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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

December 12, 2022
Date of Report (Date of earliest event reported)

BODY AND MIND INC.
(Exact name of registrant as specified in its charter)

Nevada	**000-55940**	**98-1319227**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS 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

Not applicable.
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐	Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐	Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐	Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐	Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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 is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (Section 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (Section 240.12b-2 of this chapter).

Emerging growth company ☒

If an emerging growth company, indicate by check mark 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. ☒

_____

SECTION 1 – REGISTRANT'S BUSINESS AND OPERATIONS

Item 1.01 Entry into a Material Definitive Agreement

Limited Waiver and Amendment to Loan Agreement

As previously disclosed in Body and Mind Inc.'s (the "**Company**") Current Reports on Form 8-K dated July 23, 2021 and June 17, 2022 as well as in the Company's Periodic Report on Form 10-Q dated December 15, 2021, the Company along with its subsidiaries, DEP Nevada, Inc. and the other guarantors, Nevada Medical Group, LLC, NMG OH 1, LLC, NMG OH P1, LLC, NMG Long Beach, LLC, NMG MI C1, Inc., NMG MI P1, Inc., NMG MI 1, Inc., NMG CA C1, LLC, NMG CA P1, LLC, NMG CA 1, LLC and NMG Cathedral City, LLC (each, a "**Guarantor**" and collectively, the "**Guarantors**") entered into a loan agreement (the "**Loan Agreement**") with FG Agency Lending, LLC (the "**Agent**") and Bomind Holdings LLC (together with its successors and assigns, the "**Lender**"), dated July 19, 2021, as amended on November 30, 2021 and on June 14, 2022.

On December 12, 2022, the Company, the Guarantors (collectively, the "**Loan Parties**") the Agent and the Lender entered into a Limited Waiver and Amendment to Loan Agreement (the "**Limited Waiver and Amendment to Loan Agreement**") to deal with certain events of default that occurred under the Loan Agreement, as amended, with respect to (i) the Company's failure to deliver to Agent the audited annual financial statements of the Company and its subsidiaries for the fiscal year ended July 31, 2022, on or before ninety (90) days after the end of such fiscal year in accordance with Section 7.2(c) of the Loan Agreement (the "**First Specified Default**") and (ii) the Agent being informed that the Company anticipates that it will fail to deliver the quarterly financial statements of the Company and its subsidiaries for the fiscal quarter ending October 31, 2022, in form and substance acceptable to Agent, on or before forty-five (45) days after the end of such fiscal quarter, in accordance with Section 7.2(b) (the "**Second Specified Default**", and together with the First Specified Default, the "**Specified Defaults**").

Pursuant to the Limited Waiver and Amendment to Loan Agreement, the Agent and the Lender each waive the Specified Defaults on a limited one-time basis subject to the terms and conditions thereof until (i) with respect to the First Specified Default, 5:00 PM EST on December 30, 2022, and (ii) with respect to the Second Specified Default, 5:00 PM EST on January 13, 2023 (the "**Waiver Period**"); provided that if the Loan Parties do not deliver each of the Amended Deliverables (as defined below) on or before expiration of their respective Waiver Period; the waiver shall no longer be of any effect, and the Lender shall be entitled to enforce all remedies set forth in the Loan Agreement as of the date each Specified Default first occurred. The failure to time deliver such Amended Deliverables shall immediately result in an event of default and shall not be subject to any cure period.

In addition, pursuant to the Limited Wavier and Amendment to Loan Agreement, the parties agreed to the following amendments to the Loan Agreement as follows:

a. Section 7.2(b) is amended to provide as follows:

"Quarterly Financial Statements. As soon as available and in any event (i) for the fiscal quarter ending October 31, 2022, on or before 5:00PM EST on January 13, 2023, (the "Second Amended Deliverables") and (ii) for each fiscal quarter thereafter, within forty-five (45) days after the end of each fiscal quarter of the Loan Parties commencing with the first fiscal quarter ending after the Closing Date, balance sheets (which are to be consolidated, if applicable), statements of operations and retained earnings and statements of cash flows of Borrower and its Subsidiaries as at the end of such quarter, and for the period commencing at the end of the immediately preceding Fiscal Year and ending with the end of such quarter, setting forth in each case in comparative form the figures for the corresponding date or period set forth in (A) the financial statements for the immediately preceding Fiscal Year and (B) the Projections, all in reasonable detail and certified by the Chief Financial Officer of Borrower as fairly presenting, in all material respects, the financial position of the Loan Parties as of the end of such quarter and the results of operations and cash flows of the Loan Parties for such quarter and for such year-to-date period, in accordance with GAAP applied in a manner consistent with that of the most recent audited financial statements of Borrower and its Subsidiaries furnished to the Lenders, subject to the absence of footnotes and normal year-end adjustments;"

b. Section 7.2(c) is amended to provide as follows:

"Annual Financial Statements. As soon as available, and in any event (i) for the Fiscal Year ending July 31, 2022, on or before 5:00 PM EST on December 30, 2022, (the "First Amended Deliverables", and together with the Second Amended Deliverables, the "Amended Deliverables"), and (ii) for each Fiscal Year thereafter, within ninety (90) days after the end of such Fiscal Year, balance sheets (which are to be consolidated, if applicable), statements of operations and retained earnings and statements of cash flows of the Loan Parties and each of their Subsidiaries as at the end of such Fiscal Year, setting forth in each case in comparative form the figures for the corresponding date or period set forth in (A) the financial statements for the immediately preceding Fiscal Year, and (B) the Projections, all in reasonable detail and prepared in accordance with GAAP, and accompanied by a report and an opinion, prepared in accordance with generally accepted auditing standards, of independent certified public accountants of recognized standing selected by Borrower and satisfactory to the Agent (which opinion shall be without (1) a "going concern" or like qualification or exception or (2) any qualification or exception as to the scope of such audit), together with a certification by the Chief Financial Officer of Borrower that in its review of the financial statements, it has not obtained any knowledge of the existence of an Event of Default or a Default and if it has obtained any knowledge of the existence of an Event of Default or such Default, describing the nature thereof;"

c. A new Section 8.23 is added as follows:

"Consulting Agreement. Enter into any consulting agreement, management agreement, or other similar arrangement with Bengal Impact Partners, LLC, or any of its Affiliates ("Bengal") without the prior written consent of the Agent, other than the consulting agreement entered into by Borrower and Bengal, in form and substance satisfactory to Agent (the "Bengal Consulting Agreement"), so long as no Loan Party makes any payment on the obligations owed thereunder in excess of $240,000 (including payment in the form of equity interests) in any Fiscal Year, or $60,000 in cash in any Fiscal Year, and"

d. A new Section 8.24 is added as follows:

"Limited Waiver Fee. For the period commencing January 13, 2023, until and including the 6-month anniversary thereafter, on each monthly anniversary, the Loan Parties shall pay to the Agent, a fully earned and nonrefundable waiver fee of $10,000 (the "Limited Waiver Monthly Fee")."

e. Section 9.1(c) is amended to read as follows:

"Other Payment Failure. (i) Borrower shall fail to pay the premium required for a Change of Control (that is not a Permitted Change of Control) pursuant to Section 3.2(c)(ii) hereof within ten (10) days after Agent provides written notice of its election to receive payment; (ii) Borrower shall fail to pay any other amounts owed or due under the Term Loan or this Agreement or any other Loan Document, when the same becomes due and payable, and such failure to pay shall remain unremedied for fifteen (15) days thereafter; or (iii) the Loan Parties shall fail to pay the Limited Waiver Monthly Fee when due, as required pursuant to Section 8.24; or

f. A new Section 9.1(r) is added as follows:

"Delisting from Stock Exchange. The occurrence of the shares of Borrower's stock being delisted from any exchange or market because of any Loan Party's failure to comply with continued listing standards thereof or due to a voluntary delisting which results in such shares not being listed on such exchange or market without the prior written consent of the Agent."

Furthermore, the Limited Waiver and Amendment to Loan Agreement shall become effective on the date (the "Waiver Effective Date") on which the Agent shall have received (i) the fully executed Limited Waiver and Amendment to Loan Agreement, (ii) a non-refundable waiver fee of US$35,000, and (iii) payment of all reasonable and documented out-of-pocket costs, fees and expenses of the Agent and the Lender in connection with the Limited Waiver and Amendment to Loan Agreement.

Subsequent to entering into the Limited Waiver and Amendment to Loan Agreement, the parties verbally agreed and confirmed via email on December 20, 2022, that the Waiver Period for the First Specified Default shall be extended from December 30, 2022 to January 17, 2023, and the Waiver Period for the Second Specified Default shall be extended from January 13, 2023 to January 27, 2023; and that the corresponding amendments shall be made to sections 7.2(b) and 7.2(c) of the Loan Agreement as set forth above.

The foregoing description of the Limited Waiver and Amendment to Loan Agreement does not purport to be complete and is qualified in its entirety by the Limited Waiver and Amendment to Loan Agreement, which is filed as Exhibit 10.1 hereto and is incorporated by reference herein.

Consent and Amendment to Loan Agreement

On December 16, 2022, the Company, the Agent and the Lender entered into a Consent and Amendment to Loan Agreement (the " **Consent and Amendment to Loan Agreement** ") because (i) Section 8.5 of the Loan Agreement provides that neither the Company nor its Subsidiaries is permitted to effect any Acquisition or merger without the prior written consent of the Agent, and (ii) Section 8.2 of the Loan Agreement provides that neither the Company nor its Subsidiaries is permitted to incur indebtedness without the prior written consent of the Agent. The Company has advised the Agent of its desire to (i) enter into an agreement and plan of merger (the "**Merger Agreement**") among the Company, its wholly owned subsidiary, DEP Nevada, Inc., BaM Body and Mind Dispensary NJ, Inc., CraftedPlants NJ Corp. ("**Craft**") and the shareholders of Craft (the "**Sellers**") attached as Exhibit A to the Consent and Amendment to Loan Agreement, and (ii) enter into the certain Securities Purchase Agreements (the "**SPAs**") by an among the Company and the purchaser parties thereto attached as Exhibit B to the Consent and Amendment to Loan Agreement.

Pursuant to the Consent and Amendment to Loan Agreement, the Agent and the Lender consented to: (a) the Company entering into the Merger Agreement, the consummation of the Merger Agreement, and all other transactions provided for under the Merger Agreement, provided that the Merger Agreement shall not be amended or modified in any way without the Agent's prior written consent; and (b) the Company entering into the SPAs and all other transactions provided for under the SPAs, provided that the SPAs and any related documents shall not be amended or modified in any way without the Agent's prior written consent.

In addition, pursuant to the Consent and Amendment to Loan Agreement, the parties agreed that the schedules to the Loan Agreement are each replaced in their entirety with the revised corresponding schedules and shall be provided to the Agent, which such updated schedules are to include a complete capital table updated in accordance with Section 7.2(d) of the Loan Agreement.

Furthermore, pursuant to the Consent and Amendment to Loan Agreement, the Company acknowledged and agreed:

a. that the Agent and Lender will not provide any financing necessary to consummate the merger or provide any working capital financing to the Company or its subsidiaries;

b. the failure of the Company to promptly provide Agent and the Lender with such information related to the merger as Agent and the Lender may reasonably request from time to time as Agent and the Lender deem necessary shall constitute an immediate Event of Default under the Loan Agreement without any cure period.

c. simultaneously with the consummation of the merger, the Loan Parties shall deliver to the Agent (1) a Joinder Agreement, pursuant to which any newly acquired or formed entity that is a Subsidiary of a Loan Party relating to the merger (including for the avoidance of doubt, Craft) shall be made a party to the Loan Agreement, the Pledge Agreement and Security Agreement as a Borrower or a grantor, as applicable (including providing supplements to the Schedules thereto); (2) supplements to each of the Security Agreement and the Pledge Agreement together with (A) certificates evidencing all of the equity interests of any person owned by such Subsidiary required to be pledged under the terms of the Pledge Agreement and (B) undated stock powers for such equity interests executed in blank; (4) Omnibus Collateral Assignments in favor of Agent for any agreement as set forth in Section 7.11(c) of the Loan Agreement of such Subsidiary (including any consents required for the foregoing); (5) a joinder to the Intercompany Subordinated Note, pursuant to which such Subsidiary shall be made a party to the Intercompany Subordinated Note as an Affiliated Obligor (as defined therein) thereunder and (6) such other agreements, instruments, approvals or other documents reasonably requested by the Agent in order to effect the intent that such Subsidiary shall become bound by all of the terms, covenants and agreements contained in the Loan Documents (as defined in the Loan Agreement) and that all property and assets of such Subsidiary shall become collateral for the obligations to the same extent that property of the Borrower being parties to the Loan Documents at the closing date is required to be such collateral.

d. The consent contained therein is a limited consent and (i) shall not constitute nor be deemed to constitute a consent by the Agent or any Lender to anything other than as expressly stated therein, and (ii) shall not constitute a course of dealing among the parties hereto.

