement and for a period of 12 months thereafter, the Consultant will not, directly or indirectly, solicit any of the Company Entities' customers or clients with which the Consultant performed services or had business dealings (or access to Confidential Information with respect to Company's other business dealings) in connection with the Services hereunder.

4.7 **No Hire.** During the Term of this Agreement and for a period of 12 months thereafter, the Consultant will not, directly or indirectly, hire or engage any of the Company's employees, staff, contractors or consultants, or solicit or encourage any of the foregoing, to terminate any employment or contract with the Company, nor will the Consultant provide any information concerning such persons to any recruiter or prospective employer without prior written consent from the Company.

4.8 **Non-Disparagement.** Neither Consultant nor Principal shall make any statement in any format (whether orally, electronically, or in writing including, without limitation, via email, on the internet or on social media) which is defamatory, disparaging or otherwise derogatory pertaining to the Company or any Company Entities. This prohibition is specifically meant to be broader than defamation and includes, without limitation, contacting employees, customers, clients, vendors, investors or potential investors of Company or Company Entities and saying or implying anything negative about Company or Company Entities by words, actions, context or any combination of these. Provided, however, that nothing in this Agreement shall be construed to prohibit Consultant or Principal from making such truthful disclosures as are compelled or required by law and as are necessary for legitimate law enforcement or compliance purposes.

4.9 **Arbitration.** As a condition of this Agreement Consultant and Company agree to exclusively submit to final and binding arbitration of any and all claims, counterclaims, demands, and causes of action (collectively, "Claims") arising out of or in any way related to the Agreement. ***The Consultant and Company further are hereby waiving the right to a jury or bench trial*** with respect to the Claims. Arbitration shall be by a single arbitrator selected by the parties. Each party shall be responsible for its own costs and fees of the arbitration, including, but not limited to attorney's fees. Arbitrator fees shall be borne equally by the parties.

PART 5

OTHER PROVISIONS

No Liability

5.1 In no event will the Company be liable for any claims made by the Consultant for any special, indirect, incidental, or consequential damages, whether for negligence or breach of contract, including without limitation, loss of business opportunities, profits or revenues, and whether or not the possibility of such damages or loss of opportunities, profits or revenues has been disclosed by the Consultant in advance or could have been reasonably foreseen by the Company.

Insurance

5.1 The Company, at its sole cost and expense, will provide and maintain, throughout the term of this Agreement, directors and officers insurance of no less than USD $1 million pertaining to professional errors or omissions and/or directors and officers liability.

Taxes

5.2 The Consultant represents, warrants and covenants that the Consultant is acting and will act only as an independent contractor and not as an employee of the Company, and acknowledges that in so acting, the Consultant will not be entitled to any employee-like benefits, or any direct or indirect compensation other than that expressly set out in this Agreement.

The Consultant will, as an independent contractor, collect and/or remit as required, all amounts, and will register with any workers' compensation entities or other governmental bodies, and deal with all tax and other requirements, and satisfy all applicable compliance requirements, as required or permitted under law by all municipal, provincial or federal governments.

Without affecting the Consultant's other obligations in this §5.2, the Consultant will provide proof acceptable to the Company, acting reasonably, of the Consultant's registrations, remittances or other tax or other compliance with applicable law, upon each such registration or remittance or upon request by the Company. The Consultant agrees that the Company will not be responsible for registering under any workers' compensation legislation or for withholding or remitting any amounts for income taxes, Canada Pension Plan, Employment Insurance, or other deductions that would be required in an employment relationship.

The Consultant will promptly indemnify the Company for any liability that the Company incurs as a result of not making such registrations or remittances or other relevant compliance. In the event that the Canada Revenue Agency determines that remuneration paid by the Company for the Services was employment income to the Consultant, and further determines that the Company was obligated to withhold taxes at source, the Consultant shall be liable to indemnify the Company for any and all costs or assessment thereby occasioned.

Survival

5.3 All obligations and rights that, by their nature, are intended to survive the termination or expiration of this Agreement (the **"Surviving Terms"),** will survive the actual or purported termination or expiration, for any reason, of the Agreement.

Severability

5.4 If any provision of this Agreement is held invalid, illegal or unenforceable, the remaining provisions will not be affected.

Governing Law

5.5 This Agreement will be governed by and interpreted in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

Notice

5.6 Every notice, request, demand or direction (each, for the purposes of this section, a **"notice")** to be given pursuant to this Agreement by either party to another will be in writing and will be delivered or sent by registered or certified mail postage prepaid and mailed in any government post office or by email, or other similar form of written communication, in each case, addressed as above or as follows:

If to the Company, at:

Address: 750- 1095 West Pender Street, Vancouver, BC, V6E
Telephone: (778) 389-0007
Email: mmills@bamcannabis.com
Attention: Michael Mills, President and Interim CEO

If to the Consultant, at:

Address: 3071 Spencer Court, West Vancouver, B.C. V7V 3C5
Telephone: 604-788-5920
E-Mail: Lmc74@me.com
Attention: Leonard Clough

or to such other address as is specified by the particular party by notice to the other.

Entire Agreement

5.7 This Agreement forms the entire agreement between the parties and supersedes all prior agreements, proposals or communications relative to the subject matter of this Agreement. Amendments to or waivers of this Agreement will be effective only if in writing and signed by authorized representatives of both parties. Unless otherwise expressly stated, if there is any necessary conflict or inconsistency between any of the terms of this Agreement, this Agreement will take precedence.

Independent Legal Advice

5.8 The parties agree that each has had independent legal advice, or the opportunity to receive such independent legal advice, in connection with the execution of this Agreement and has read this Agreement in its entirety, understands its contents and is signing this Agreement freely and voluntarily, without duress or undue influence from any party.

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto as of the day and year first above written.

BODY AND MIND INC.

/s/ Michael Mills

Per Authorized Signatory

TORO PACIFIC MANAGEMENT INC.

/s/ Leonard Clough

Per Authorized Signatory

Signed, Sealed and Delivered by **LEONARD CLOUGH** in the presence of:

/s/ Nicole A. Clough

Witness Signature

Nicole A. Clough

Name (Please Print)

Homemaker

Occupation

/s/ Leonard Clough

Leonard Clough, Signature

SCHEDULE "A"

Duties

1.0 Culture

The Financial Markets Advisor must understand, reflect and foster the culture and goals of the Company. The Company's culture and goals, although continuously evolving, include the following:

(a) to practice the highest standards of integrity;

(b) to achieve superior financial returns;

(c) pursue growth opportunities in the context of stability and a long-term perspective; and

(d) to be a respected and leading employer, customer, supplier and investment.

2.0 Specific Responsibilities

The responsibilities of the Financial Markets Advisor include, but are not limited to:

(a) in collaboration with the CEO, developing and monitoring the Company's strategic direction as it relates to the financial markets;

(b) advising on steps to increase shareholder value;

(c) ensuring that the CEO is kept appropriately informed regarding financial markets;

(d) identifying and advising key business risks and implementing strategies to mitigate those risks;

(e) advising on operations of the Company, including the annual planning process, capital and financial management, acquisitions, divestitures, etc., all of which must be accomplished within the strategic framework of the Company approved by the CEO.

3.0 Priorities

A key responsibility of the Financial Markets Advisor is to identify, assess and determine priorities for the Company to increase shareholder value. These include priorities for improvement of existing operations, growth opportunities and general allocation of financial, management and other resources. In establishing priorities the Financial Markets Advisor is guided by determinations of the CEO.

4.0 Scope of Involvement

The Financial Markets Advisor of the Company must deal with a broad spectrum of matters including international trade, national, regional and local politics, as well as employee, investor and customer relations. As a result, the Financial Markets Advisor must have a high energy level combined with a strong commitment to the Company's interests.

CONSULTING AGREEMENT

THIS AGREEMENT is made and dated effective as of the 21st day of August, 2019 (the "Effective Date")

BETWEEN:

BODY AND MIND INC. a Nevada corporation with an address at 750 - 1095 West Pender Street, Vancouver, British Columbia, V6E 2M6 (the **"Company")**

AND: **GOLDEN TREE CAPITAL CORP. a company having an office address of 970-777 Hornby Street, Vancouver, B.C. V6Z 1S4**

(the "**Consultant**")

AND: **DONG H. SHIM** an individual having an address of 1803-177 Robson Street, Vancouver, B.C. V6B 0N3

(the "**Principal**")

WHEREAS:

A. The Principal has been appointed to the position of Chief Financial Officer of the Company; and;

B. The Company wishes to engage the Consultant to provide the services of the Principal as Chief Financial Officer of the Company on the terms and conditions set forth in this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the premises and mutual covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by both parties, the Company and the Consultant agree as follows:

PART I

POSITION, SERVICES, REPORTING

Position and Services

Subject as otherwise herein provided, the Company hereby engages the Consultant as an independent contractor and not as an employee or agent of the Company as of the Effective Date, and hereby appoints the Principal to the position of Chief Financial Officer of the Company (hereinafter collectively referred to as **"CFO").** As of the Effective Date, the Consultant will cause the Principal to perform the duties and responsibilities normally and reasonably associated with the position of CFO including, without limitation, those duties set out in Schedule "A" attached hereto and such other duties and responsibilities as may from time to time be assigned by the Company to the Consultant, subject always to the limitations as may from time to time be set by the Company (all services to be provided by the Consultant hereunder are referred to as the **"Services").**

Standard of Performance

1.1 The Consultant warrants that the Services will be performed in a timely, competent and professional manner in accordance with the highest standards and practices commonly expected of qualified and experienced providers of similar services and that the Principal will devote sufficient time to the performance of the Services as may be reasonably required by the Company to fulfil the standard of performance as aforesaid, including, without limitation, making himself available at such times and at such places as may reasonably be required by the Company in connection with the Services.