The consent contained in the Consent and Amendment to Loan Agreement is not effective until: (i) the Company has received the prior written consent from the Agent of the final version of the Merger Agreement and any related documents; (ii) the Company has provided to the Lender updated schedules to the Loan Agreement; (iii) the Company has provided evidence in form and satisfaction to Agent of the Company's receipt of at least $3,000,000 in cash proceeds pursuant to the SPAs; and (iv) payment of all reasonable fees, costs and expenses incurred by the Agent and the Lender in connection with the preparation, execution and delivery of the Consent and Amendment to Loan Agreement.

The foregoing description of the Consent and Amendment to Loan Agreement does not purport to be complete and is qualified in its entirety by the Consent and Amendment to Loan Agreement, which is filed as Exhibit 10.2 hereto and is incorporated by reference herein.

Convertible Debenture Financing

On December 19, 2022, the Company entered into Securities Purchase Agreements ("**SPAs**") with each of BAM I, A Series of Bengal Catalyst Fund SPV, LP, a Delaware limited partnership, Mindset Value Fund LP, a Delaware limited partnership, and Mindset Value Wellness Fund LP, a Delaware limited partnership (collectively, the " **Investors**") pursuant to which the Company issued to the Investors unsecured five-year convertible debentures in the aggregate principal amount of US$3,000,000 (the "**Debentures**") and common stock purchase warrants (the "**Warrants**") to acquire 15,000,000 shares of common stock of the Company (each, a "**Warrant Share**"). The proceeds from the sale of the Debentures and the Warrants will be used for business development purposes.

In addition, pursuant to the SPAs, following the closing and until the later of (a) the repayment or conversion of the Debentures, and (b) Bengal Impact Partners, LLC ("**Bengal Capital**") (or any of its affiliates) ceasing to own at least 10% of the issued and outstanding shares of common stock on an as-converted basis in the aggregate, Bengal Capital shall be entitled to nominate one (1) director to the Company's Board and one (1) Board observer, provided that the nominee director must meet the requirements of applicable corporate, securities and other applicable laws, and the policies of the Canadian Securities Exchange.

Debentures

The principal amount of the Debentures is repayable on December 19, 2027 (the "**Maturity Date**") and bears interest commencing on the date of issuance at 8% per annum, which shall accrue monthly, compound annually, and shall be payable on the Maturity Date of the Debentures.

The Investors shall have the right at any time prior to the Maturity Date, to convert all or any portion of the principal amount and/or any interest amount, into fully paid and non-assessable shares of the Company's common stock at US$0.10 per share (the "**Conversion Price**"), provided, however, that in no event shall an Investor be entitled to convert any portion of the Debenture in excess of that portion of the Debenture upon conversion of which the sum of (a) the number of shares of common stock beneficially owned by the Investor and its affiliates (other than shares of common stock which may be deemed beneficially owned through the ownership of the unconverted portion of the Debenture or the unexercised or unconverted portion of any other security of the Company subject to a limitation on conversion or exercise analogous to the limitations contained therein), and (b) the number of shares of common stock issuable upon the conversion of the portion of the Debenture with respect to which the determination of this proviso is being made, would result in beneficial ownership by the Investor and its affiliates of more than 9.99% of the then outstanding shares of common stock of the Company, provided, however, that the limitations on conversion may be waived by the Investor upon not less than 61 days' prior notice to the Company, and the provisions of the conversion limitation shall continue to apply until such 61st day (collectively, the "**Beneficial Ownership Limitation**").

The Debentures are subject to standard customary adjustments as provided therein.

If an event of default shall occur and be continuing and the Company shall fail forthwith to pay the amounts owing under the Debentures, subject to the terms and conditions of the Loan Agreement and the Subordination Agreement (discussed below), the Investors shall be entitled to institute any action or proceedings at law or in equity for the collection of the sums so due and unpaid, and may prosecute any such action or proceedings to judgment or final decree, and may enforce any such judgment or final decree against the Company or other obligors upon the Debentures and collect in the manner provided by law out of the property of the Company or other obligors upon the Debentures wherever situated the monies adjudged or decreed to be payable. Events of default include, but are not limited to: (i) a default in payment of the principal amount or interest amount when due and payable that is not waived, cured or remedied within five days of written notification; (ii) default in the observation or performance of any covenant, condition, representation, warranty or obligation under the SPAs, Debentures or Warrants and such default results in a material adverse effect and is not waived, cured or remedied within 30 days of written notification; (iii) the declaration of an event of default by any lender or other extender or credit to the Company under any notes, loans, agreements or other instruments of the Company after the passage of all applicable notice and cure or grace periods, and such default results in a material adverse effect; (iv) if any material change occurs in the financial condition or prospectus of the Company which impairs to a material extent the ability of the Company to satisfy the obligations under the Debentures, compromises the remedies of the Investors, or may otherwise have a material adverse effect on the business, operations or assets of the Company; (v) if at any time the Company shall become subject to revocation of tis registration under the Exchange Act pursuant to Section 12(j) thereof and/or the Company shall otherwise cease to be subject to the reporting requirements of the Exchange Act; (vi) the restatement of any financial statements filed by the Company with the SEC for any date or period from two years prior to the issuance date of the Debentures and until the Debentures are no longer outstanding, if the result of such restatement would, by comparison to the unrestated financial statement, have constituted a material adverse effect on the rights of the Investors, including under the SPAs, Debentures and Warrants; (vii) the Company shall be delisted from the CSE without a concurrent listing of the Company's shares of common stock on the Toronto Stock Exchange, the TSX Venture Exchange, the Nasdaq Stock Market, the New York Stock Exchange or the NYSE American; and (viii) if, at any time on or after the date which is six (6) months after the date of issuance of the Debentures, the Investors are unable to (A) obtain a standard "144 legal opinion letter" from an attorney reasonably acceptable to the Investors, the Investors' brokerage firm (and respective clearing firm), and the Company's transfer agent in order to facilitate the Investors' conversion of any portion of the Debenture into free trading shares of the Company's common stock pursuant to Rule 144 (except for non-satisfaction of the conditions set forth in Rule 144(i)(2) of the U.S. Securities Act at the time of the proposed resale transaction), and/or (B) thereupon deposit such shares into the Investors' brokerage account in connection with a sale, which inability to deposit is the result of an action or inaction by the Company

Warrants

The Warrants entitle the holders to purchase up to an aggregate of 15,000,000 shares of the Company's common stock until December 19, 2026, at an exercise price of US$0.10 per Warrant Share, subject to customary adjustments. The Warrants contain the same Beneficial Ownership Limitation as the Debentures. The Warrants can be exercised on a cash basis or on a cashless basis as provided for in the Warrants.

Registration Rights

Pursuant to the SPAs, on December 19, 2022, the Company and the Investors entered into a registration rights agreement (the "**Registration Rights Agreement**") whereby the Company is required to prepare and file a registration statement on Form S-1 covering the resale of all of the shares of the Company's common stock issuable to the Investors under the Debentures and the Warrants.

The foregoing descriptions of the SPAs, the Debentures, the Warrants and the Registration Rights Agreement do not purport to be complete and are qualified in their entirety by reference to the full text of the forms of the SPA, the Debenture, the Warrant and the Registration Rights Agreement, copies of which are attached as Exhibits 10.3, 10.4, 4.1 and 10.5, respectively, to this Current Report on Form 8-K and are incorporated herein by reference.

Subordination Agreement

On December 19, 2022, the Company entered into a Subordination Agreement (the "**Subordination Agreement**") with each of the Investors, the Guarantors and the Agent, which was a requirement of the Agent and the Lender to allow the convertible debenture financing by the Investors into the Company. Pursuant to the Subordination Agreement the Investors agree that payments owed by the Company to the Investors are subordinated to all amounts now or hereafter owing to the Lender in connection with the Obligations (as defined in the Loan Agreement) until the date of payment in full in cash (if applicable) of all of the obligations of the Company and the Guarantors under the Loan Agreement, as amended (other than any obligations that are inchoate or contingent in nature as to which claims have not been asserted) and termination of the commitments to extend further credit thereunder (such date, the "**Termination Date**"). Notwithstanding the foregoing agreement to subordinate, it is understood that the Company may reimburse the Investors for their legal and/or other transaction expenses incurred in connection with the SPA and related agreement (the "**Exempt Payments**"). The Lender has made extensions of credit available to the Company and the Guarantors in reliance on these provisions and such provisions are for the benefit of the Lender, who is intended as third-party beneficiaries hereof. Any fees or other amounts owed that are not paid when scheduled to be paid in accordance with the SPA shall remain an obligation of the Company, unimpaired by the Subordination Agreement and following the Termination Date, shall no longer be subject to the restrictions set forth in the Subordination Agreement. Any payments (whether in cash, securities or other property) made by the Company or a Guarantor with respect to the obligations under the SPA received by the Investors in violation of the above provisions shall be held in trust for the Lender and the Investors will forthwith turn over any such payments in the form received, properly endorsed or assigned, to the Agent to be applied to the Obligations. Until the Termination Date, the Investors will not ask, demand, accelerate, sue for, take or receive from the Company or any Guarantor, by setoff, redemption or exercise of any put or call option or in any other manner, the whole or any part of the indebtedness owing to the Investors (the "**Subordinated Debt**"), or any monies that may now or hereafter be owing in respect of the Subordinated Debt (whether such amounts represent principal or interest, or obligations that are due or not due, direct or indirect, absolute or contingent). The Company and the Investors shall not amend or modify the Subordination Agreement or the SPAs without obtaining the prior written consent of the Agent. The Subordination Agreement shall terminate upon the Termination Date.

In addition, the Subordination Agreement provides that the Investors warrant and represent that the Subordinated Debt is unsecured and agrees that until the Termination Date: (i) the Investors will not accept any security therefor from any person and (ii) in the event that the Investors do obtain any such security for the Subordinated Debt in violation of the foregoing, at the request of the Lender, the Investors shall promptly execute and deliver to the Lender, and hereby authorizes the Lender to prepare and record, such termination statements and releases as the Lender shall reasonably request or require to release the Investors' security interest in or lien against such property. Further, if contrary to the preceding sentence, an Investor receives any liens in any collateral to secure any of the Subordinated Debt in breach of the preceding sentence, then notwithstanding the order or time of attachment, or the order, time or manner of perfection, or the order or time of filing or recordation of any document or instrument, or other method of perfecting a lien in favor of any person in any collateral, the Investor hereby agrees that such lien in the collateral is subject and subordinate to the lien of the Lender in the collateral to secure the indebtedness owing to the Lender by the Company and Guarantors (the "**Senior Debt**"). The Investors further agreed that the Investors shall have no right to possession of any of the collateral or to foreclose upon any of the collateral, whether by judicial action or otherwise, prior to the Termination Date. The Investors agreed that they will not initiate or participate in any action to contest the validity, perfection, priority or enforceability of the Senior Debt or of the liens of the Agent or the Lender in the collateral and that the terms of the Subordination Agreement shall govern the relationship between the Lender and the Investors even if part or all of the Senior Debt or the liens of the Agent or the Lender securing payment and performance thereof is avoided, disallowed, set aside or otherwise invalidated in any judicial proceeding or otherwise.

The Subordination Agreement further provides that until the Termination Date in accordance with the Loan Agreement, as amended, neither the Company nor any Guarantor shall make and the Investors shall not accept or receive any payments other than Exempt Payments.

The foregoing description of the Subordination Agreement does not purport to be complete and is qualified in its entirety by the Subordination Agreement, which is filed as Exhibit 10.6 hereto and is incorporated by reference herein.

Agreement and Plan of Merger

On December 21, 2022, the Company, its wholly owned subsidiary, DEP Nevada, Inc. ("**DEP**"), BaM Body and Mind Dispensary NJ Inc., a New Jersey corporation and wholly owned subsidiary of DEP (the "**Merger Sub**"), CraftedPlants NJ Corp., a New Jersey corporation (the "**Surviving Entity**") and those certain shareholders of the Surviving Entity (the "**Sellers**") entered into an Agreement and Plan of Merger (the "**Merger Agreement**") whereby Merger Sub merged with and into the Surviving Entity, and following the consummation of the merger, which occurred on December 21, 2022, the Surviving Entity became a wholly owned subsidiary of DEP and changed its name to BaM Body and Mind Dispensary NJ, Inc.

Pursuant to the terms of the Merger Agreement, on the closing DEP delivered a cash payment of US$50,000 to the Sellers, with a delayed payment of US$120,000 to be paid to the Sellers upon funding of the project buildout.

Further, pursuant to the terms of the Merger Agreement, on December 21, 2022, the Company issued to the Sellers an aggregate of 16,666,667 shares of its common stock (the "**Merger Consideration Shares**") at a deemed price of CAD$0.08 per share. The Merger Consideration Shares will be held in escrow and will not be released to the Sellers until the Surviving Entity achieves certain milestones, however, the Sellers will still maintain the voting and participation rights with respect to the Merger Consideration Shares while being held in escrow. The post-closing milestones are as follows:

1. If, within two (2) years of the closing date, the Surviving Entity's application is approved and is granted pending license approval from the New Jersey Cannabis Regulatory Commission (the "CRC"), 70% of the Merger Consideration Shares will be release from escrow.

2. If, within three (3) years of the closing date, the Surviving Entity opens for business as a recreational cannabis dispensary, 30% of the Merger Consideration Shares will be released from escrow.

If either or both of the milestones are not achieved within the time periods after the closing date (the "**Milestone Dates**"), the Company shall have the option to cancel the Merger Consideration Shares attributable to the failed milestone by delivering written notice to Sellers and in the event of such cancellation, the portion of the Merger Consideration Shares attributable to the failed milestone shall be surrendered and cancelled without any further action required by the parties. Notwithstanding the foregoing, if either or both of the milestones are not achieved (or if it becomes obvious that they will not be achieved) by their respective Milestone Dates because of delays that are not caused by the Sellers, the Sellers may, before the applicable Milestone Dates, provide notice to the Company, and the applicable Milestone Date will be extended to such date as is reasonably necessary for the milestone to be achieved. The parties will work together in mutual good faith to determine the dates by when the milestones can be reasonably achieved.

The foregoing description of the Merger Agreement does not purport to be complete and is qualified in its entirety by the Merger Agreement, which is filed as Exhibit 2.1 hereto and is incorporated by reference herein.

SECTION 2 – FINANCIAL INFORMATION

Item 2.01 Completion of Acquisition or Disposition of Assets

On December 21, 2022, pursuant to the Merger Agreement set forth under Item 1.01 of this Current Report on Form 8-K, the Company through DEP completed the acquisition of CraftedPlants NJ Corp., which is now named, BaM Body and Mind Dispensary NJ, Inc.

Pursuant to the closing of the Merger Agreement, the Company issued an aggregate of 16,666,667 shares of common stock to the Sellers at a deemed price of CAD$0.08 per share and paid an aggregate of US$50,000 to the Sellers, with a second delayed payment of US$120,000 to be paid to the Sellers upon funding of the project buildout.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant

The information set forth under Item 1.01 of this Current Report on Form 8-K with respect to the Debentures is responsive to and incorporated by reference into this Item 2.03.

SECTION 3 – SECURITIES AND TRADING MARKETS

Item 3.02 Unregistered Sales of Equity Securities

On December 19, 2022, the Company issued the Debentures and Warrants to three Delaware entities as disclosed in Item 1.01 above, which disclosure is incorporated herein by reference. The Debentures and the Warrants were, and the shares of common stock of the Company issuable upon conversion of the Debentures and exercise of the Warrants will be, issued pursuant to an exemption from the registration requirements under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") provided by Rule 506(b) of Regulation D and/or Section 4(a)(2) of the U.S. Securities Act. The Investors have represented that they are each an "accredited investor" as such term is defined in Rule 501(a) of Regulation D, and are acquiring the securities described herein for investment purposes and not with a view towards, or for resale in connection with, the public sale or distribution thereof.

Pursuant to the closing of the Merger Agreement described in Item 1.01 and 2.01 of this Current Report on Form 8-K, the Company issued an aggregate of 16,666,667 shares of common stock to eight individuals and one entity at a deemed price of CAD$0.08 per share. The Company relied upon the exemption from the registration requirements under the U.S. Securities Act provided by Rule 506(b) of Regulation D and/or Section 4(a)(2) of the U.S. Securities Act for the issuance of such shares.

SECTION 8 – OTHER EVENTS

Item 8.01 Other Events

On December 22, 2022, the Company issued a news release to announce a number of developments which fund the Company's near-term projects and facilitate entry into the emerging New Jersey market, while also adding long-tenured cannabis experience and strategic insight to its board of directors. Specifically, the Company today announces:

- **Convertible Debenture Financing**: The Company has closed a convertible debenture financing for gross proceeds of US$3.0 million with funds associated with strategic investor, Bengal Impact Partners, LLC ("**Bengal Capital**"), with additional participation from Mindset Capital, LLC.

- **Entry Into New Jersey**: Simultaneously, the Company is acquiring CraftedPlants NJ, Inc. ("CPNJ"), an entity that leases a New Jersey retail location with local cannabis-use approval and is currently working on attaining final state licensure in New Jersey.

- **New Board Member**: Josh Rosen, Managing Partner of Bengal Capital, will join the board of the Company upon completion of any regulatory or exchange requirements.

"We are thrilled to have the team at Bengal Capital transition from being a supportive shareholder to a strategic partner," stated Michael Mills, CEO of Body and Mind. "The team at Bengal have a long track record of value creation in the industry and today's transactions secure the trajectory of the Company's current focus; the successful tenant improvements and start-up of two Body and Mind branded dispensaries in Illinois. The proposed dispensary locations are near major thoroughfares with ample parking in areas we believe are still largely underserved by existing Illinois cannabis retailers. Additionally, through our acquisition of CraftedPlants NJ, we are on a path to establishing a presence in New Jersey with another great location and opportunity for growth. I look forward to Bengal Capital partner Josh Rosen joining our board and the support of the entire Bengal team, and also want to thank Aaron Edelheit of Mindset Capital for his support and engagement."

Josh Rosen, Managing Partner at Bengal Capital, added "Bengal takes a long-term value creation approach and has focused on smaller, underappreciated cannabis companies – companies we call 'scrappy operators.' We focus our diligence on operating talent and our ability to help augment value drivers, and we think BaM represents a great combination of capabilities and opportunity. While the market seems to have been focused on limited license portfolios, it has also apparently short-changed companies like BaM which have solid license portfolios *and* a demonstrated ability to operate those licenses when markets get competitive. So, we were pleased to have the opportunity to work with Michael and the rest of the BaM team to help enable their Illinois retail activation and New Jersey market entry. We believe these two projects are located in attractive markets and I look forward to joining BaM's board and supporting its value creation strategy going forward."

Convertible Debenture Financing

The convertible debenture financing was in the form of securities purchase agreements (the "**Purchase Agreements**") whereby the three investors (the "**Investors**") purchased from the Company and the Company has issued and sold to the Investors (i) unsecured convertible debentures in the aggregate principal amount of US$3.0 million (the "**Debentures**") and (ii) common stock purchase warrants (the "**Warrants**") which entitle the holders to acquire up to 15,000,000 shares of common stock of the Company (each, a "**Warrant Share**").

The Debentures have a maturity date of December 19, 2027 (the "**Maturity Date**"), bear interest at a rate of 8% per annum, which shall accrue monthly, compound annually, and shall be payable on the Maturity Date. The Investors have the right at any time prior to the Maturity Date, to convert all or any portion of the principal amount and/or any interest amount, into shares of common stock of the Company at US$0.10 per share, subject to customary adjustments, and subject to a beneficial ownership limitation by each Investor and their respective affiliates of 9.99% of the then outstanding shares of common stock of the Company, provided, however, that the beneficial ownership limitation on conversion may be waived by the Investor upon providing not less than 61 days' prior notice to the Company. The Debentures are subordinate to the Company's existing senior secured lender.

The Warrants allow the holders to acquire up to 15,000,000 Warrant Shares until December 19, 2026, at an exercise price of US$0.10 per Warrant Share, subject to customary adjustments. The Warrants can be exercised on a cash basis or on a cashless (net exercise) basis. The Warrants contain the same beneficial ownership limitation as the Debentures.

Pursuant to the Purchase Agreements, the Company and the Investors entered into a registration rights agreement whereby the Company is required to prepare and file a registration statement on Form S-1 covering the resale of all of the share of the Company's common stock, including the Warrant Shares, issuable to the Investors.

Furthermore, pursuant to the Purchase Agreements, following the closing and until the later of (a) the repayment or conversion of the Debentures, and Bengal Capital (or any of its affiliates) ceasing to own at least 10% of the issued and outstanding shares of common stock on an as-converted basis in the aggregate, Bengal Capital shall be entitled to nominate one (1) director to the Company's Board and one (1) Board observer, provided that the nominee director must meet the requirements of applicable corporate, securities and other applicable laws, and the policies of the Canadian Securities Exchange.

The securities offered and sold pursuant to the Purchase Agreements have not been registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") and were offered and sold pursuant to an exemption from the registration requirements of the U.S. Securities Act provided by Rule 506(b) of Regulation D and applicable U.S. state securities laws, and such securities have been issued as "restricted securities" as such term is defined in Rule 144(a)(3) under the U.S. Securities Act. In addition, the Debentures and Warrants contain the applicable Canadian hold period as required pursuant to National Instrument 45-102 – *Resale of Securities*.

Acquisition of CraftedPlants NJ Corp.

CraftedPlants NJ, Inc. is an entity that leases a New Jersey retail location with local cannabis-use approval and is currently working on attaining final state licensure in New Jersey.

Mr. Mills commented: "We are excited to enter the New Jersey market and look forward to working towards full adult use licensure. The structure of these transactions allows us to focus our cash on business growth and ties consideration to success of licensing objectives to align the Company and CraftedPlants NJ's former owners, and serving New Jersey customers as quickly as possible."

Pursuant to an Agreement and Plan of Merger (the "**Merger Agreement**"), dated December 21, 2022, between the Company, its wholly owned subsidiary, DEP Nevada, Inc. ("**DEP**"), BaM Body and Mind Dispensary NJ Inc., a New Jersey corporation and wholly owned subsidiary of DEP (the "**Merger Sub**"), CraftedPlants NJ Corp., a New Jersey corporation (the "**Surviving Entity**"), and those certain shareholders of the Surviving Entity (the "**Sellers**"), Merger Sub merged with and into the Surviving Entity, and following the consummation of the merger, which occurred on December 21, 2022, the Surviving Entity became a wholly owned subsidiary of DEP.

Pursuant to the terms of the Merger Agreement, on the closing DEP delivered a cash payment of US$50,000 to the Sellers, with a delayed payment of US$120,000 to be paid to the Sellers upon funding of the project buildout.

Further, pursuant to the terms of the Merger Agreement, on December 21, 2022, the Company issued to the Sellers an aggregate of 16,666,667 shares of its common stock (the "**Merger Consideration Shares**") at a deemed price of CAD$0.08 per share. The Merger Consideration Shares will be held in escrow and will not be released to the Sellers until the Surviving Entity achieves certain milestones, however, the Sellers will still maintain the voting and participation rights with respect to the Merger Consideration Shares while being held in escrow. The post-closing milestones are as follows:

1. If, within two (2) years of the closing date, the Surviving Entity's application is approved and is granted pending license approval from the New Jersey Cannabis Regulatory Commission (the "CRC"), 70% of the Merger Consideration Shares will be release from escrow.