Reporting Procedures

1.2 The Consultant and the Principal will report to the Chief Executive Officer and Board of Directors of the Company on an as needed basis.

Subcontracting and Assignment

1.3 The Consultant will not, without the prior written consent of the Company (which consent the Company may in its sole discretion withhold), subcontract, delegate or otherwise assign any or all of the Consultant's obligations under this Agreement.

Concurrent Work

1.4 Provided that the Consultant is fulfilling the terms of this Agreement and in particular the standards of performance contemplated in §1.2 herein, the Consultant may take employment, concurrently work on projects, accept assignments and serve on boards that are in related industries to the Company (or substantially similar enterprise) provided that such work or engagement does not directly or indirectly compete with the Company at the time such work or engagement is entered into or is intended or could reasonably be perceived to compete with the Company. Whether such work or engagement directly or indirectly competes with the Company, or is intended or could reasonably be perceived to compete with the Company, will be determined solely at the discretion of the Company. The Consultant may take on any assignment, work on projects, serve as a board member or management of any entity not engaged in a competitive activity as aforesaid provided that such position or activity does not unreasonably limit or prohibit the Consultant from fulfilling the Services contemplated in §1.1 hereof.

PART 2

CONSULTING FEES

Fees

2.1 The Company will pay to the Consultant a monthly fee of CAD $10,000 plus any good and services taxes, if applicable, (hereinafter the **"Fee")** payable on the first day of each calendar month during the term of this Agreement by way of cheque, wire or direct deposit to the account of the Consultant. The Company will review the Fee from time to time during the term of this Agreement and may in its sole discretion increase the Fee depending on the Principal's performance of the Services and having regard to the financial circumstances of the Company. The Consultant will be responsible for remitting and paying any applicable taxes.

Bonuses

2.2 The Company, from time to time, will consider, but will be under no obligation, to provide the Consultant with a bonus, which is entirely discretionary.

Expenses

2.3 The Company will reimburse the Consultant for all reasonable travel and other out-of-pocket expenses incurred by the Consultant directly related to the performance of the Services, subject to the policies of the Company, within 30 days of the expense being submitted to the Company. The Consultant will account for such expenses in accordance with the policies and directions provided by the Company.

Stock Options

2.4 The Company, from time to time, and at its sole discretion, may grant stock options to the Consultant or its' designate in accordance with the Company's Stock Option Plan.

PART 3

TERM, TERMINATION, PLACE OF WORK

Term and Termination

3.1 The term of the Agreement will begin on the Effective Date, and will continue on a month-to-month basis until the Agreement is terminated, as follows:

By the Company:

(a) for any reason, without cost, charge or liability, upon 90 days' written notice or payment in lieu thereof to the Consultant;

(b) immediately, without cost, charge or liability, if the Consultant;

i. is not carrying out the terms of this Agreement or is otherwise failing to comply with any term of this Agreement;

ii. commits an act of fraud, intentional deceit or criminal action in respect of the provision of Services contemplated hereunder.

By the Consultant:

(a) at any time and at its sole discretion, without cause and without any cost, charge, or liability, upon 90 days' written notice of such termination to the Company.

Place of Work and Tools

3.4 The Company may, at its sole discretion, provide reasonable office space for the Consultant as the Company deems appropriate. It is acknowledged that office space is currently not required.

3.5 The Company may, at its sole discretion, provide additional software, hardware and other tools to the Consultant to perform the Services.

PART 4

CONFIDENTIALITY; INTELLECTUAL PROPERTY; AND RESTRICTIVE COVENANTS

4.1 **Definitions.** In this Part,

(a) **"Company Entities"** means the Company and its affiliate, subsidiary and parent corporations, to the extent that such reference does not require any other party to be added as a party to this Agreement other than as a third party beneficiary, each of whom will be expressly deemed an intended third party beneficiary of this Agreement and will have the right to enforce the terms and conditions of this Agreement;

(b) **"Company Inventions"** mean all Inventions owned by the Company Entities prior to or outside of this Agreement (together with those forming part of Work Product);

(c) **"Company Property"** means all Confidential Information, Work Product and Company Inventions;

(d) **"Confidential Information"** means all information in any form (including all electronic, magnetic, physical, intangible, visual and oral forms) and whether or not such information has been marked or indicated as confidential, that is known, held, used or disclosed by or on behalf of the Company Entities in connection with its business, and that, at the time of its disclosure (i) is not available or known to the general public, (ii) by its nature or the nature of its disclosure, would reasonably be determined to be confidential, or (iii) is marked or indicated as proprietary or confidential, and in any event includes trade secrets, know-how, supplier and customer information (whether past, present, future and prospective), strategic plans, source code and related data, financial information, marketing information, information as to business opportunities (including strategies and research and development), consultation records and plans, engineering data, third party data, Company Inventions, and Work Product, whether they are trade secrets or not;

(e) **"Develop"** means conceive, develop, create, acquire, reduce to practice or otherwise make, either alone or with others, whether or not during regular working hours and whether or not having been specifically instructed to do so;

(f) **"Intellectual Property Rights"** means, collectively, all proprietary rights provided or recognized under patent law, copyright law, trade-mark law, design patent or industrial design law, semi-conductor chip or mask work law, or any other applicable statutory provision or otherwise arising at law or in equity anywhere in the world, including trade secret law, that may provide or recognize any right in Materials, Inventions, Work Product, Confidential Information, know-how, or the expression or use thereof, including (i) applications, registrations, licenses, sublicenses, agreements, or any other evidence of a right in any of the foregoing, and (ii) past, present, and future causes of action, rights of recovery, and claims for damage, accounting for profits, royalties, or other relief relating, referring, or pertaining to any of the foregoing;

(g) **"Inventions"** means, collectively, whether patentable or not, discoveries, inventions, innovations, ideas, suggestions, technology, methodologies, techniques, concepts, procedures, processes, protocols, treatments, tests, developments, scientific or other formulae and each and every portion thereof, and any and all revisions and improvements relating to any of the foregoing;

(h) **"Materials"** means, collectively, all materials in any form (including verbal, visual, magnetic, electronic, or physical), including any reports, documents, designs, compilations, products, works, and computer programs (including all source code, object code, compilers, libraries and developer tools, and any manuals, descriptions, data files, resource files and other such materials relating thereto), studies, reports, records, research, surveys, services, sales, patterns, machines, manufactures, compositions, technical data, devices, sketches, photographs, plans, drawings, specifications, samples, manuals, documents, prototypes, hardware, software and other equipment, working materials, findings and each and every portion thereof, and any and all revisions and improvements relating to any of the foregoing;

(i) **"Solicit"** means solicit by any means, including persuasion, enticement inducement, or the direct or indirect assistance to any other person in any such activity, in all cases regardless of whether successful or not and regardless of whether the initial contact was by the Consultant, Principal or any other person;

(j) **"Work Product"** means all Materials and Inventions that are Developed during the term of this Agreement that in any way relate to (i) the present or proposed programs, services, products or business of the Company Entities, (ii) tasks assigned to the Consultant or the Principal in relation to or arising from this Agreement, or (iii) any other Company Inventions, Work Product or Confidential Information.

4.2 **Confidentiality.** In connection with the Consultant's performance under this Agreement, the Company has furnished or may furnish to the Consultant or Principal, or the Consultant or Principal may acquire, develop or conceive of, Confidential Information, all of which the Consultant or Principal will each treat strictly in accordance with this Agreement. For greater clarity, the parties hereby acknowledge and agree that Confidential Information can encompass information regardless of whether it was disclosed prior to the date of this Agreement or after. In connection with this,

(a) ***Obligations.*** at all times during and after this Agreement, each of the Consultant or Principal will protect the Confidential Information using a reasonable degree of care, and will take all reasonable steps to safeguard the Confidential Information from unauthorized disclosure, and without limiting the foregoing will not, directly or indirectly, (i) copy or reproduce any of the Confidential Information, (ii) use any Confidential Information for any purpose other than the proper performance of the Consultant's duties, or (iii) subject to Section 4.3(e) disclose any of the Confidential Information except strictly to those of Company's directors, officers, consultants, attorneys, accountants, advisors and personnel to whom disclosure is necessary to carry out the Consultant's duties,

(b) ***Exceptions.*** this Section 4.2 imposes no obligation upon the Consultant and the Principal with respect to any information or part thereof that the Consultant can establish with documentary evidence that, other than as a result of a breach of this Agreement, (i) was already known to, or in the possession of, the Consultant or the Principal at the time the Consultant or the Principal obtained it or access to it from Company in the same form and substance without a duty of confidentiality, (ii) is or becomes generally available to the public rightfully without restrictions of confidentiality, or (iii) becomes available to the Consultant or the Principal after the term of the Agreement from a third party (other than any Company Entity) who has no obligation of confidentiality with respect thereto,

(c) ***Required Disclosures.*** if the Consultant or the Principal is requested or required (including, without restriction, by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand or other similar process) by any law to disclose any Confidential Information, the Consultant or the Principal may disclose strictly that Confidential Information for which disclosure is required to comply with any such applicable law, provided that the Consultant or the Principal (i) unless prohibited by such applicable law, provides the Company with written notice as soon as practicable in the circumstances so that the Company may contest the disclosure or seek an appropriate protective order, and (ii) cooperates reasonably and in good faith with the Company in its efforts to prevent, restrict or contest such required or requested disclosure, and

(d) ***Acknowledgement.*** each of the Consultant and the Principal acknowledge and agree that the right to maintain the confidentiality of Confidential Information, and the right to preserve the Company's goodwill therein, constitute proprietary rights which the Company is entitled to protect.