2. If, within three (3) years of the closing date, the Surviving Entity opens for business as a recreational cannabis dispensary, 30% of the Merger Consideration Shares will be released from escrow.

If either or both of the milestones are not achieved within the time periods after the closing date (the "**Milestone Dates**"), the Company shall have the option to cancel the Merger Consideration Shares attributable to the failed milestone by delivering written notice to Sellers and in the event of such cancellation, the portion of the Merger Consideration Shares attributable to the failed milestone shall be surrendered and cancelled without any further action required by the parties. Notwithstanding the foregoing, if either or both of the milestones are not achieved (or if it becomes obvious that they will not be achieved) by their respective Milestone Dates because of delays that are not caused by the Sellers, the Sellers may, before the applicable Milestone Dates, provide notice to the Company, and the applicable Milestone Date will be extended to such date as is reasonably necessary for the milestone to be achieved. The parties will work together in mutual good faith to determine the dates by when the milestones can be reasonably achieved.

The Merger Consideration Shares offered and sold pursuant to the Merger Agreement have not been registered under the U.S. Securities Act and were offered and sold pursuant to an exemption from the registration requirements of the U.S. Securities Act provided by Rule 506(b) of Regulation D and applicable U.S. state securities laws, and such securities have been issued as "restricted securities" as such term is defined in Rule 144(a)(3) under the U.S. Securities Act. In addition, the Merger Consideration Shares contain the applicable Canadian hold period as required pursuant to National Instrument 45-102 – *Resale of Securities*.

A copy of the news release is attached as Exhibit 99.1 hereto.

SECTION 9 – FINANCIAL STATEMENTS AND EXHIBITS

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit	Description
2.1	Agreement and Plan of Merger between Body and Mind Inc., DEP Nevada, Inc., BaM Body and Mind Dispensary NJ, Inc., CraftedPlants NJ Corp. and the shareholders of CraftedPlants NJ Corp., dated December 21, 2022
4.1	Form of Warrant, dated December 19, 2022, issued by Body and Mind Inc. to each of BAM I, A Series of Bengal Catalyst Fund SPV, LP, Mindset Value Fund LP and Mindset Value Wellness Fund LP
10.1	Limited Waiver and Amendment to Loan Agreement between Body and Mind Inc., DEP Nevada, Inc., Nevada Medical Group, LLC, NMG OH 1, LLC, NMG OH P1, LLC, NMG Long Beach, LLC, NMG MI C1, Inc., NMG MI P1, Inc., NMG MI 1, Inc., NMG CA C1, LLC, NMG CA P1, LLC, NMG CA 1, LLC and NMG Cathedral City, LLC, FG Agency Lending LLC and Bomind Holdings LLC, dated December 12, 2022
10.2	Consent and Amendment to Loan Agreement between Body and Mind Inc., FG Agency Lending LLC and Bomind Holdings LLC, dated December 16, 2022

10.3	Form of Securities Purchase Agreement between Body and Mind Inc. and each of BAM I, A Series of Bengal Catalyst Fund SPV, LP, Mindset Value Fund LP and Mindset Value Wellness Fund LP, dated December 19, 2022
10.4	Form of Debenture, dated December 19, 2022, issued by Body and Mind Inc. to each of BAM I, A Series of Bengal Catalyst Fund SPV, LP, Mindset Value Fund LP and Mindset Value Wellness Fund LP
10.5	Registration Rights Agreement between Body and Mind Inc., BAM I, A Series of Bengal Catalyst Fund SPV, LP, Mindset Value Fund LP and Mindset Value Wellness Fund LP, dated December 19, 2022
10.6	Subordination Agreement BAM I, A Series of Bengal Catalyst Fund SPV, LP, Mindset Value Fund LP and Mindset Value Wellness Fund LP, Body and Mind Inc., DEP Nevada, Inc., Nevada Medical Group, LLC, NMG OH 1, LLC, NMG OH P1, LLC, NMG Long Beach, LLC, NMG MI C1, Inc., NMG MI P1, Inc., NMG MI 1, Inc., NMG CA C1, LLC, NMG CA P1, LLC, NMG CA 1, LLC and FG Agency Lending LLC, dated December 19, 2022
99.1	News Release dated December 22, 2022
104	Cover Page Interactive Data File (the cover page XBRL tags are embedded within the inline XBRL 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 hereunto duly authorized.

BODY AND MIND INC.

DATE: December 23, 2022

By: */s/ Michael Mills*
Michael Mills
President, CEO and Director

EXHIBIT 2.1

Execution Version

AGREEMENT AND PLAN OF MERGER

This Agreement and Plan of Merger (this "**Agreement**"), dated as of December 21, 2022 (the "**Effective Date**") is entered into among Body and Mind, Inc., a Nevada corporation ("BaM"), DEP Nevada, Inc., a Nevada corporation ("**Parent**"), BaM Body and Mind Dispensary NJ, Inc, a New Jersey corporation ("**Merger Sub**"), CraftedPlants NJ Corp., a New Jersey corporation ("**Company**"), and the parties who sign this Agreement as "Sellers" below (collectively, "**Sellers**").

RECITALS

WHEREAS, the parties hereto intend that Merger Sub be merged with and into Company, with Company surviving that merger on the terms and subject to the conditions set forth herein (the "**Merger**");

WHEREAS, the board of directors of Company (the "**Company Board**") has unanimously: (a) determined that this Agreement and the transactions contemplated hereby, including the Merger, are in the best interests of Company and the Sellers; (b) approved and declared advisable this Agreement and the transactions contemplated hereby, including the Merger; and (c) resolved to recommend adoption of this Agreement by the Sellers (holding all of the issued and outstanding Shares) in accordance with Title 14A Section 10-1 of the New Jersey Business Corporation Act (the "**NJBCA**");

WHEREAS, following the execution of this Agreement, Company shall seek to obtain, in accordance with Title 14A: Section 10-3 of the NJBCA, a written consent of the Sellers approving this Agreement, the Merger and the transactions contemplated hereby;

WHEREAS, Parent is a direct, wholly-owned subsidiary of BaM;

WHEREAS, the respective boards of directors of BaM, Parent and Merger Sub have unanimously: (a) determined that this Agreement and the transactions contemplated hereby, including the Merger, are in the best interests of BaM, Parent, Merger Sub and their respective stockholders; and (b) approved and declared advisable this Agreement and the transactions contemplated hereby, including the Merger; and

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

The following terms have the meanings specified or referred to in this ARTICLE I:

"**Acquisition Proposal**" shall mean any inquiry, proposal or offer from any Person (other than Parent or any of its Affiliates) concerning (i) a merger, consolidation, liquidation, recapitalization, share exchange or other business combination transaction involving the Company; (ii) the issuance or acquisition of shares of capital stock or other equity securities of the Company; or (iii) the sale, lease, exchange or other disposition of any significant portion of the Company's properties or assets.

"**Action**" means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity.

"**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.

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

"**BaM**" has the meaning set forth in the preamble.

"**Business Day**" means any day except Saturday, Sunday or any other day on which commercial banks located in New Jersey are authorized or required by Law to be closed for business.

"**Certificate of Merger**" has the meaning set forth in Section 2.04.

"**Closing**" has the meaning set forth in Section 2.02.

"**Closing Date**" has the meaning set forth in Section 2.02.

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**Company**" has the meaning set forth in the preamble.

"**Company Board**" has the meaning set forth in the recitals.

"**Company Board Recommendation**" has the meaning set forth in Section 3.02(b).

"**Company Charter Documents**" has the meaning set forth in Section 3.03.

"**Company Common Stock**" means the common stock, par value $0.01 per share, of the Company.

"**Contracts**" means all contracts, leases, deeds, mortgages, licenses, instruments, notes, commitments, undertakings, indentures, joint ventures and all other agreements, commitments and legally binding arrangements, whether written or oral.

"**CRC**" means the New Jersey Cannabis Regulatory Commission.

"**Direct Claim**" has the meaning set forth in Section 8.04(b).

"**Disclosure Schedules**" means the Disclosure Schedules delivered by the Company and Parent concurrently with the execution and delivery of this Agreement.

"**Dollars or $**" means the lawful currency of the United States.

"**Effective Time**" has the meaning set forth in Section 2.04.

"**Encumbrance**" means any charge, claim, community property interest, pledge, condition, equitable interest, lien (statutory or other), option, security interest, mortgage, easement, encroachment, right of way, right of first refusal, or restriction of any kind, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership.

"**Environmental Claim**" means any Action, Governmental Order, lien, fine, penalty, or, as to each, any settlement or judgment arising therefrom, by or from any Person alleging liability of whatever kind or nature (including liability or responsibility for the costs of enforcement proceedings, investigations, cleanup, governmental response, removal or remediation, natural resources damages, property damages, personal injuries, medical monitoring, penalties, contribution, indemnification and injunctive relief) arising out of, based on or resulting from: (a) the presence, release of, or exposure to, any hazardous materials; or (b) any actual or alleged non-compliance with any Environmental Law.

"**Environmental Law**" means any applicable Law, and any Governmental Order or binding agreement with any Governmental Authority: (a) relating to pollution (or the cleanup thereof) or the protection of natural resources, endangered or threatened species, human health or safety, or the environment (including ambient air, soil, surface water or groundwater, or subsurface strata); or (b) concerning the presence of, exposure to, or the management, manufacture, use, containment, storage, recycling, reclamation, reuse, treatment, generation, discharge, transportation, processing, production, disposal or remediation of any Hazardous Materials. The term "Environmental Law" includes, without limitation, the following (including their implementing regulations and any state analogs): the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 et seq.; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, as amended by the Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. §§ 6901 et seq.; the Federal Water Pollution Control Act of 1972, as amended by the Clean Water Act of 1977, 33 U.S.C. §§ 1251 et seq.; the Toxic Substances Control Act of 1976, as amended, 15 U.S.C. §§ 2601 et seq.; the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. §§ 11001 et seq.; the Clean Air Act of 1966, as amended by the Clean Air Act Amendments of 1990, 42 U.S.C. §§ 7401 et seq.; and the Occupational Safety and Health Act of 1970, as amended, 29 U.S.C. §§ 651 et seq.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

"**Financial Statements**" has the meaning set forth in Section 3.06.

"**GAAP**" means United States generally accepted accounting principles in effect from time to time.

"**Governmental Authority**" means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of Law), or any arbitrator, court or tribunal of competent jurisdiction.

"**Governmental Order**" means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

"**Indebtedness**" means, without duplication and with respect to the Company, all: (a) indebtedness for borrowed money; (b) obligations for the deferred purchase price of property or services, (c) long or short-term obligations evidenced by notes, bonds, debentures or other similar instruments; (d) obligations under any interest rate, currency swap or other hedging agreement or arrangement; (e) capital lease obligations; (f) reimbursement obligations under any letter of credit, banker's acceptance or similar credit transactions; (g) guarantees made by the Company on behalf of any third party in respect of obligations of the kind referred to in the foregoing clauses (a) through (f); and (h) any unpaid interest, prepayment penalties, premiums, costs and fees that would arise or become due as a result of the prepayment of any of the obligations referred to in the foregoing clauses (a) through (g).

"**Intellectual Property**" means any and all rights in, arising out of, or associated with any of the following in any jurisdiction throughout the world: (a) issued patents and patent applications (whether provisional or non-provisional), including divisionals, continuations, continuations-in-part, substitutions, reissues, reexaminations, extensions, or restorations of any of the foregoing, and other Governmental Authority-issued indicia of invention ownership (including certificates of invention, petty patents, and patent utility models) ("**Patents**"); (b) trademarks, service marks, brands, certification marks, logos, trade dress, trade names, and other similar indicia of source or origin, together with the goodwill connected with the use of and symbolized by, and all registrations, applications for registration, and renewals of, any of the foregoing ("**Trademarks**"); (c) copyrights and works of authorship, whether or not copyrightable, and all registrations, applications for registration, and renewals of any of the foregoing ("**Copyrights**"); (d) internet domain names and social media account or user names including "handles", whether or not Trademarks, all associated web addresses, URLs, websites and web pages, social media sites and pages, and all content and data thereon or relating thereto; (e) trade secrets, know-how, inventions (whether or not patentable), discoveries, improvements, technology, business and technical information, databases, data compilations and collections, tools, methods, processes, techniques, and other confidential and proprietary information and all rights therein ("**Trade Secrets**"); (f) computer programs, operating systems, applications, firmware, and other code, including all source code, object code, application programming interfaces, data files, databases, protocols, specifications, and other documentation thereof ("**Software**"); and (g) all other intellectual or industrial property and proprietary rights.