4.3 **Ownership and Intellectual Property Rights.** Each of the Consultant and the Principal agree that all right, title and interest (including Intellectual Property Rights) in and to all Company Property, and all services and products which embody, emulate or employ any Company Property, are and will remain fully vested in the Company. For greater clarity, the parties hereby acknowledge and agree that Company Property includes Confidential Information, Work Product and Company Inventions regardless of whether they were conceived, developed, prepared, known, used or disclosed prior to the date of this Agreement or its execution. In connection with this, the following provisions apply:

(a) ***Assignment.*** to the extent that the foregoing does not fully vest in the Company all right, title and interest (including all Intellectual Property Rights) in and to any Company Property, the Consultant and the Principal each hereby assign to the Company or its nominee (or their respective successors or assigns), all of the Consultant's or the Principal's right, title and interest (including all Intellectual Property Rights) in and to such Company Property without further payment by the Company (and, for greater certainty, this assignment includes any future-arising Company Property, which the Consultant and the Principal will be deemed to have automatically assigned pursuant to this provision as it arises without further instrument);

(b) ***Opportunities.*** if the Consultant's or Principal's access, possession, use or creation of Company Property should give rise to a business opportunity to commercially exploit the Company Property, any such exploitation by the Consultant or Principal, directly or indirectly, is strictly prohibited;

(c) ***Disclosure-***the Consultant will promptly disclose to the Company, or any persons designated by the Company, all Inventions that are Derived from Work, and agrees the Company has all right, title and interest (including all Intellectual Property Rights) to such Company Inventions under this Section 4.3;

(d) ***Third Party Rights.*** the Consultant and the Principal each agree not to introduce into any Company Property any third-party Intellectual Property Right, including any (i) Intellectual Property Rights relating to Materials and Inventions owned by the Consultant or the Principal, such as those that are not Work Product, or (ii) confidential information, trade secrets or other proprietary rights of former employers, in each case without first obtaining the written consent of the Company and, if requested by the Company, the third-party rights holder;

(e) ***Work for Hire.*** for purposes of the copyright laws of the United States of America, to the extent (if any) that such laws are applicable to any Work Product, to the duties arising hereunder, or to the Consultant or Principal, all Work Product will be considered a work made for hire and the Company will be considered the author thereof; and

(f) ***Moral Rights.*** the Consultant and the Principal hereby irrevocably waives for the benefit of the Company Entities and their successors or assigns any and all of the Consultant or Principal's moral rights or *"droits d'autuers"* in respect of the Work Product.

4.4 **Return or Destruction.** Upon the request of the Company, the Consultant will immediately return or cause to be returned to Company all originals and copies in any form of Company Property (including Confidential Information or Work Product) in the possession or control of the Consultant or the Principal and will destroy or cause to be destroyed all originals, copies or other reproductions or extracts of such Company Property not so returned. For the purposes of this paragraph, Company Property stored in electronic form on non-removable media (i) will be deemed to be returned when a copy thereof is delivered in reasonable electronic form to the Company, and (ii) destroyed when the Consultant performs a commercially reasonable "delete" function with respect to such data, provided that the Consultant thereafter does not directly or indirectly permit or perform any recovery or restoration of such Company Property, whether through undeletion, archives, forensics or otherwise (except as it relates to source code or other information indicated as requiring further acts of deletion by Company, in which case such information must be deleted using reasonably secure deletion techniques as directed by the Company).

4.5 **Further Assistance.** The Consultant agrees to assist the Company in every proper way to obtain and, from time to time, enforce the Intellectual Property Rights to the Company Property in any and all countries, and to that end the Consultant will execute all documents for use in applying for, obtaining and enforcing the Intellectual Property Rights in and to such Company Property may desire, together with any assignments of Work Product or Company Inventions to the Company or persons designated by it. The Consultant's obligation to assist Company in obtaining and enforcing such Intellectual Property Rights in any and all countries will continue beyond the termination of this Agreement, and shall always be at the Company's reasonable expense.

4.6 **No Solicitation.** During the Term of this Agreement and for a period of 12 months thereafter, the Consultant will not, directly or indirectly, solicit any of the Company Entities' customers or clients with which the Consultant performed services or had business dealings (or access to Confidential Information with respect to Company's other business dealings) in connection with the Services hereunder.

4.7 **No Hire.** During the Term of this Agreement and for a period of 12 months thereafter, the Consultant will not, directly or indirectly, hire or engage any of the Company's employees, staff, contractors or consultants, or solicit or encourage any of the foregoing, to terminate any employment or contract with the Company, nor will the Consultant provide any information concerning such persons to any recruiter or prospective employer without prior written consent from the Company.

4.8 **Non-Disparagement.** Neither Consultant nor Principal shall make any statement in any format (whether orally, electronically, or in writing including, without limitation, via email, on the internet or on social media) which is defamatory, disparaging or otherwise derogatory pertaining to the Company or any Company Entities. This prohibition is specifically meant to be broader than defamation and includes, without limitation, contacting employees, customers, clients, vendors, investors or potential investors of Company or Company Entities and saying or implying anything negative about Company or Company Entities by words, actions, context or any combination of these. Provided, however, that nothing in this Agreement shall be construed to prohibit Consultant or Principal from making such truthful disclosures as are compelled or required by law and as are necessary for legitimate law enforcement or compliance purposes.

4.9 **Arbitration.** As a condition of this Agreement Consultant and Company agree to exclusively submit to final and binding arbitration of any and all claims, counterclaims, demands, and causes of action (collectively, "Claims") arising out of or in any way related to the Agreement. ***The Consultant and Company further are hereby waiving the right to a jury or bench trial*** with respect to the Claims. Arbitration shall be by a single arbitrator selected by the parties. Each party shall be responsible for its own costs and fees of the arbitration, including, but not limited to attorney's fees. Arbitrator fees shall be borne equally by the parties.

PART 5

OTHER PROVISIONS

No Liability

5.1 In no event will the Company be liable for any claims made by the Consultant for any special, indirect, incidental, or consequential damages, whether for negligence or breach of contract, including without limitation, loss of business opportunities, profits or revenues, and whether or not the possibility of such damages or loss of opportunities, profits or revenues has been disclosed by the Consultant in advance or could have been reasonably foreseen by the Company.

Insurance

5.1 The Company, at its sole cost and expense, will provide and maintain, throughout the term of this Agreement, directors and officers insurance of no less than USD $1 million pertaining to professional errors or omissions and/or directors and officers liability.

Taxes

5.2 The Consultant represents, warrants and covenants that the Consultant is acting and will act only as an independent contractor and not as an employee of the Company, and acknowledges that in so acting, the Consultant will not be entitled to any employee-like benefits, or any direct or indirect compensation other than that expressly set out in this Agreement. The Consultant will, as an independent contractor, collect and/or remit as required, all amounts, and will register with any workers' compensation entities or other governmental bodies, and deal with all tax and other requirements, and satisfy all applicable compliance requirements, as required or permitted under law by all municipal, provincial or federal governments.

Without affecting the Consultant's other obligations in this §5.2, the Consultant will provide proof acceptable to the Company, acting reasonably, of the Consultant's registrations, remittances or other tax or other compliance with applicable law, upon each such registration or remittance or upon request by the Company. The Consultant agrees that the Company will not be responsible for registering under any workers' compensation legislation or for withholding or remitting any amounts for income taxes, Canada Pension Plan, Employment Insurance, or other deductions that would be required in an employment relationship. The Consultant will promptly indemnify the Company for any liability that the Company incurs as a result of not making such registrations or remittances or other relevant compliance. In the event that the Canada Revenue Agency determines that remuneration paid by the Company for the Services was employment income to the Consultant, and further determines that the Company was obligated to withhold taxes at source, the Consultant shall be liable to indemnify the Company for any and all costs or assessment thereby occasioned.

Survival

5.3 All obligations and rights that, by their nature, are intended to survive the termination or expiration of this Agreement (the **"Surviving Terms"),** will survive the actual or purported termination or expiration, for any reason, of the Agreement.

Severability

5.4 If any provision of this Agreement is held invalid, illegal or unenforceable, the remaining provisions will not be affected.

Governing Law

5.5 This Agreement will be governed by and interpreted in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

Notice

5.6 Every notice, request, demand or direction (each, for the purposes of this section, a **"notice")** to be given pursuant to this Agreement by either party to another will be in writing and will be delivered or sent by registered or certified mail postage prepaid and mailed in any government post office or by email, or other similar form of written communication, in each case, addressed as above or as follows:

If to the Company, at:

Address: 750- 1095 West Pender Street, Vancouver, BC, V6E
Telephone: (778) 389-0007
Email: mmills@bamcannabis.com
Attention: Michael Mills, President and Interim CEO

If to the Consultant, at:

Address: 970-777 Hornby Street, Vancouver, B.C. V6Z 1S4
Telephone: 604 559 3511 Ext: 150
E-Mail: dongshim@shimaccounting.com
Attention: Dong H. Shim

or to such other address as is specified by the particular party by notice to the other.

Entire Agreement

5.7 This Agreement forms the entire agreement between the parties and supersedes all prior agreements, proposals or communications relative to the subject matter of this Agreement. Amendments to or waivers of this Agreement will be effective only if in writing and signed by authorized representatives of both parties. Unless otherwise expressly stated, if there is any necessary conflict or inconsistency between any of the terms of this Agreement, this Agreement will take precedence.

Independent Legal Advice

5.8 The parties agree that each has had independent legal advice, or the opportunity to receive such independent legal advice, in connection with the execution of this Agreement and has read this Agreement in its entirety, understands its contents and is signing this Agreement freely and voluntarily, without duress or undue influence from any party.

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto as of the day and year first above written.

BODY AND MIND INC.

/s/ Darren Tindale

Per Authorized Signatory

GOLDEN TREE CAPITAL CORP.