"**Knowledge**" means, when used with respect to the Company, the actual knowledge of any director or officer of the Company, after due inquiry.

"**Law**" means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any Governmental Authority.

"**Liabilities**" has the meaning set forth in Section 3.07.

"**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; *provided, however,* that "**Losses**" shall not include punitive damages, except to the extent actually awarded to a Governmental Authority or other third party

"**Local Authorization**" shall mean Resolution No. 101-22 adopted by the Township of Lawrence County of Mercer on February 15, 2022, providing Company with the local support to conduct commercial cannabis retail operations upon Company's receipt of the State Recreational Licenses.

"**Material Adverse Effect**" means any event, occurrence, fact, condition or change that is, or could reasonably be expected to become, individually or in the aggregate, materially adverse to: (a) the business, results of operations, condition (financial or otherwise), assets of the Company; (b) the Local Authorization; or (c) the ability of the Company to consummate the transactions contemplated hereby on a timely basis; provided, however, that "Material Adverse Effect" shall not include any event, occurrence, fact, condition or change, directly or indirectly, arising out of or attributable to: (i) general economic or political conditions; (ii) conditions generally affecting the industries in which the Company operates; (iii) any changes in financial, banking or securities markets in general, including any disruption thereof and any decline in the price of any security or any market index or any change in prevailing interest rates; (iv) acts of war (whether or not declared), armed hostilities or terrorism, or the escalation or worsening thereof; (v) any action required or permitted by this Agreement or any action taken (or omitted to be taken) with the written consent of or at the written request of Buyer; (vi) any matter of which Buyer is aware on the date hereof; (vii) any changes in applicable Laws or accounting rules (including GAAP) or the enforcement, implementation or interpretation thereof; (viii) the announcement, pendency or completion of the transactions contemplated by this Agreement; (ix) any natural or man-made disaster or acts of God; or (x) any epidemics, pandemics, disease outbreaks, or other public health emergencies.

"**Material Contracts**" means any Contracts which the Company is a party, or by which the Company or its assets are bound, as of the Effective Date, which either: (a) impose payment obligations on the Company in excess of five thousand dollars ($5,000) in the aggregate per contract; or (b) cannot be terminated without penalty during the six (6) month period following the Effective Date.

"**Merger**" has the meaning set forth in the recitals.

"**Merger Cash Payment**" has the meaning set forth in Section 2.09(a).

"**Merger Consideration**" has the meaning set forth in Section 2.09.

"**Merger Consideration Shares**" has the meaning set forth in Section 2.09(b).

"**Merger Sub**" has the meaning set forth in the preamble.

"**Parent**" has the meaning set forth in the preamble.

"**Parent Indemnitees**" has the meaning set forth in Section 8.02.

"**Permits**" means all permits, licenses, franchises, approvals, authorizations, registrations, certificates, variances and similar rights obtained, or required to be obtained, from Governmental Authorities.

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

"**Post-Closing Milestones**" has the meaning set forth in Section 2.13(c).

"**Premises**" means the Real Property located at 3191 U.S. Route 1 Lawrenceville, New Jersey 08648.

"**Pro Rata Share**" means, with respect to any Seller, such Person's ownership interest in the Company as of immediately prior to the Effective Time, determined by dividing: (a) the number of Shares owned of record by such Person as of immediately prior to the Effective time; by (b) the aggregate number of Shares outstanding as of the Effective Time.

"**Real Property**" means the real property owned, leased or subleased by the Company, together with all buildings, structures and facilities located thereon.

"**Representative**" means, with respect to any Person, any and all directors, officers, employees, consultants, financial advisors, counsel, accountants and other agents of such Person.

"**Restated Certificate of Incorporation**" of the Company has the meaning set forth in Section 2.06.

"**SEC**" means the United States Securities and Exchange Commission;

"**Securities Act**" means the Securities Act of 1933, as amended.

"**Seller Indemnitees**" has the meaning set forth in Section 8.03.

"**Shares**" has the meaning set forth in Section 2.08(a).

"**State Recreational Licenses**" has the meaning set forth in Section 2.13(a)

"**Stockholder**" means a holder of Company Common Stock.

"**Surviving Corporation**" has the meaning set forth in Section 2.01.

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

"**Tax Return**" means any return, declaration, report, claim for refund, information return or statement or other document relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"**Third Party Claim**" has the meaning set forth in Section 8.05(a).

"**Transaction Expenses**" means all fees and expenses incurred by the Company and any Affiliate at or prior to the Closing in connection with the preparation, negotiation and execution of this Agreement, and the performance and consummation of the Merger and the other transactions contemplated hereby and thereby.

"**United States**" or "**U.S.**" means, as the context requires, the United States of America, its territories and possessions, any state of the United States, and/or the District of Columbia.

"**VWAP**" means, with respect to any date of determination, the volume weighted average price per share of BaM's common shares on the principal exchange on which BaM's common shares are traded for the period of the twenty (20) consecutive trading days prior to such date of determination, as reported by the Canadian Securities Exchange for symbol BAMM, provided, that, the VWAP shall not be more than $0.20 per share Canadian Dollar, all subject to compliance with the policies of the Canadian Securities Exchange.

ARTICLE II
THE MERGER

Section 2.01 The Merger. On the terms and subject to the conditions set forth in this Agreement, and in accordance with the NJBCA, at the Effective Time: (a) Merger Sub will merge with and into the Company; and (b) the separate corporate existence of Merger Sub will cease and the Company will continue its corporate existence under the NJBCA as the surviving corporation in the Merger (sometimes referred to herein as the "**Surviving Corporation**"). Following the Merger, the Surviving Corporation shall be wholly owned by Parent.

Section 2.02 Closing. Subject to the terms and conditions of this Agreement, the closing of the Merger (the "**Closing**") shall take place two (2) Business Days after the last of the conditions to Closing set forth in ARTICLE VII have been satisfied or waived or on such other date as the Company and Parent may mutually agree upon in writing (the day on which the Closing takes place being the "**Closing Date**"). The Closing shall take place remotely by exchange of documents and signatures (*or their electronic counterparts*).

Section 2.03 Closing Deliverables.

(a) At or prior to the Closing, the Company shall deliver to Parent the following:

(i) resignations of all of the directors and officers of the Company in accordance with Section 5.06;

(ii) a certificate, dated the Closing Date and signed by a duly authorized officer of the Company, that each of the conditions set forth in Section 7.02(a) and Section 7.02(b) have been satisfied;

(iii) a certificate of the Secretary (or equivalent officer) of the Company certifying that (A) attached thereto are true and complete copies of (1) all resolutions adopted by the Company Board authorizing the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby and thereby and (2) resolutions of the Sellers approving the Merger and adopting this Agreement, and (B) all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby and thereby;

(iv) a good standing certificate (or its equivalent) from the secretary of state or similar Governmental Authority of the jurisdiction under the Laws in which the Company is organized;

(v) in the event there exists any certificates representing the Shares as of the Closing, such certificates shall be presented and surrendered as of the Closing Date;

(vi) a commercial lease in a form approved by BaM and Lawrence Investment Group, LLC for the Premises (the "**Commercial Lease**"); and

(vii) such other documents or instruments as Parent reasonably requests and are reasonably necessary to consummate the transactions contemplated by this Agreement.

(b) At the Closing, Parent shall deliver to Sellers the payment by wire transfer of immediately available funds in an amount equal to the aggregate Merger Cash Payment payable pursuant to Section 2.08(a).

(c) At or prior to the Closing, each Seller shall deliver to BaM Investment Agreements duly completed and executed in the form attached as Schedule 2.03.

Section 2.04 Effective Time Subject to the provisions of this Agreement, at the Closing, the Company, Parent and Merger Sub shall cause a certificate of merger (the "**Certificate of Merger**") to be executed, acknowledged and filed with the Department of Treasury of the State of New Jersey in accordance with the relevant provisions of the NJBCA and shall make all other filings or recordings required under the NJBCA. The Merger shall become effective at such time as the Certificate of Merger has been duly filed with the Department of Treasury of the State of New Jersey or at such later date or time as may be agreed by the Company and Parent in writing and specified in the Certificate of Merger in accordance with the NJBCA (the effective time of the Merger being hereinafter referred to as the "**Effective Time**").

Section 2.05 Effects of the Merger. The Merger shall have the effects set forth herein and in the applicable provisions of the NJBCA. Without limiting the generality of the foregoing, and subject thereto, from and after the Effective Time, all property, rights, privileges, immunities, powers, franchises, licenses and authority of the Company and Merger Sub shall vest in the Surviving Corporation, and all debts, liabilities, obligations, restrictions and duties of each of the Company and Merger Sub shall become the debts, liabilities, obligations, restrictions and duties of the Surviving Corporation.

Section 2.06 Certificate of Incorporation; By-laws. At the Effective Time: (a) the restated certificate of incorporation of the Company in the form set forth on Exhibit A hereto, (the "Restated Certificate of Incorporation") shall be the certificate of incorporation of the Surviving Corporation until thereafter amended in accordance with the terms thereof or as provided by applicable Law; and (b) the by-laws of Merger Sub as in effect immediately prior to the Effective Time shall be the by-laws of the Surviving Corporation until thereafter amended in accordance with the terms thereof, the certificate of incorporation of the Surviving Corporation or as provided by applicable Law; *provided, however*, that the name of the corporation set forth therein shall be changed to the name of the Merger Sub.

Section 2.07 Directors and Officers. The directors and officers of Merger Sub, in each case, immediately prior to the Effective Time shall, from and after the Effective Time, be the directors and officers, respectively, of the Surviving Corporation until their successors have been duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the certificate of incorporation and by-laws of the Surviving Corporation. [Hugh O'Beirne] hereby agrees to serve as an officer of the Merger Sub and Surviving Corporation and shall provide continuous cooperation as described in Section 2.13(b).

Section 2.08 Effect of the Merger on Common Stock. At the Effective Time, as a result of the Merger and without any action on the part of Parent, Merger Sub, the Company or any Seller:

(a) All of the issued and outstanding shares of the Company Common Stock immediately prior to the Effective Time (the "**Shares**") shall be converted into each Seller's right to receive such Seller's Pro Rata Share of the Merger Consideration, inclusive of the Merger Cash Payment and the conditional right to receive the Merger Consideration Shares at the respective times and subject to the satisfaction of the Post-Closing Milestones specified in Section 2.13(c) hereof.

(b) As of the Effective Time, the Shares are uncertificated. As of the Effective Time, all Shares converted into the right to receive the Merger Consideration pursuant to this Section 2.08 shall automatically be cancelled and shall cease to exist, and each holder of Shares shall cease to have any rights with respect thereto, except the right to receive such holder's pro rata share of the Merger Consideration

(c) Each share of common stock, no par value per share, of Merger Sub issued and outstanding immediately prior to the Effective Time shall be converted into and become one newly issued, fully paid and non-assessable share of common stock of the Surviving Corporation.