/s/ Dong Shim

Per Authorized Signatory

Signed, Sealed and Delivered by **DONG H. SHIM** in the presence of:

Nicholas Kou

Witness Signature

Nicholas Kou

Name (Please Print)

Address

Acountant

Occupation

/s/ Dong Shim

Dong H. Shim, Signature

SCHEDULE "A"

Duties

1.0 Culture

The Chief Financial Officer must understand, reflect and foster the culture and goals of the Company. The Company's culture and goals, although continuously evolving, include the following:

(a) to practice the highest standards of integrity;

(b) to achieve superior financial returns;

(c) pursue growth opportunities in the context of stability and a long-term perspective; and

(d) to be a respected and leading employer, customer, supplier and investment.

2.0 Specific Responsibilities

The responsibilities of the CFO include, but are not limited to:

(a) Providing leadership, direction and management of the finance and accounting team;

(b) Providing strategic recommendations to the CEO/President and members of the executive management team;

(c) Managing the processes for financial forecasting and budgets, and overseeing the preparation of all financial reporting, record-keeping and regulatory compliance, including liaising with external auditors;

(d) Advising on long-term business and financial planning;

(e) Establishing and developing relations with senior management and external partners and stakeholders;

(f) Reviewing all formal finance, HR and IT related procedures;

EXHIBIT 99.4

CONSULTING AGREEMENT

THIS AGREEMENT is made and dated effective as of the 21st day of August, 2019 (the "Effective Date")

BETWEEN:

BODY AND MIND INC. a Nevada corporation with an address at 750 - 1095 West Pender Street, Vancouver, British Columbia, V6E 2M6 (the **"Company")**

AND: **STONEROCK FINANCIAL LTD.** a company having an office address of 308-155 12th Street East, North Vancouver, B.C. V7L 2J3

(the "**Consultant**")

AND: **DARREN TINDALE** an individual having an address of 308-155 12th Street East, North Vancouver, B.C. V7L 2J3

(the "**Principal**")

WHEREAS:

A. The Principal has been appointed to the position of Corporate Secretary of the Company; and;

B. The Company wishes to engage the Consultant to provide the services of the Principal as Corporate Secretary of the Company on the terms and conditions set forth in this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the premises and mutual covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by both parties, the Company and the Consultant agree as follows:

PART I

POSITION, SERVICES, REPORTING

Position and Services

Subject as otherwise herein provided, the Company hereby engages the Consultant as an independent contractor and not as an employee or agent of the Company as of the Effective Date, and hereby appoints the Principal to the position of Corporate Secretary of the Company (hereinafter collectively referred to as **"Secretary").** As of the Effective Date, the Consultant will cause the Principal to perform the duties and responsibilities normally and reasonably associated with the position of Secretary including, without limitation, those duties set out in Schedule "A" attached hereto and such other duties and responsibilities as may from time to time be assigned by the Company to the Consultant, subject always to the limitations as may from time to time be set by the Company (all services to be provided by the Consultant hereunder are referred to as the **"Services").**

Standard of Performance

1.1 The Consultant warrants that the Services will be performed in a timely, competent and professional manner in accordance with the highest standards and practices commonly expected of qualified and experienced providers of similar services and that the Principal will devote sufficient time to the performance of the Services as may be reasonably required by the Company to fulfil the standard of performance as aforesaid, including, without limitation, making himself available at such times and at such places as may reasonably be required by the Company in connection with the Services.

Reporting Procedures

1.2 The Consultant and the Principal will report to the Board of Directors of the Company on an as needed basis.

Subcontracting and Assignment

1.3 The Consultant will not, without the prior written consent of the Company (which consent the Company may in its sole discretion withhold), subcontract, delegate or otherwise assign any or all of the Consultant's obligations under this Agreement.

Concurrent Work

1.4 Provided that the Consultant is fulfilling the terms of this Agreement and in particular the standards of performance contemplated in §1.2 herein, the Consultant may take employment, concurrently work on projects, accept assignments and serve on boards that are in related industries to the Company (or substantially similar enterprise) provided that such work or engagement does not directly or indirectly compete with the Company at the time such work or engagement is entered into or is intended or could reasonably be perceived to compete with the Company. Whether such work or engagement directly or indirectly competes with the Company, or is intended or could reasonably be perceived to compete with the Company, will be determined solely at the discretion of the Company. The Consultant may take on any assignment, work on projects, serve as a board member or management of any entity not engaged in a competitive activity as aforesaid provided that such position or activity does not unreasonably limit or prohibit the Consultant from fulfilling the Services contemplated in §1.1 hereof.

PART 2

CONSULTING FEES

Fees

2.1 The Company will pay to the Consultant a monthly fee of CAD $7,500 plus any good and services taxes, if applicable, (hereinafter the **"Fee")** payable on the first day of each calendar month during the term of this Agreement by way of cheque, wire or direct deposit to the account of the Consultant. The Company will review the Fee from time to time during the term of this Agreement and may in its sole discretion increase the Fee depending on the Principal's performance of the Services and having regard to the financial circumstances of the Company. The Consultant will be responsible for remitting and paying any applicable taxes.

Bonuses

2.2 The Company, from time to time, will consider, but will be under no obligation, to provide the Consultant with a bonus, which is entirely discretionary.

Expenses

2.3 The Company will reimburse the Consultant for all reasonable pre-approved travel and other out-of-pocket expenses incurred by the Consultant directly related to the performance of the Services, subject to the policies of the Company, within 30 days of the expense being submitted to the Company. The Consultant will account for such expenses in accordance with the policies and directions provided by the Company.

Stock Options

2.4 The Company, from time to time, and at its sole discretion, may grant stock options to the Consultant or its' designate in accordance with the Company's Stock Option Plan.

PART 3

TERM, TERMINATION, PLACE OF WORK

Term and Termination

3.1 The term of the Agreement will begin on the Effective Date, and will continue until the Agreement is terminated, as follows:

By the Company:

(a) for any reason, without cost, charge or liability, except as provided in §3.3 below, upon 90 days' written notice or payment in lieu thereof to the Consultant;

(b) immediately, without cost, charge or liability, except as provided in §3.3 below, if the Consultant;

i. is not carrying out the terms of this Agreement or is otherwise failing to comply with any term of this Agreement;

ii. if the Company becomes bankrupt or insolvent; and

iii. commits an act of fraud, intentional deceit or criminal action in respect of the provision of Services contemplated hereunder.

By the Consultant:

(a) at any time and at its sole discretion, without cause and without any cost, charge, or liability, upon 90 days' written notice of such termination to the Company.

3.2 Termination upon change of control. If at any time during the term of this Agreement there is a Change of Control of the Company ("Change of Control"), the Consultant shall be entitled to receive the Change of Control Termination Payments described in §3.3 below. A Change of Control includes, but is not limited to, circumstances in which the Company is bought, sold, acquired, or transferred, to another person, group, entity or company.

3.3 Change of Control Termination Payment. Upon notice by the Company to the Consultant of a Change of Control at any time during the term of this Agreement, the Company is obligated and required to make a change of control termination Payment to the Consultant equal to 6 months' consulting fees if terminated after the Effective Date**.** The change of control termination Payment is to be paid within 30 days of the effective date of the Change of Control of the Company.

Place of Work and Tools

3.4 The Company may, at its sole discretion, provide reasonable office space for the Consultant as the Company deems appropriate. It is acknowledged that office space is currently not required.

3.5 The Company may, at its sole discretion, provide additional software, hardware and other tools to the Consultant to perform the Services.

PART 4

CONFIDENTIALITY; INTELLECTUAL PROPERTY; AND RESTRICTIVE COVENANTS

4.1 **Definitions.** In this Part,

(a) **"Company Entities"** means the Company and its affiliate, subsidiary and parent corporations, to the extent that such reference does not require any other party to be added as a party to this Agreement other than as a third party beneficiary, each of whom will be expressly deemed an intended third party beneficiary of this Agreement and will have the right to enforce the terms and conditions of this Agreement;

(b) **"Company Inventions"** mean all Inventions owned by the Company Entities prior to or outside of this Agreement (together with those forming part of Work Product);

(c) **"Company Property"** means all Confidential Information, Work Product and Company Inventions;

(d) **"Confidential Information"** means all information in any form (including all electronic, magnetic, physical, intangible, visual and oral forms) and whether or not such information has been marked or indicated as confidential, that is known, held, used or disclosed by or on behalf of the Company Entities in connection with its business, and that, at the time of its disclosure (i) is not available or known to the general public, (ii) by its nature or the nature of its disclosure, would reasonably be determined to be confidential, or (iii) is marked or indicated as proprietary or confidential, and in any event includes trade secrets, know-how, supplier and customer information (whether past, present, future and prospective), strategic plans, source code and related data, financial information, marketing information, information as to business opportunities (including strategies and research and development), consultation records and plans, engineering data, third party data, Company Inventions, and Work Product, whether they are trade secrets or not;

(e) **"Develop"** means conceive, develop, create, acquire, reduce to practice or otherwise make, either alone or with others, whether or not during regular working hours and whether or not having been specifically instructed to do so;

(f) **"Intellectual Property Rights"** means, collectively, all proprietary rights provided or recognized under patent law, copyright law, trade-mark law, design patent or industrial design law, semi-conductor chip or mask work law, or any other applicable statutory provision or otherwise arising at law or in equity anywhere in the world, including trade secret law, that may provide or recognize any right in Materials, Inventions, Work Product, Confidential Information, know-how, or the expression or use thereof, including (i) applications, registrations, licenses, sublicenses, agreements, or any other evidence of a right in any of the foregoing, and (ii) past, present, and future causes of action, rights of recovery, and claims for damage, accounting for profits, royalties, or other relief relating, referring, or pertaining to any of the foregoing;

(g) **"Inventions"** means, collectively, whether patentable or not, discoveries, inventions, innovations, ideas, suggestions, technology, methodologies, techniques, concepts, procedures, processes, protocols, treatments, tests, developments, scientific or other formulae and each and every portion thereof, and any and all revisions and improvements relating to any of the foregoing;

(h) **"Materials"** means, collectively, all materials in any form (including verbal, visual, magnetic, electronic, or physical), including any reports, documents, designs, compilations, products, works, and computer programs (including all source code, object code, compilers, libraries and developer tools, and any manuals, descriptions, data files, resource files and other such materials relating thereto), studies, reports, records, research, surveys, services, sales, patterns, machines, manufactures, compositions, technical data, devices, sketches, photographs, plans, drawings, specifications, samples, manuals, documents, prototypes, hardware, software and other equipment, working materials, findings and each and every portion thereof, and any and all revisions and improvements relating to any of the foregoing;

(i) **"Solicit"** means solicit by any means, including persuasion, enticement inducement, or the direct or indirect assistance to any other person in any such activity, in all cases regardless of whether successful or not and regardless of whether the initial contact was by the Consultant, Principal or any other person;

(j) **"Work Product"** means all Materials and Inventions that are Developed during the term of this Agreement that in any way relate to (i) the present or proposed programs, services, products or business of the Company Entities, (ii) tasks assigned to the Consultant or the Principal in relation to or arising from this Agreement, or (iii) any other Company Inventions, Work Product or Confidential Information.

4.2 **Confidentiality.** In connection with the Consultant's performance under this Agreement, the Company has furnished or may furnish to the Consultant or Principal, or the Consultant or Principal may acquire, develop or conceive of, Confidential Information, all of which the Consultant or Principal will each treat strictly in accordance with this Agreement. For greater clarity, the parties hereby acknowledge and agree that Confidential Information can encompass information regardless of whether it was disclosed prior to the date of this Agreement or after. In connection with this,

(a) ***Obligations.*** at all times during and after this Agreement, each of the Consultant or Principal will protect the Confidential Information using a reasonable degree of care, and will take all reasonable steps to safeguard the Confidential Information from unauthorized disclosure, and without limiting the foregoing will not, directly or indirectly, (i) copy or reproduce any of the Confidential Information, (ii) use any Confidential Information for any purpose other than the proper performance of the Consultant's duties, or (iii) subject to Section 4.3(e) disclose any of the Confidential Information except strictly to those of Company's directors, officers, consultants, attorneys, accountants, advisors and personnel to whom disclosure is necessary to carry out the Consultant's duties,

(b) ***Exceptions.*** this Section 4.2 imposes no obligation upon the Consultant and the Principal with respect to any information or part thereof that the Consultant can establish with documentary evidence that, other than as a result of a breach of this Agreement, (i) was already known to, or in the possession of, the Consultant or the Principal at the time the Consultant or the Principal obtained it or access to it from Company in the same form and substance without a duty of confidentiality, (ii) is or becomes generally available to the public rightfully without restrictions of confidentiality, or (iii) becomes available to the Consultant or the Principal after the term of the Agreement from a third party (other than any Company Entity) who has no obligation of confidentiality with respect thereto,

(c) ***Required Disclosures.*** if the Consultant or the Principal is requested or required (including, without restriction, by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand or other similar process) by any law to disclose any Confidential Information, the Consultant or the Principal may disclose strictly that Confidential Information for which disclosure is required to comply with any such applicable law, provided that the Consultant or the Principal (i) unless prohibited by such applicable law, provides the Company with written notice as soon as practicable in the circumstances so that the Company may contest the disclosure or seek an appropriate protective order, and (ii) cooperates reasonably and in good faith with the Company in its efforts to prevent, restrict or contest such required or requested disclosure, and

(d) ***Acknowledgement.*** each of the Consultant and the Principal acknowledge and agree that the right to maintain the confidentiality of Confidential Information, and the right to preserve the Company's goodwill therein, constitute proprietary rights which the Company is entitled to protect.

4.3 **Ownership and Intellectual Property Rights.** Each of the Consultant and the Principal agree that all right, title and interest (including Intellectual Property Rights) in and to all Company Property, and all services and products which embody, emulate or employ any Company Property, are and will remain fully vested in the Company. For greater clarity, the parties hereby acknowledge and agree that Company Property includes Confidential Information, Work Product and Company Inventions regardless of whether they were conceived, developed, prepared, known, used or disclosed prior to the date of this Agreement or its execution. In connection with this, the following provisions apply:

(a) ***Assignment.*** to the extent that the foregoing does not fully vest in the Company all right, title and interest (including all Intellectual Property Rights) in and to any Company Property, the Consultant and the Principal each hereby assign to the Company or its nominee (or their respective successors or assigns), all of the Consultant's or the Principal's right, title and interest (including all Intellectual Property Rights) in and to such Company Property without further payment by the Company (and, for greater certainty, this assignment includes any future-arising Company Property, which the Consultant and the Principal will be deemed to have automatically assigned pursuant to this provision as it arises without further instrument);

(b) ***Opportunities.*** if the Consultant's or Principal's access, possession, use or creation of Company Property should give rise to a business opportunity to commercially exploit the Company Property, any such exploitation by the Consultant or Principal, directly or indirectly, is strictly prohibited;

(c) ***Disclosure-***the Consultant will promptly disclose to the Company, or any persons designated by the Company, all Inventions that are Derived from Work, and agrees the Company has all right, title and interest (including all Intellectual Property Rights) to such Company Inventions under this Section 4.3;

(d) ***Third Party Rights.*** the Consultant and the Principal each agree not to introduce into any Company Property any third-party Intellectual Property Right, including any (i) Intellectual Property Rights relating to Materials and Inventions owned by the Consultant or the Principal, such as those that are not Work Product, or (ii) confidential information, trade secrets or other proprietary rights of former employers, in each case without first obtaining the written consent of the Company and, if requested by the Company, the third-party rights holder;

(e) ***Work for Hire.*** for purposes of the copyright laws of the United States of America, to the extent (if any) that such laws are applicable to any Work Product, to the duties arising hereunder, or to the Consultant or Principal, all Work Product will be considered a work made for hire and the Company will be considered the author thereof; and

(f) ***Moral Rights.*** the Consultant and the Principal hereby irrevocably waives for the benefit of the Company Entities and their successors or assigns any and all of the Consultant or Principal's moral rights or *"droits d'autuers"* in respect of the Work Product.

4.4 **Return or Destruction.** Upon the request of the Company, the Consultant will immediately return or cause to be returned to Company all originals and copies in any form of Company Property (including Confidential Information or Work Product) in the possession or control of the Consultant or the Principal and will destroy or cause to be destroyed all originals, copies or other reproductions or extracts of such Company Property not so returned. For the purposes of this paragraph, Company Property stored in electronic form on non-removable media (i) will be deemed to be returned when a copy thereof is delivered in reasonable electronic form to the Company, and (ii) destroyed when the Consultant performs a commercially reasonable "delete" function with respect to such data, provided that the Consultant thereafter does not directly or indirectly permit or perform any recovery or restoration of such Company Property, whether through undeletion, archives, forensics or otherwise (except as it relates to source code or other information indicated as requiring further acts of deletion by Company, in which case such information must be deleted using reasonably secure deletion techniques as directed by the Company).

4.5 **Further Assistance.** The Consultant agrees to assist the Company in every proper way to obtain and, from time to time, enforce the Intellectual Property Rights to the Company Property in any and all countries, and to that end the Consultant will execute all documents for use in applying for, obtaining and enforcing the Intellectual Property Rights in and to such Company Property may desire, together with any assignments of Work Product or Company Inventions to the Company or persons designated by it. The Consultant's obligation to assist Company in obtaining and enforcing such Intellectual Property Rights in any and all countries will continue beyond the termination of this Agreement, and shall always be at the Company's reasonable expense.

4.6 **No Solicitation.** During the Term of this Agreement and for a period of 12 months thereafter, the Consultant will not, directly or indirectly, solicit any of the Company Entities' customers or clients with which the Consultant performed services or had business dealings (or access to Confidential Information with respect to Company's other business dealings) in connection with the Services hereunder.

4.7 **No Hire.** During the Term of this Agreement and for a period of 12 months thereafter, the Consultant will not, directly or indirectly, hire or engage any of the Company's employees, staff, contractors or consultants, or solicit or encourage any of the foregoing, to terminate any employment or contract with the Company, nor will the Consultant provide any information concerning such persons to any recruiter or prospective employer without prior written consent from the Company.

4.8 **Non-Disparagement.** Neither Consultant nor Principal shall make any statement in any format (whether orally, electronically, or in writing including, without limitation, via email, on the internet or on social media) which is defamatory, disparaging or otherwise derogatory pertaining to the Company or any Company Entities. This prohibition is specifically meant to be broader than defamation and includes, without limitation, contacting employees, customers, clients, vendors, investors or potential investors of Company or Company Entities and saying or implying anything negative about Company or Company Entities by words, actions, context or any combination of these. Provided, however, that nothing in this Agreement shall be construed to prohibit Consultant or Principal from making such truthful disclosures as are compelled or required by law and as are necessary for legitimate law enforcement or compliance purposes.

4.9 **Arbitration.** As a condition of this Agreement Consultant and Company agree to exclusively submit to final and binding arbitration of any and all claims, counterclaims, demands, and causes of action (collectively, "Claims") arising out of or in any way related to the Agreement. ***The Consultant and Company further are hereby waiving the right to a jury or bench trial*** with respect to the Claims. Arbitration shall be by a single arbitrator selected by the parties. Each party shall be responsible for its own costs and fees of the arbitration, including, but not limited to attorney's fees. Arbitrator fees shall be borne equally by the parties.

PART 5

OTHER PROVISIONS

No Liability

5.1 In no event will the Company be liable for any claims made by the Consultant for any special, indirect, incidental, or consequential damages, whether for negligence or breach of contract, including without limitation, loss of business opportunities, profits or revenues, and whether or not the possibility of such damages or loss of opportunities, profits or revenues has been disclosed by the Consultant in advance or could have been reasonably foreseen by the Company.