Section 2.09 Merger Consideration. As consideration for Sellers and Company agreeing to the Merger, BaM shall provide to Sellers the following (the "Merger Consideration"):

(a) On the Closing Date, BaM shall cause Parent to reimburse Sellers for a portion of their expenses incurred in operating the Company prior to the Closing Date, in the aggregate cash amount of Fifty Thousand Dollars ($50,000) (the "Merger Cash Payment") with the remainder of expenses incurred in operating the company (approximately $120,000) paid upon funding of the project buildout.; with such payments to be made to the Sellers in the amounts set forth on Schedule 2.09;

(b) On the Closing Date, BaM shall issue to Sellers 16,666,667 shares of its common stock ($0.0001 par value), priced at the closing price of BAMM on the CSE exchange the day prior to Closing (the "**Merger Consideration Shares**"). Within five (5) Business Days following the Closing Date, the Merger Consideration Shares shall be issued to Sellers in accordance with Sellers' Pro Rata Share and held by BaM's transfer agent for the benefit of the Sellers until either: (i) all or a portion of the share certificates representing the Merger Consideration Shares are conveyed to Sellers in accordance with Section 2.13(c); and/or (ii) all or a portion of the share certificates representing the Merger Consideration Shares are cancelled and surrendered following Parent's termination of obligations in accordance with Section 2.13(d). While BaM's transfer agent holds the share certificates representing the Merger Consideration Shares, the Merger Consideration Shares shall be treated as issued and outstanding and owned by the Sellers, such that among other things the Sellers shall be entitled to vote on the shares represented by the Merger Consideration Shares and to receive any dividends paid with respect to the Merger Consideration Shares, provided that BaM's transfer agent shall not release the share certificates representing the Merger Consideration Shares to physical possession of the Sellers until the Surviving Corporation achieves the Post Closing Milestones as set forth in Section 2.13(c) hereof.

(c) The Company and Sellers acknowledge and agree that:

(i) The Merger Consideration Shares shall be subject to statutory resale restrictions under applicable Canadian securities Laws;

(ii) Upon the original issuance of the Merger Consideration Shares, and until such time as the same is no longer required under applicable Canadian securities Laws, the certificates representing such securities, and all certificates other instruments issued in exchange therefor or in substitution thereof, shall bear a legend substantially in the following form:

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [insert the date that is 4 months and a day after the distribution date].";

(iii) The Merger Consideration Shares have not been and will not be registered under the Securities Act or under any U.S. state securities laws, and will only be issued to a Seller as "restricted securities" (as defined in Rule 144 under the Securities Act) in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws;

(iv) Upon the original issuance of the Merger Consideration Shares, and until such time as the same is no longer required under applicable requirements of the Securities Act or applicable U.S. state securities laws, the certificates representing such securities, and all certificates other instruments issued in exchange therefor or in substitution thereof, shall bear a legend substantially in the following form:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR APPLICABLE STATE SECURITIES LAWS. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, OR PURSUANT TO AN EXEMPTION OR EXCLUSION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS."

provided that, if the Merger Consideration Shares are being sold pursuant to Rule 144 under the Securities Act, if available, the legend may be removed by delivery to BaM and the registrar and transfer agent for the Merger Consideration Shares of an opinion of counsel of recognized standing in form and substance reasonably satisfactory to BaM, that such legend is no longer required under applicable requirements of the Securities Act.

Section 2.10 No Further Ownership Rights in Company Common Stock. Upon Sellers' receipt of the Merger Consideration at the Closing, the Sellers shall be deemed to have been paid in full and after the Effective Time, there shall be no further registration of transfers of Shares on the stock transfer books of the Surviving Corporation.

Section 2.11 Adjustments. Without limiting the other provisions of this Agreement, if at any time during the period between the date of this Agreement and the Effective Time, any change in the outstanding shares of capital stock of the Company shall occur, including by reason of any reclassification, recapitalization, stock split (including reverse stock split) or combination, exchange or readjustment of shares, or any stock dividend or distribution paid in stock, the Merger Consideration and any other amounts payable pursuant to this Agreement shall be appropriately adjusted to reflect such change.

Section 2.12 Withholding Rights. Each of Parent, Merger Sub and the Surviving Corporation shall be entitled to deduct and withhold from the consideration otherwise payable to any Person pursuant to this ARTICLE II such amounts as may be required to be deducted and withheld with respect to the making of such payment under any provision of Tax Law, provided that Parent shall provide a schedule of any proposed withholdings not later than five (5) Business Days prior to the Closing Date and shall cooperate in good faith with Sellers and the Company to eliminate or minimize any such withholdings. To the extent that amounts are so deducted and withheld by Parent, Merger Sub or the Surviving Corporation, as the case may be, such amounts shall be treated for all purposes of this Agreement as having been paid to the Person in respect of which Parent, Merger Sub or the Surviving Corporation, as the case may be, made such deduction and withholding.

Section 2.13 Post-Closing Obligations; Post-Closing Milestones.

(a) Following the Closing, Parent shall use commercially reasonable efforts towards Surviving Corporation acquiring all Permits required to conduct recreational cannabis retail operations, including but not limited to a Class 5 Retail License from the CRC (the "**State Recreational Licenses**"). Such commercially reasonable efforts include submitting all information required with respect to the application for the State Recreational Licenses, paying all fees required in connection with such applications, responding promptly and completely for all requests for information by the CRC or other state or local Governmental Authority, and implementing all suggestions reasonably made by the CRC or other state or local Governmental Authority as a condition to issuance of the State Recreational License. Parent agrees and acknowledges that the costs associated with acquiring the State Recreational Licenses and building out the Premises shall be Parent's sole responsibility.

(b) For a period one (1) year following the Closing Date, Sellers hereby agree to provide ongoing cooperation and assistance to Parent in connection with Surviving Corporation's pursuit of acquiring the State Recreational Licenses. Sellers acknowledge that such cooperation shall include without limitation, in-person meetings with local and state officials, navigating compliance requirements, and assisting with application materials. All pre-approved and documented costs and expenses incurred by Sellers in furtherance of the foregoing shall be reimbursed by Parent hereunder. The Parties agree that in no event shall the Sellers be required to dedicate greater than ten (10) hours per month per individual Seller in connection with fulfilling the obligations set forth in this Section 2.13(b).

(c) The share certificates representing the Merger Consideration Shares shall only be physically conveyed to Sellers upon the Surviving Corporation's achievement of the following (the "**Post-Closing Milestones**"):

(i) If, within two (2) years of the Closing Date, the Surviving Corporation's application is approved and is granted pending license approval from the CRC, Parent shall direct BaM's transfer agent to convey to Sellers the share certificates representing seventy percent (70%) of the Merger Consideration Shares in accordance with each Seller's Pro Rata Share.

(ii) If, within three (3) years of the Closing Date, the Surviving Corporation opens for business as a recreational cannabis dispensary, Parent shall direct BaM's transfer agent to convey to Sellers the share certificates representing the remaining thirty percent (30%) of the Merger Consideration Shares in accordance with each Seller's Pro Rata Share.

(d) If either or both of the Post-Closing Milestones are not achieved within the periods after the Closing Date referenced in Sections 2.13(c)(i) and (ii) (in either case, the "**Milestone Dates**"), Parent shall have the option to cancel the shares representing the Merger Consideration Shares attributable to the failed Post-Closing Milestone by delivering written notice to Sellers and in the event of such cancellation, the portion of the Merger Consideration Shares attributable to the failed Post-Closing Milestone shall be surrendered and cancelled without any further action required by the Parties. Notwithstanding the foregoing, if either or both of the Post-Closing Milestones are not achieved (or if it becomes obvious that they will not be achieved) by their respective Milestone Dates because of delays that are not caused by Sellers, Sellers may, before the applicable Milestone Dates, provide notice to Buyer, and the applicable Milestone Date will be extended to such date as is reasonably necessary for the Post-Closing Milestone to be achieved. The Parties will work together in mutual good faith to determine the dates by when the Post-Closing Milestones can be reasonably achieved.

(e) Notwithstanding the foregoing, if Parent fails to Diligently Pursue issuance of the State Recreational Licenses through the Company at any time prior to the second anniversary of the Closing Date, and Parent fails to cure such failures in accordance with this Section 2.13(e), Parent will owe to Sellers a termination fee equal to twenty-five percent (25%) of the Merger Consideration Shares ("**Termination Fee**"). The Termination Fee is intended to compensate Sellers for entering into this Agreement, agreeing not to independently pursue issuance of the State Recreational License, and foregoing other opportunities that will be lost upon the Closing. If the Sellers believe that Parent is no longer Diligently Pursuing issuance of the State Recreational License, Sellers will provide written notice to Parent explaining with sufficient detail how Parent has failed to Diligently Pursue the State Recreational License and providing documentary evidence consistent with such allegation ("**Section 2.13(e) Notice**"). Parent will then have five (5) Business Days from receiving the Section 2.13(e) Notice to respond or pay the Termination Fee. Parent may respond by objecting to the Sellers' assertion set forth in the Section 2.13(e) Notice and identifying the actions being taken to obtain the State Recreational License, or acknowledge that it has not been Diligently Pursuing issuance of the State Recreational License, but providing a corrective plan that will be implemented within five (5) Business Days. If subsequent to Parent acknowledging its failure to Diligently Pursue a State Recreational License as set forth in the Section 2.13(e) Notice, Parent continues for such five (5) Business Day-period to fail to implement its corrective plan or Diligently Pursue the issuance of the State Recreational Licenses to Sellers' satisfaction acting reasonably, Parent will either pay the Termination Fee or the parties can submit the dispute to a neutral third-party arbitrator, whose determination of Parent's satisfaction of its obligations under this Section 2.13(e) will be binding on Parent and Sellers. For the purposes of this Section, the term "**Diligently Pursue**" or "**Diligently Pursuing**" as context dictates, shall mean taking all actions reasonably required to avoid any of the following from occurring: (1) unreasonable failure to submit Company's State Recreational License application; (2) failure to respond to communications from the CRC pertaining to Company's acquisition of State Recreational Licenses within five (5) Business Days from receipt of such communications; (3) failure to provide the CRC with documents and information it requests, provided Parent has access to and the ability to provide such requested information; or (4) failure to take such other actions as are reasonably required to successfully obtain a State Recreational License. For the avoidance of doubt, the Parties expressly agree that the Termination Fee shall only become due and payable to Sellers in connection with Parent failing to Diligently Pursue the State Recreational Licenses, irrespective of whether Parent actually obtains such State Recreational Licenses. Parent shall have no obligation to pay the Termination Fee in the event Parent Diligently Pursues the State Recreational License or otherwise complies with its obligations pursuant to this Section 2.13(e), but Parent cannot obtain a State Recreational License for any reason, including without limitation: (i) revocation of Local Authorization; (ii) rejection of the transaction set forth in this Agreement by Local Regulators; (iii) any other form of non-approval by the Local Regulators; (iv) rejection by the CRC or any other state regulators for any reason including without limitation, premises issues or zoning compliance; (v) delays with the State Recreational Licensing process or other external delays or changes to such processes; or (vi) failure by Sellers or any required third-party to timely cooperate with Parent's application process. In the event of any delays contemplated hereunder, Parent will inform the Seller within five (5) Business Days of the event. Any such delays that prevent the Parent from obtaining a State Recreational License prior to the fulfillment date outlined in Section 9.01(b)(ii) will mutually extend the termination date by the length of such delays.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth in the correspondingly numbered Section of the Disclosure Schedules, the Company represents and warrants to Parent that the statements contained in this ARTICLE III are true and correct as of the date hereof.

Section 3.01 Organization and Qualification of the Company. The Company is a corporation duly incorporated, validly existing and in good standing under the Laws of the state of New Jersey and has full corporate power and authority to own, operate or lease the properties and assets now owned, operated or leased by it and to carry on its business as it has been and is currently conducted. The Company is duly licensed or qualified to do business and is in good standing in each jurisdiction in which the properties owned or leased by it or the operation of its business as currently conducted makes such licensing or qualification necessary.

Section 3.02 Authority; Board Approval.

(a) The Company has full corporate power and authority to enter into and perform its obligations under this Agreement to which it is a party and, subject to, in the case of the consummation of the Merger, adoption of this Agreement by the affirmative unanimous vote or consent of Sellers (holding all the Shares), to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance by the Company of this Agreement to which it is a party and the consummation by the Company of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of the Company and no other corporate proceedings on the part of the Company are necessary to authorize the execution, delivery and performance of this Agreement or to consummate the Merger and the other transactions contemplated hereby and thereby.