Insurance

5.1 The Company, at its sole cost and expense, will provide and maintain, throughout the term of this Agreement, directors and officers insurance of no less than USD $1 million pertaining to professional errors or omissions and/or directors and officers liability.

Taxes

5.2 The Consultant represents, warrants and covenants that the Consultant is acting and will act only as an independent contractor and not as an employee of the Company, and acknowledges that in so acting, the Consultant will not be entitled to any employee-like benefits, or any direct or indirect compensation other than that expressly set out in this Agreement. The Consultant will, as an independent contractor, collect and/or remit as required, all amounts, and will register with any workers' compensation entities or other governmental bodies, and deal with all tax and other requirements, and satisfy all applicable compliance requirements, as required or permitted under law by all municipal, provincial or federal governments.

Without affecting the Consultant's other obligations in this §5.2, the Consultant will provide proof acceptable to the Company, acting reasonably, of the Consultant's registrations, remittances or other tax or other compliance with applicable law, upon each such registration or remittance or upon request by the Company. The Consultant agrees that the Company will not be responsible for registering under any workers' compensation legislation or for withholding or remitting any amounts for income taxes, Canada Pension Plan, Employment Insurance, or other deductions that would be required in an employment relationship. The Consultant will promptly indemnify the Company for any liability that the Company incurs as a result of not making such registrations or remittances or other relevant compliance. In the event that the Canada Revenue Agency determines that remuneration paid by the Company for the Services was employment income to the Consultant, and further determines that the Company was obligated to withhold taxes at source, the Consultant shall be liable to indemnify the Company for any and all costs or assessment thereby occasioned.

Survival

5.3 All obligations and rights that, by their nature, are intended to survive the termination or expiration of this Agreement (the **"Surviving Terms"),** will survive the actual or purported termination or expiration, for any reason, of the Agreement.

Severability

5.4 If any provision of this Agreement is held invalid, illegal or unenforceable, the remaining provisions will not be affected.

Governing Law

5.5 This Agreement will be governed by and interpreted in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

Notice

5.6 Every notice, request, demand or direction (each, for the purposes of this section, a **"notice")** to be given pursuant to this Agreement by either party to another will be in writing and will be delivered or sent by registered or certified mail postage prepaid and mailed in any government post office or by email, or other similar form of written communication, in each case, addressed as above or as follows:

If to the Company, at:

Address: 750- 1095 West Pender Street, Vancouver, BC, V6E
Telephone: (778) 389-0007
Email: mmills@bamcannabis.com
Attention: Michael Mills, President and Interim CEO

If to the Consultant, at:

Address: 308-155 12th Street East, North Vancouver, B.C. V7L 2J3
Telephone: 604-376-3567
E-Mail: stonerockltd@gmail.com
Attention: Darren Tindale

or to such other address as is specified by the particular party by notice to the other.

Entire Agreement

5.7 This Agreement forms the entire agreement between the parties and supersedes all prior agreements, proposals or communications relative to the subject matter of this Agreement. Amendments to or waivers of this Agreement will be effective only if in writing and signed by authorized representatives of both parties. Unless otherwise expressly stated, if there is any necessary conflict or inconsistency between any of the terms of this Agreement, this Agreement will take precedence.

Independent Legal Advice

5.8 The parties agree that each has had independent legal advice, or the opportunity to receive such independent legal advice, in connection with the execution of this Agreement and has read this Agreement in its entirety, understands its contents and is signing this Agreement freely and voluntarily, without duress or undue influence from any party.

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto as of the day and year first above written.

BODY AND MIND INC.

/s/ Michael Mills

Per Authorized Signatory

STONEROCK FINANCIAL LTD.

/s/ Darren Tindale

Per Authorized Signatory

Signed, Sealed and Delivered by **DARREN TINDALE** in the presence of:

/s/ Diana Mark

Witness Signature

Diana Mark
Name (Please Print)

/s/ Darren Tindale
Darren Tindale, Signature

Address

Consultant

Occupation

SCHEDULE "A"

Duties

1.0 Culture

The Corporate Secretary (hereinafter **"Secretary")** must understand, reflect and foster the culture and goals of the Company. The Company's culture and goals, although continuously evolving, include the following:

(a) to practice the highest standards of integrity;

(b) to achieve superior financial returns;

(c) pursue growth opportunities in the context of stability and a long-term perspective; and

(d) to be a respected and leading employer, customer, supplier and investment.

2.0 Specific Responsibilities

The responsibilities of the Secretary include, but are not limited to:

(a) Implementing the decisions of the board of directors and acting as adviser to the company directors and officers;

(b) Maintaining corporate records;

(c) Liaison with transfer agent regarding financings and issuing new securities;

(d) Liaising with auditors, lawyers, tax advisers, bankers and shareholders on board governance issues;

(e) Attending and taking minutes of directors' and members' meetings;

(f) Ensure compliance obligations under relevant laws and the requirements of regulatory authorities are met;

(g) Governance liaison for officers and directors; and

(h) Shareholder engagement on governance issues.

EMPLOYMENT AGREEMENT

This Employment Agreement (this "Agreement"), dated and effective November 15, 2018 is made by and between Body and Mind Inc., a Nevada incorporated company, ("Employer") and Stephen 'Trip' Hoffman, an individual ("Employee").

RECITALS

A. Employer has made an offer of employment to the Employee, and the Employee has accepted employment with the Employer on the terms and conditions set forth herein;

B. As part of the Employee's employment with the Employer, the Employee has or will be exposed to and/or provided with proprietary information relating to the operations of the Employer's or its affiliates' businesses and customers that is considered "Confidential Information" (as defined below);

C. Employee acknowledges that a part of the consideration he is providing to the Employer in exchange for his employment with the Employer is his agreement to maintain the confidentiality of the "Confidential Information" in the manner provided herein;

D. The Employee acknowledges that a part of the consideration he is providing the Employer in exchange for his employment and continued employment with Employer is his agreement to abide by the non-competition covenant and other restrictions provided herein;

AGREEMENT

NOW, THEREFORE, in consideration of the above recitals and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Employment. Employer hereby employs Employee as Chief Operating Officer of the Employer in Clark County, Nevada and in other areas owned or operated by the Employers' affiliates as directed by the Employer, and the Employee hereby accepts and agrees to such employment subject to the advice, direction, regulations and supervision of the Employer. Employment is expressly conditioned upon the Employee clearing a background check and receiving applicable state licensing. Employee's responsibility shall include, without limitation, the job details as described in Exhibit A attached hereto.

2. Term of Employment. The Employment Term shall commence on December 1, 2018 and shall continue unless terminated by the Employer and/or Employee pursuant to conditions stated in this Agreement.

3. Employee Compensation. Employer shall compensate Employee for services performed under this Agreement as follows:

(a) Base Salary. Employer shall pay to Employee the sum of USD Fifteen Thousand and 00/100 Dollars ($15,000.00) per month (the "Base Salary"). The Base Salary shall be payable semi-monthly or in accordance with the payroll policies of the Employer. The Base Salary shall be subject to customary government payroll source deductions and withholdings for social security and other taxes and amounts customarily withheld from salaries of employees of the Employer, all in accordance with the Employer's usual and customary practices.

(b) Benefits. Employee shall be entitled to and shall receive all group medical benefits available generally to other employees of the Employer of the same level and responsibility as Employee pursuant to the terms and conditions of each of the Employer's plans and programs, in each case to the extent that the Employer has such plans or programs and to the extent that Employee is eligible or becomes eligible under the terms of such plans or programs.

(c) Vacation. Employee shall receive from the Employer seven (7) days of paid vacation for each year of employment in accordance with the Employer's vacation policy as shall from time to time be adopted or modified by the Employer. Any vacation time not used during the employment year earned shall not accrue to the following employment year and shall be waived by Employee unless: (i) Employee notified the Employer of his desired vacation time and provided, at a minimum, one (1) alternate vacation date at least sixty (60) days prior to such desired vacation time; (ii) the Employer did not allow Employee to take the designated vacation time; and (iii) Employee will be unable to take seven (7) days of vacation during the employment year as a result of the Employer not allowing Employee to take the designated vacation time.

(d) Reimbursable Expenses. Regular and reasonable company expenses incurred by the employee in performance of their job function, shall be reimbursed by the Employer within 30 days of the expense being submitted by Employee.

(e) Bonus. The Employee is eligible to be considered for an annual discretionary bonus which will be subject to the approval of the Board of Directors of the Employer, in their sole discretion. Payment of a bonus in any one year will not indicate the payment of a bonus in any other year.

(f) Stock Options. The Employee is eligible to be considered for the issuance of stock options in the Employer's company, subject to the approval of the Board of Directors of the Employer, in their sole discretion. Granting of options at any time will not indicate the further granting of options at any other time.

(g) Employer, at its sole cost and expense, will provide and maintain, throughout the term of this Agreement, insurance coverage for Employee of no less than USD $1 million per occurrence, for any liability incurred in the position of Chief Operating Officer pertaining to professional errors or omissions and/or directors and officers liability.

4. Best Efforts of Employee. Employee agrees at all times to faithfully, industriously, and to the best of her ability, experience and talents, perform all of the duties that may be required of Employee under this Agreement, to the full and complete satisfaction of Employer. Employee's duties shall be rendered in Clark County, Nevada, and at such other place or places as Employer shall in good faith require or as the interests, needs, business or opportunities of the Employer shall require. Employee shall devote full and undivided time, attention, knowledge and skills to the Employer's business during Employee's work hours as designated by Employer from time to time. Employee shall make available to Employer all information, suggestions, and recommendations which Employee may have that may benefit Employer in the conduct of its business.

5. Termination. This Agreement and the parties' obligations hereunder shall terminate, or may be terminated as follows:

(i) Expiration of the Term. Upon the expiration of the Employment Term, this Agreement shall terminate and be of no further force and effect, except as provided in Sections 6 below. If Employee continues in the employ of the Employer or any affiliate of the Employer after expiration of this Agreement, in any capacity, Employee shall be employed as an at- will employee but still subject to the restrictions and covenants contained in this Agreement.

(ii) Termination by Employer for "Cause". Employer may terminate this Agreement and Employee's employment thereunder with or without any advance notice in the event that the Employer determines that this Agreement and Employee's services hereunder should be terminated for Cause (as defined herein.) Termination for Cause shall be effective immediately upon written notice thereof by the Employer to Employee and Employee's rights to all compensation shall cease as of the Termination Date. In such event, Employee shall not be entitled to any future compensation nor shall Employee be entitled to any severance pay.

For the purposes of this Agreement, "Cause" shall mean: (i) Employee's failure to perform his duties to the standards and requirements of the Employer or neglect of duties for which employed or misconduct in the performance of such duties, all of such facts to be determined by the Employer in its good faith judgment; (ii) Employee committing fraud, misappropriation or embezzlement; (iii) Employee's commission or conviction of, or entry of a plea of guilty, any felony or misdemeanor (excluding minor traffic tickets); (iv) Employee breaching any provision of this Agreement or any of the rules, regulations, or policies of the Employer; (v) the discovery that any of Employee's representations are inaccurate; (vi) Employee manufacturing, distributing, dispensing, transporting, possessing or being under the influence of alcohol or illegal drugs during working hours or while on the property or in a vehicle of the Employer or any affiliate of the Employer; (vii) Employee misusing or abusing prescription drugs during working hours or while on the property of or in a vehicle of the Employer or any affiliate of the Employer; (viii) Employee having present in his body illegal drugs in any amount during working hours or while on the property on in a vehicle of the Employer or any affiliate of the Employer; (ix) and Employee failing to immediately comply with a request that he submit to a drug or alcohol test after a work-related injury or accident or whenever the Employer reasonably suspects that Employee is in violation of (vi) through (viii) above. Upon termination of this Agreement as provided in this Section 5, the Agreement shall terminate and be of no further force and effect, except as provided in Section 6.

(iii) Mutual Agreement. At any time prior to the expiration of the Employment Term by the mutual written agreement of the parties this Agreement shall terminate. Upon termination of this Agreement as provided in this Section, the Agreement shall terminate and be of no further force and effect, except as provided herein and as provided in Section 6.

(iv) Death. In the event that Employee dies or is prevented from performing his duties or fulfilling his responsibilities under this Agreement by reason of incapacity or disability, this Agreement shall terminate, with the Termination Date being the date of Employee's Death or disability. Upon termination of this Agreement as provided in this Section 5(iv), this Agreement shall terminate and be of no further force and effect.

(v) Termination by Employee. Unless otherwise agreed to in writing by the Employer, Employee has the right to voluntarily terminate this Agreement, for any reason and at any time, by providing the Employer at least thirty (30) days prior written notice of such termination. In the event Employee voluntarily terminates his employment for any reason, his right to all compensation shall cease as of the Termination Date.

(vi) Termination by Employer. Employer has the right to terminate this Agreement, at any time and for any reason, by providing the Employee at least thirty (30) days prior written notice of such termination. In the event the Employer terminates the Employee's employment, for any reason and at any time, his right to all compensation shall cease as of the Termination Date, except, if applicable, as provided in section 5(vii) below.

(vii) Change of Control. If at any time during the term of this Agreement there is a change of control which results in the Employee's termination, Employee shall be entitled to receive a severance payment equal to six (6) months' salary. A change of control includes, but is not limited to, circumstances in which the Employer is bought, sold, acquired, or transferred, to another person, group, entity or company. The change of control termination payment is to be paid within 30 days of the effective date of the Change of Control of the Company.

6. Covenants and Restrictions. Employee acknowledges that the Employer has a substantial, legitimate and continuing interest in the protection of its Confidential Information and business relationships with other, including without limitation, current and prospective employees, consultants, advisors, customers, vendors, suppliers, partners and joint venturers and financing sources, and in the protection of its Confidential Information and business relationships has invested substantial money, time and effort and will continue to invest substantial money, time and effort to develop, maintain and protect such relationships and Confidential Information. Employee further acknowledges that the Employer would not have entered into this Agreement with Employee but for the agreements, restrictions and covenants made by Employee contained in this Section 6. Accordingly, Employee covenants and agrees as follows:

(a) During the term of his employment as set forth above and for a period of not more than one year from the date on which Employee ceases to be an employee of the Employer, Employee shall not directly, or indirectly, for himself or for any other person interfere with, solicit, entice away or otherwise attempt to obtain the withdrawal or services of any employee of the Employer or any of its subsidiaries or affiliates in relation to any business that is competitive with or identical to the business conducted by the Employer, or any of its subsidiaries or affiliates (the "Business").

(b) During the term of his employment as set forth above and for a period of not more than one year from the date on which Employee ceases to be an employee of the Employer, Employees shall not advise any person not to do business with the Employer or any of its subsidiaries or affiliates in relation to the Employer's business.

(c) During the term of his employment as set forth above and for a period of not more than one year from the Effective Date of this Agreement not compete anywhere within the State of Nevada, Ohio or California carry on, engage in, or be concerned with or interested in any business that is, or has any interest in any medical marijuana or recreational marijuana business that is, similar to or competitive with the medical marijuana or recreational marijuana business of theEmployer or any of its subsidiaries provided that, notwithstanding this, the Employee may purchase or hold securities of any company (including any competitive company) in aggregate representing no more than five percent (5%) of the votes and equity attached to all issued securities of that company.

(d) Employee acknowledges that, by virtue of providing services under this Agreement, the Employer may disclose to Employee or give Employee access to Confidential Information so that Employee may properly fulfill his services and duties. Confidential Information may exist in electronic, written, visual, verbal or audio form, and there is no obligation that Confidential Information be marked with any legend or notation confirming its confidential status. Whenever Confidential Information is incorporated into a new document, electronic file, notes or other tangible media, such media shall become and be construed to be Confidential Information, subject to all of the terms and conditions in this Agreement. All documents or other media containing Confidential Information, whether or not explicitly marked "Confidential" and all reproductions thereof shall at all times be and remain the sole and exclusive property of the Employer. Employee shall always hold in confidence and shall not disclose Confidential Information in whole or in part to any third party or to any employee of the Employer who does not need access to Confidential Information to discharge their duties.

"Confidential Information" is hereby defined as any and all information (whether transmitted orally or in writing and whether in electronic, digital, analog, magnetic, video, audio or any other tangible or intangible medium) respecting the Employer, the Employer's affiliates, or any entity operated, managed or owned by the Employer or its affiliates that is or has been provided or made available to Employee pursuant to this Agreement or during his employment with the Employer or its affiliates, including, without limitation: (i) information relating to or concerning the Employer, the Employer's affiliates, or any entity operated, managed or owned by the Employer or its affiliates that is confidential, proprietary or not generally known to and cannot be readily ascertained through proper means by persons or entities (including the Employer's and its affiliates' present or future competitors) who can obtain any type of value from its disclosure or use; (ii) products, discoveries, patents, patent applications, designs, drawings, software code, flow charts, schematics, technical specifications, processes, know-how, copyrights, trademarks, service marks, formulae, trade secrets, computer software, computer software systems and system architecture, computer print-outs, computer readable information, computer software object code and source code, inventions, and all other technical information of the Employer, the Employer's affiliates, or any entity operated, managed or owned by the Employer or its affiliates; (iii) marketing or development methods, proposals, processes, designs, plans and strategies of the Employer, the Employer's affiliates, or any other entity operated, managed or owned by the Employer or its affiliates; (iv) names of vendors, costs of materials, prices of products or services , lists or records, profits and losses and all other financial information of the Employer, the Employer's affiliates, or any entity operated, managed or owned by the Employer or its affiliates; (v) business and operational plans and methods, business or property acquisition or development proposals, and all other business information of the Employer, the Employer's affiliates, or any entity operated, managed or owned by the Employer or its affiliates; (vi) pricing strategies of the Employer, the Employer's affiliates, or any entity operated, managed or owned by the Employer or its affiliates; (vii) client or customer lists or contact information (including email lists) and any descriptions ordata concerning or containing current, former, or prospective clients and customers, including names, addresses, IP addresses, attributes, requirements, special needs, spending information and habits, and other data of the Employer, the Employer's affiliates, or any entity operated, managed or owned by the Employer or its affiliates; (viii) personnel information, hiring information, and other terms of employment including salary, compensation, commissions, and bonuses paid to the Employer's or its affiliates' employees; (ix) the terms of this Agreement; (x) the Employer's or its affiliates' cultivation processes, including any enhancements of them by Employee; (xi) any other information or data concerning the products, technology, operations, personnel, finances or business of the Employer, the Employer's affiliates, or any entity operated, managed or owned by the Employer or its affiliates.

(d) Employee acknowledges and agrees that all files, records, documents, memoranda, notes, lists, records and other documents and written material, including copies thereof, containing or reflecting Confidential Information (whether or not such items are kept or stored in computer memories, microfiche, hard copy or any other manner) made or compiled by Employee or made available to Employee are and remain the property of the Employer and shall be delivered to the Employer promptly upon any termination of this Agreement. Employee further acknowledges and agrees that all equipment, devices and all other items relating to the business of the Employer or its affiliates, whether prepared by or with the assistance of Employee or otherwise coming into his possession, control or knowledge, are and shall remain the exclusive property of the Employer and shall not be removed from the premises of the Employer or its affiliates under any circumstances.