(b) The Company Board, by resolutions duly adopted by unanimous written consent of all directors of the Company and, not subsequently rescinded or modified in any way, has, as of the date hereof: (i) determined that this Agreement and the transactions contemplated hereby, including the Merger, are fair to, and in the best interests of, the Sellers; (ii) approved and declared advisable the "agreement of merger" contained in this Agreement and the transactions contemplated by this Agreement, including the Merger, in accordance with the NJBCA, (iii) directed that the "agreement of merger" contained in this Agreement be submitted to the Sellers for adoption, and (iv) resolved to recommend that the Sellers adopt the "agreement of merger" set forth in this Agreement (collectively, the "**Company Board Recommendation**") and directed that such matter be submitted for consideration of the Sellers as the holders of all issued and outstanding Shares.

Section 3.03 No Conflicts; Consents. The execution, delivery and performance by the Company of this Agreement, and the consummation of the transactions contemplated hereby and thereby, including the Merger, do not and will not: (i) conflict with or result in a violation or breach of, or default under, any provision of the certificate of incorporation, by-laws or other organizational documents of the Company ("**Company Charter Documents**"); (ii) result in a violation or breach of any provision of any Law or Governmental Order applicable to the Company; (iii) require the consent, notice or other action by any Person; or (iv) otherwise affect the Local Authorization. No consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to the Company in connection with the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby and thereby, except for the filing of the Certificate of Merger and the Restated Certificate of Incorporation with the Department of Treasury of New Jersey.

Section 3.04 Capitalization. The authorized capital stock of the Company consists of 1,500 shares of Common Stock, of which 1,000 shares are issued and outstanding as of the close of business on the date of this Agreement.

Section 3.05 No Subsidiaries. The Company does not own or have any interest in any shares or have an ownership interest in any other Person.

Section 3.06 Financial Statements. The Company has not prepared any financial statements to reflect its business operations.

Section 3.07 Undisclosed Liabilities. The Company has no liabilities, obligations or commitments of any nature whatsoever, asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured or otherwise ("**Liabilities**"), except (a) those which are set forth in Section 3.07 of the Disclosure Schedule.

Section 3.08 Absence of Certain Changes, Events and Conditions. There has not been, with respect to the Company, any:

(a) event, occurrence or development that has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect;

(b) amendment to the Company Charter Documents;

(c) split, combination or reclassification of any shares of its capital stock;

(d) declaration or payment of any dividends or distributions on or in respect of any of its capital stock or redemption, purchase or acquisition of its capital stock;

(e) entry into any Contract that would constitute a Material Contract;

(f) incurrence, assumption or guarantee of any indebtedness for borrowed money except unsecured current obligations and Liabilities incurred in the ordinary course of business consistent with past practice;

(g) transfer, assignment, sale or other disposition of any of the assets or cancellation of any debts or entitlements;

(h) any capital expenditures, capital investment in, or any loan to, any other Person;

(i) imposition of any Encumbrance upon any of the Company properties, capital stock or assets, tangible or intangible;

(j) except for the Merger, adoption of any plan of merger, consolidation, reorganization, liquidation or dissolution or filing of a petition in bankruptcy under any provisions of federal or state bankruptcy Law or consent to the filing of any bankruptcy petition against it under any similar Law;

(k) any Contract to do any of the foregoing, or any action or omission that would result in any of the foregoing.

Section 3.09 Material Contracts. Section 3.09 of the Disclosure Schedules lists all Material Contracts. Each Material Contract is valid and binding on the Company in accordance with its terms and is in full force and effect. None of the Company or, to the Company's Knowledge, any other party thereto is in breach of or default under (or is alleged to be in breach of or default under), or has provided or received any notice of any intention to terminate, any Material Contract. No event or circumstance has occurred that, with notice or lapse of time or both, would constitute an event of default under any Material Contract or result in a termination thereof or would cause or permit the acceleration or other changes of any right or obligation or the loss of any benefit thereunder. Complete and correct copies of each Material Contract (including all modifications, amendments and supplements thereto and waivers thereunder) have been made available to Parent.

Section 3.10 Entitlements; Real Property. The Company has acquired the Local Authorization which is validly issued by the Local Regulators. The Company has no Current Assets and does not own, nor does it lease, any Real Property.

Section 3.11 Intellectual Property. The Company owns no Intellectual Property other than the Intellectual Property identified in Section 3.11 of the Disclosure Schedule.

Section 3.12 Legal Proceedings; Governmental Orders. Except as set forth in Section 3.12 of the Disclosure Schedules, there are no Actions pending or, to the Company's Knowledge, threatened (a) against or by the Company affecting any of its properties or assets; or (b) against or by the Company that challenges or seeks to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. No event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such Action.

Section 3.13 Compliance With Laws; Permits. The Company has materially complied, and is now materially complying, with all Laws applicable to it or its business, properties or assets, including the Local Authorization and any other Permits acquired as of the Effective Date. All fees and charges with respect to the Local Authorization as of the date hereof have been paid in full. Section 3.13 of the Disclosure Schedules lists all current Permits issued to the Company, including the names of the Permits and their respective dates of issuance and expiration. No event has occurred that, with or without notice or lapse of time or both, would reasonably be expected to result in the revocation, suspension, lapse or limitation of any Permit set forth in Section 3.13 of the Disclosure Schedules.

Section 3.14 Environmental Matters. The Company has not violated any Environmental Law and to the Sellers' Knowledge, there are no outstanding Environmental Claims against the Company or Sellers.

Section 3.15 Employment Matters. Section 3.15 of the Disclosure Schedules contains a list of all persons who are employees, independent contractors or consultants of the Company as of the date hereof.

Section 3.16 Taxes.

(a) All income and other material Tax Returns required to be filed on or before the Closing Date by the Company have been, or will be, timely filed. Such Tax Returns are, or will be, true, complete and correct in all respects. All material Taxes due and owing by the Company (whether or not shown on any Tax Return) have been, or will be, timely paid.

(b) The Company has withheld and paid all material Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, customer, shareholder or other party, and complied in all material respects with all information reporting and backup withholding provisions of applicable Law.

(c) No claim has been made by any taxing authority in any jurisdiction where the Company does not file Tax Returns that it is, or may be, subject to Tax by that jurisdiction, which claim has not been resolved.

(d) No extensions or waivers of statutes of limitations have been given or requested with respect to any Taxes of the Company.

(e) The Company is not a party to any Action by any taxing authority. There are no pending or, to the Seller's Knowledge, threatened Actions by any taxing authority.

(f) There are no Encumbrances for Taxes (other than for current Taxes not yet due and payable) upon the assets of the Company.

(g) The Company is not a party to, or bound by, any Tax indemnity, Tax sharing or Tax allocation agreement.

Section 3.17 Books and Records. The minute books and stock record books of the Company, all of which have been made available to Parent, are complete and correct.

Section 3.18 Related Party Transactions. No executive officer or director of the Company or any person owning 5% or more of the Shares (or any of such person's immediate family members or Affiliates or associates) is a party to any Contract with or binding upon the Company or any of its assets, rights or properties or has any interest in any property owned by the Company or has engaged in any transaction with any of the foregoing within the last twelve (12) months.

Section 3.19 Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement or any Ancillary Document based upon arrangements made by or on behalf of the Company.

Section 3.20 Full Disclosure. No representation or warranty by the Company in this Agreement and no statement contained in the Disclosure Schedules to this Agreement or any certificate or other document furnished or to be furnished to Parent or any of its Representatives pursuant to this Agreement contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements contained therein, in light of the circumstances in which they are made, not misleading.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF BAM, PARENT AND MERGER SUB

BaM, Parent and Merger Sub, jointly and severally, represent and warrant to the Sellers that the statements contained in this ARTICLE IV are true and correct as of the date hereof.

Section 4.01 Organization and Authority of BaM, Parent and Merger Sub. Each of BaM, Parent and Merger Sub is a corporation duly organized, validly existing and in good standing under the Laws of the jurisdiction of its incorporation. Each of BaM, Parent and Merger Sub has full corporate power and authority to enter into and perform its obligations under this Agreement.

Section 4.02 No Conflicts; Consents. The execution, delivery and performance by BaM, Parent and Merger Sub of this Agreement, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) conflict with or result in a violation or breach of, or default under, any provision of the certificate of incorporation, by-laws or other organizational documents of BaM, Parent or Merger Sub; or (b) conflict with or result in a violation or breach of any provision of any Law or Governmental Order applicable to BaM, Parent or Merger Sub.

Section 4.03 No Prior Merger Sub Operations. Merger Sub was formed solely for the purpose of effecting the Merger and has not engaged in any business activities or conducted any operations other than in connection with the transactions contemplated hereby.

Section 4.04 Brokers or Finders. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement or any Ancillary Document based upon arrangements made by or on behalf of BaM, Parent or Merger Sub or any of their respective Affiliates.

Section 4.05 Legal Proceedings. There are no Actions pending or threatened (a) against or by Parent, Merger Sub or BaM affecting any of their properties or assets that could reasonably be expected to result in a material adverse effect against Parent, Merger Sub or BaM; or (b) against or by Parent, Merger Sub or BaM that challenges or seeks to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. No event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such Action.

Section 4.06 Investment Purpose. Parent is not acquiring the Shares with a view to or for sale in connection with any distribution thereof within the meaning of the Securities Act. Parent understands and acknowledges that (a) none of the Shares have been registered or qualified under the Securities Act, or under any securities laws of any state of the United States or other jurisdiction, in reliance upon specific exemptions thereunder for transactions not involving any public offering, (b) all of the Shares constitute "restricted securities" as defined in Rule 144 under the Securities Act, (c) none of the Shares is traded or tradable on any securities exchange or over-the-counter and (d) none of the Shares may be sold, transferred or otherwise disposed of unless a registration statement under the Securities Act with respect to such Shares and qualification in accordance with any applicable state securities laws becomes effective or unless such registration and qualification is inapplicable, or an exemption therefrom is available.

Section 4.07 Issuance of Merger Consideration Shares. The Merger Consideration Shares have been duly authorized by BaM. Upon issuance in accordance with the terms hereof, the Merger Consideration Shares will be validly issued, fully paid and non-assessable shares in the capital of BaM, being entitled to all rights accorded to a holder of BaM's common stock. The Merger Consideration Shares are not subject to or issued in violation of any purchase option, call option, right of first refusal, preemptive right, subscription right or any similar right. Assuming the accuracy and completeness of the representations made by the Sellers in this Agreement and in their respective Investment Agreements, the offer, issuance, sale and delivery of the Merger Consideration Shares are and will be in compliance with all applicable Canadian Securities Laws and the policies of the Canadian Securities Exchange ("**CSE**").

Section 4.08 Securities Laws Matters.

(a) BaM's common stock is registered as a class under section 12(g) of the Exchange Act, and BaM is not in default of any material requirements of the Exchange Act or the rules and regulations promulgated thereunder.

(b) BaM has taken no action to de-register its common stock under the Exchange Act, nor has BaM received any notification from the SEC seeking to revoke such registration pursuant to section 12(j) of the Exchange Act.

(c) BaM is a "reporting issuer" or equivalent thereof in the Canadian Provinces of Ontario and British Columbia, is not on the list of reporting issuers in default under applicable Canadian securities laws and is not in default of any material requirements of any applicable Canadian securities laws or the rules and regulations of the CSE.

(d) No delisting, suspension of trading in or cease trade order with respect to any of BaM's securities and, to the knowledge of BaM or Parent, no inquiry or investigation of any Governmental Authority, is pending, in effect or ongoing or threatened. BaM's common stock is listed only on the CSE and quoted on the OTCQB ® Venture Market and trading of the common stock is not currently halted or suspended.

(e) BaM has taken no action to cease to be a reporting issuer in Ontario or British Columbia, nor has BaM received notification from any Governmental Authority seeking to revoke the reporting issuer status of BaM.