(e) Employees' use of any trademark, trade name, service mark, insignia, slogan, emblem, symbol, design or other identifying characteristic owned by or associated with the Employer, the Employer's affiliates, or any entity operated, managed or owned by the Employer or its affiliates (collectively, "Company Marks") shall be subject to the written approval of the Employer. Employee acknowledges both before and after the expiration of this Agreement the exclusive right of the Employer to use or to grant to others the right or license to use any Company Marks. Employee acknowledges that the use of such Company Marks by Employee is granted at the absolute discretion of the Employer, and such use shall terminate immediately upon written notice from the Employer. The use of any Company Marks in any advertising or any promotional material shall be subject to the prior approval of the Employer. Except as specifically authorized by this Agreement, Employee agrees to not use Company Marks or to imitate or infringe upon any of the Company Marks in whole or in part. On the termination of this Agreement, Employee shall forthwith cease any use of such Company Marks in any advertising and promotional material. Employee shall take all actions that are necessary to maintain the Employer's goodwill and reputation and agrees to cease utilizing, at the Employer's demand, any and all Company Marks.

(f) If any covenant in Section 6(a)-(e) is held to be unreasonable, arbitrary, or against public policy, such covenant will be considered to be divisible with respect to scope, time, and geographic area, and such lesser scope, time, or geographic area, or all of them, as a court of competent jurisdiction may determine to be reasonable, not arbitrary, and not against public policy, will be effective, binding, and enforceable against the Employee. Employee will, while the covenant under Section 6(a)-(e) is in effect, give notice to the Employer, within ten days after accepting any other employment, of the identity of Employee's new employer.

(g) Employee acknowledges and agrees that his failure to perform any terms contained in this Agreement would cause irreparable injury to the Employer and cause damages to the Employer that would be difficult to ascertain or quantify and for which the Employer may not have an adequate remedy at law. As such, Employee agrees that the Employer shall be entitled to any proper equitable relief, including, but not limited to, a temporary restraining order and a preliminary or final injunction, to prevent a breach of this Agreement by Employee and to enforce specifically the terms and provisions thereof without the necessity of proving actual damages or securing or posting any bond or providing prior notice, in addition to any other remedies available to the Employer at law or in equity. The restrictions and covenants contained in this Agreement are independent of any other obligations between the parties, and the existence of any other claim or cause of action against the Employer is not a defense to enforcement of said covenants by injunction.

7. Non-Disparagement. Employee shall make any statement in any format (whether orally, electronically, or in writing including, without limitation, via email, on the internet or on social media) which is defamatory, disparaging or otherwise derogatory pertaining to the Employer or any of its affiliates. This prohibition is specifically meant to be broader than defamation and includes, without limitation, contacting employees, customers, clients, vendors, investors or potential investors of Employer and its affiliates and saying or implying anything negative about Employer or its affiliates by words, actions, context or any combination of these. Provided, however, that nothing in this Agreement shall be construed to prohibit Employee from making such truthful disclosures as are compelled or required by law and as are necessary for legitimate law enforcement or compliance purposes.

8. Assignment. The parties agree that the services covered by this Agreement are strictly personal and that this Agreement is not assignable or transferable by Employee either voluntarily or by operation of law without the prior written consent of the Employer. However, nothing contained in this Agreement shall limit or restrict the Employer's ability to merge or consolidate or effect any similar transaction with any other entity, irrespective or whether the Employer is the surviving entity (including a split up, spin off or similar type transaction), provided that one or more of such surviving entities shall continue to be bound by the provisions hereof biding upon the Employer, to assign this Agreement in conjunction with a sale of all or substantially all of the Employer's assets or equity interest therein, or to assign this Agreement to an affiliate of the Employer.

9. Binding Effect. This Agreement will inure to the benefit of and bind the respective successors and permitted assigns of the parties hereto, if any. Unless otherwise expressly stated herein, this Agreement shall not create any rights in any person who is not a party to this Agreement.

10. Choice of Law. The validity, construction, interpretation and enforceability of this Agreement shall be determined and governed by the laws of the State of Nevada. Notwithstanding the foregoing, if any law or set of laws in the State of Nevada requires or otherwise dictates that the laws of another state or jurisdiction must be applied in any proceeding involving this Agreement, such Nevada law or set of laws shall be superseded by this Section and the remaining laws of the State of Nevada nonetheless shall be applied in such proceedings.

11. Arbitration. As a condition of this Agreement the Parties agree to exclusively submit to final and binding arbitration of any and all claims, counterclaims, demands, and causes of action (collectively, "Claims") arising out of or in any way related to the Agreement. ***The Parties further are hereby waiving the right to a jury or bench trial*** with respect to the Claims. Arbitration shall be by a single arbitrator selected by the parties. Each party shall be responsible for its own costs and fees of the arbitration, including, but not limited to attorney's fees. Arbitrator fees shall be borne equally by the parties.

12. Severability. If any sentence, paragraph, clause or combination of the same in this Agreement is held by a court of competent jurisdiction to be unenforceable in any jurisdiction, such sentence, paragraph, clause or combination shall be unenforceable in the jurisdiction where it is invalid, and the remainder of this Agreement shall remain binding in such jurisdiction as if such unenforceable provision had not been contained herein. The enforceability of such sentence, paragraph, clause or combination of the same in this Agreement otherwise shall be unaffected and shall remain enforceable in all other jurisdictions.

13. Waiver and Extensions. No waiver of any breach of any term or provision herein shall be deemed a waiver of any preceding or succeeding breach thereof or of any other term or provision herein. No extension of time for the performance of any obligation or act hereunder shall be deemed an extension of time for the performance of any other obligations or act hereunder. No failure or delay in the exercise of any right given to either party hereunder shall constitute a waiver thereof.

14. Headings, Gender and Number. Headings in this Agreement are included herein for the convenience of reference only and shall not define, limit, or otherwise constitute a part of this Agreement for any other purpose. Whenever required by the context of this Agreement, the singular shall include the plural and the plural shall include the singular. The masculine feminine, or neuter genders shall each include the others. All references to a period of days, months or years herein shall refer to calendar days, months or years, respectively, unless otherwise specifically stated.

15. Further Assurances. The parties hereto agree to do such further acts and things and to execute and deliver such additional agreements and instruments as either party hereto may reasonably require to consummate, evidence or confirm the agreements contained herein in the manner contemplated hereby.

16. Construction. The terms and conditions of this Agreement shall be construed as a whole according to their fair meaning and not strictly for or against any party. The parties acknowledge that each of them has reviewed this Agreement and has had the opportunity of having their attorneys review this Agreement. The normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or of any of its exhibits or amendments.

17. Legal Representation and No Reliance. All parties represent and agree that each has had the full and fair opportunity to discuss all aspects of this Agreement with an attorney of their choice and that they carefully have read and understand the terms hereof and that they are voluntarily entering into this Agreement.

18. Entire Agreement. This Agreement sets forth the entire understanding between the parties with respect to the subject matter hereof and may not be modified, changed, or amended, except by a writing signed by the party to be charged subsequent to the execution of this Agreement.

19. Counterparts. This Agreement may be executed in any number of counterparts and each such counterpart shall for all purposes be deemed an original, and all such counterparts shall together constitute but one and the same instrument. Any signature page of this Agreement may be detached from any counterpart without impairing the legal effect of any signatures, and may be attached to another counterpart, identical in form, but having attached to it one or more additional signature pages. This Agreement may be executed by signatures provided by electronic facsimile transmission (also known as "fax" copies), which facsimile signatures shall be as binding and effective as original signatures.

20. Notices. For purposes of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given: (i) when delivered, if sent by telecopy or by hand; (ii) one (1) business day after sending, if sent by reputable overnight courier service, such as Federal Express; or (iii) three (3) business days after being mailed, if sent by United States certified or registered mail, return receipt requests, postage prepaid. Notices shall be sent by one of the methods described above; provided, that any notice sent by telecopy shall also be sent by any other method permitted above.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

Employer	**Employee**
Body and Mind Inc. A Nevada incorporated company	Stephen 'Trip' Hoffman Employee
By: /s/ Michael Mills	By: /s/ Stephen 'Trip' Hoffman
Date: October 8, 2019	Date: October 7, 2019

EXHIBIT “A”

Job Description

Chief Operating Officer

Level:	Chief Officer
Status:	Salary, Exempt
Minimum Age Requirements:	21 years of age
Immediate Supervisor:	President
Supervises:	Dispensary, Cultivation, Food Services, Laboratory Divisions
Department:	Officers

Purpose:

Establishes and accomplishes organizational objectives; oversees all organizational operations.

Job Duties:

- Develops strategic plan by studying technological and financial opportunities; presenting assumptions; recommending alternatives.
- Builds company image by collaborating with customers, government, community organizations, and employees; enforcing ethical business practices.
- Accomplishes subsidiary objectives by establishing plans, budgets, and results measurements; allocating resources; reviewing progress; adjusting course of actions as needed.
- Coordinates efforts by establishing procurement, production, marketing, field, and technical services policies and practices; coordinating actions with corporate staff.
- Increases management’s effectiveness by recruiting, selecting, orienting, training, coaching, counseling, and disciplining managers; communicating values, strategies, and objectives; assigning accountabilities; planning, monitoring, and appraising job results; developing incentives; developing a climate for offering information and opinions; providing educational opportunities.

Skills/Qualifications:

- Active listening
- Decision Making
- Financial Planning and Strategy
- Financial Responsibility
- ICC Compliance

- Judgment
- Negotiation
- Problem Solving
- Process Improvement
- Supervision
- Technological Skills
- Vision

Minimum Requirements:

- Must not have been convicted of any felony offenses pursuant in N.R.S**.** 453A.104

Education & Experience

- High School Diploma or GED required.
- Master's degree or equivalent experience in Business Management.

Physical Demands

- This position will require the applicant to routinely sit, stand, stoop, kneel, crouch, and bend for up to 8 hours. Position requires the occasional lifting of objects in excess of 25 lbs.