(f) Other than as disclosed by BaM to the Company and the Sellers, BaM has, since January 31, 2020, filed all documents required to be filed by it in accordance with the Exchange Act and applicable Canadian Securities Laws, and the rules, policies and requirements of the CSE, in all material respects. BaM has timely filed with the SEC, the CSE and other applicable Governmental Authorities all material forms, reports, schedules, certifications, statements and other documents required to be filed by it under the Exchange Act, Canadian Securities Laws and, where applicable, the rules and policies of the CSE, since January 31, 2020 (the "**BaM Disclosure Record**"). The BaM Disclosure Record complied as filed in all material respects with the Exchange Act, applicable Canadian Securities Laws and, where applicable, the rules and policies of the CSE, and did not, as of the date filed (or, if amended or superseded by a subsequent filing prior to the date of this Agreement, on the date of such filing), contain any untrue statement of a material fact or omit to state a material fact required or necessary to make the statements contained therein not misleading in light of the circumstances in which they were made. BaM has not filed any confidential material change report with any Governmental Authority which at the date hereof remains confidential. Other than in the ordinary course of business, there are no outstanding or unresolved comments in any comment letters from any Governmental Authorities with respect to any of the BaM Disclosure Record and, to Parent's knowledge, none of BaM or any of the BaM Disclosure Record is subject of an ongoing audit, review, comment or investigation by any Governmental Authority or the CSE.

(g) Each of the consolidated financial statements contained or incorporated by reference in the BaM Disclosure Record, including the related notes and schedules, was prepared (except as indicated in the notes thereto) in accordance with GAAP applied on a basis consistent with past practice of BaM throughout the periods indicated, and each such consolidated financial statement presented fairly, in all material respects, the consolidated financial position, results of operations, shareholders' equity and cash flows of BaM and its consolidated subsidiaries as of the respective dates thereof and for the respective periods indicated therein (subject, in the case of unaudited quarterly financial statements, to the absence of footnotes and year-end adjustments).

Section 4.09 Full Disclosure. No representation or warranty by Parent or Merger Sub in this Agreement and no statement contained in any certificate or other document furnished or to be furnished to Sellers or any of their Representatives pursuant to this Agreement contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements contained therein, in light of the circumstances in which they are made, not misleading.

ARTICLE V
COVENANTS

Section 5.01 Conduct of Business Prior to the Closing. From the date hereof until the Closing, the Company shall: (a) conduct the business of the Company in the ordinary course of business consistent with past practice; and (b) use reasonable best efforts to maintain and preserve intact the current organization, business and franchise of the Company and to preserve the rights, franchises, goodwill and relationships of its employees, customers, lenders, suppliers, regulators and others having business relationships with the Company.

Section 5.02 Access to Information. From the date hereof until the Closing, the Company shall: (a) afford Parent and its Representatives full and free access to and the right to inspect all of the Real Property, properties, assets, premises, books and records, Contracts and other documents and data related to the Company; (b) furnish Parent and its Representatives with such financial, operating and other data and information related to the Company as Parent or any of its Representatives may reasonably request; and (c) instruct the Representatives of the Company to cooperate with Parent in its investigation of the Company. No investigation by Parent or other information received by Parent shall operate as a waiver or otherwise affect any representation, warranty or agreement given or made by the Company in this Agreement.

Section 5.03 No Solicitation of Other Bids. Until the earlier of the Closing or the termination of this Agreement in accordance with Article IX, the Company shall not, and shall not authorize or permit any of its Affiliates or any of its or their Representatives to, directly or indirectly: (a) encourage, solicit, initiate, facilitate or continue inquiries regarding an Acquisition Proposal; (b) enter into discussions or negotiations with, or provide any information to, any Person concerning a possible Acquisition Proposal; or (iii) enter into any agreements or other instruments (whether or not binding) regarding an Acquisition Proposal. The Company shall immediately cease and cause to be terminated, and shall cause its Affiliates and all of its and their Representatives to immediately cease and cause to be terminated, all existing discussions or negotiations with any Persons conducted heretofore with respect to, or that could lead to, an Acquisition Proposal. The Company agrees that the rights and remedies for noncompliance with this Section 5.03 shall include having such provision specifically enforced by any court having equity jurisdiction, it being acknowledged and agreed that any such breach or threatened breach shall cause irreparable injury to Parent and that money damages would not provide an adequate remedy to Parent.

Section 5.04 Sellers' Consent. The Company shall cause the Sellers to vote via unanimous written consent to approve the transactions contemplated by this Agreement as required by applicable Law and the Company Charter Documents.

Section 5.05 Notice of Certain Events. From the date hereof until the Closing, the Company shall promptly notify Parent in writing of: (a) any fact, circumstance, event or action the existence, occurrence or taking of which (i) has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, including any event or circumstance that would implicate or otherwise affect the Local Authorization, (ii) has resulted in, or could reasonably be expected to result in, any representation or warranty made by the Company hereunder not being true and correct, or (iii) has resulted in, or could reasonably be expected to result in, the failure of any of the conditions set forth in Section 7.02 to be satisfied; (b) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement; (c) any notice or other communication from any Governmental Authority in connection with the transactions contemplated by this Agreement; and (d) any Actions commenced or, to the Company's Knowledge, threatened against, relating to or involving or otherwise affecting the Company. Parent's receipt of information pursuant to this Section 5.05 shall not operate as a waiver or otherwise affect any representation, warranty or agreement given or made by the Company and shall not be deemed to amend or supplement the Disclosure Schedules.

Section 5.06 Resignations. The Company shall deliver to Parent written resignations, effective as of the Closing Date, of the officers and directors of the Company at least three (3) Business Days prior to the Closing.

Section 5.07 Closing Conditions From the date hereof until the Closing, each party hereto shall use reasonable best efforts to take such actions as are necessary to expeditiously satisfy the closing conditions set forth in ARTICLE VII hereof.

Section 5.08 Public Announcements. Unless otherwise required by applicable Law or stock exchange requirements (based upon the reasonable advice of counsel), no party to this Agreement shall make any public announcements in respect of this Agreement or the transactions contemplated hereby or otherwise communicate with any news media without the prior written consent of the other party (which consent shall not be unreasonably withheld, conditioned or delayed), and the parties shall cooperate as to the timing and contents of any such announcement.

Section 5.09 Further Assurances. At and after the Effective Time, the officers and directors of the Surviving Corporation shall be authorized to execute and deliver, in the name and behalf of the Company or Merger Sub, any deeds, bills of sale, assignments or assurances and to take and do, in the name and on behalf of the Company or Merger Sub, any other actions and things to vest, perfect or confirm of record or otherwise in the Surviving Corporation any and all right, title and interest in, to and under any of the rights, properties or assets of the Company acquired or to be acquired by the Surviving Corporation as a result of, or in connection with, the Merger.

ARTICLE VI
TAX COVENANTS

Section 6.01 Tax Covenants.

(a) The parties hereto agree (i) to treat the transactions described herein as a reorganization described in section 368(a)(1)(A) of the Code and all the Merger Consideration Shares as stock issued in connection with the reorganization and (ii) to treat the Merger Cash Payment as a contribution of cash to the Surviving Corporation and a repayment by the Surviving Corporation of loans made to it by the Sellers, to the extent of such loans, rather than as "boot" in the reorganization (collectively the "**Intended Tax Treatment**"). Unless the Sellers agree otherwise, no party shall take a position inconsistent with the Intended Tax Treatment or elect not to contest a government position inconsistent with the Intended Tax Treatment unless required by a "determination" within the meaning of section 1313 of the Code or any comparable provision of state, local, or foreign law.

(b) All transfer, documentary, sales, use, stamp, registration, value added and other such Taxes and fees (including any penalties and interest) incurred in connection with this Agreement (including any real property transfer Tax and any other similar Tax) shall be borne and paid 50% by Parent and 50% by the Sellers as a group (each in accordance with their Pro Rata Shares) when due.

(c) Any and all existing Tax sharing agreements (whether written or not) binding upon the Company shall be terminated as of the Closing Date. After such date neither the Company nor any of its Representatives shall have any further rights or liabilities thereunder.

Section 6.02 Tax Indemnification. The Sellers shall, severally and not jointly (in accordance with their Pro Rata Shares), indemnify the Company, Parent, and each Parent Indemnitee and hold them harmless from and against (a) any Loss attributable to any breach of or inaccuracy in any representation or warranty made in Section 3.16; (b) any Loss attributable to any breach or violation of, or failure to fully perform, any covenant, agreement, undertaking or obligation in ARTICLE VI; (c) all Taxes of the Company or relating to the business of the Company prior to the Closing; (d) all Taxes of any member of an affiliated, consolidated, combined or unitary group of which the Company (or any predecessor of the Company) is or was a member on or prior to the Closing Date by reason of a liability under Treasury Regulation Section 1.1502-6 or any comparable provisions of foreign, state or local Law; and (e) any and all Taxes of any Person imposed on the Company arising under the principles of transferee or successor liability or by contract, relating to an event or transaction occurring before the Closing Date. In each of the above cases, together with any out-of-pocket fees and expenses (including attorneys' and accountants' fees) incurred in connection therewith, the Sellers shall, severally and not jointly (in accordance with their Pro Rata Shares), reimburse Parent for any Taxes of the Company that are the responsibility of Sellers pursuant to this ARTICLE VI within ten (10) Business Days after final determination of liability for such Taxes by Parent or the Company.

Section 6.03 Tax Returns. There are no Tax Returns required to be filed by Company prior to the Effective Date. Parent shall prepare and timely file, or cause to be prepared and timely filed, all Tax Returns required to be filed by Company that are due after the Closing Date.

Section 6.04 Cooperation and Exchange of Information. The Sellers, the Company and Parent shall provide each other with such cooperation and information as either of them reasonably may request of the others in filing any Tax Return pursuant to this ARTICLE VI or in connection with any audit or other proceeding in respect of Taxes of the Company.

Section 6.05 Survival. Notwithstanding anything in this Agreement to the contrary, the provisions of 3.16 and this ARTICLE VI shall survive for the full period of all applicable statutes of limitations (giving effect to any waiver, mitigation or extension thereof), plus sixty (60) days.

ARTICLE VII
CONDITIONS TO CLOSING

Section 7.01 Conditions to Obligations of All Parties. The obligations of each party to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment, at or prior to the Closing, of each of the following conditions:

(a) This Agreement shall have been duly adopted by the unanimous written consent of Sellers and Parent (as the sole shareholder of the Merger Sub).

(b) No Governmental Authority shall have enacted, issued, promulgated, enforced or entered any Governmental Order which is in effect and has the effect of making the transactions contemplated by this Agreement illegal, otherwise restraining or prohibiting consummation of such transactions or causing any of the transactions contemplated hereunder to be rescinded following completion thereof.

(c) The Company and Parent shall have received all required consents, authorizations, orders and approvals from the Governmental Authorities and no such consent, authorization, order and approval shall have been revoked.

Section 7.02 Conditions to Obligations of BaM, Parent and Merger Sub. The obligations of BaM, Parent and Merger Sub to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or BaM's waiver, at or prior to the Closing, of each of the following conditions:

(a) The representations and warranties of the Company contained in this Agreement and any certificate or other writing delivered pursuant hereto shall be true and correct in all material respects at and as of the date hereof and on and as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects).

(b) The Company shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

(c) No Action shall have been commenced against BaM, Parent, Merger Sub or the Company, which would prevent the Closing. No injunction or restraining order shall have been issued by any Governmental Authority, and be in effect, which restrains or prohibits any transaction contemplated hereby.

(d) All approvals, consents and waivers that are listed on Section 3.02 of the Disclosure Schedules shall have been received and executed counterparts thereof shall have been delivered to Parent at or prior to the Closing.

(e) From the date of this Agreement, there shall not have occurred any Material Adverse Effect, nor shall any event or events have occurred that, individually or in the aggregate, with or without the lapse of time, could reasonably be expected to result in a Material Adverse Effect.

(f) The Company shall have delivered each of the closing deliverables set forth in Section 2.03(a).

(g) The Commercial Lease is executed by the parties thereto.

(h) Each Seller shall have delivered a duly completed and executed Investment Agreement, as set forth in Section 2.03(c).

(i) BaM shall be reasonably satisfied as to Company's confirmation that the transaction contemplated by this Agreement will not affect the Local Authorization and is otherwise approved by the Local Regulators.

Section 7.03 Conditions to Obligations of the Company. The obligations of the Company to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or the Company's waiver, at or prior to the Closing, of each of the following conditions:

(a) The representations and warranties of BaM, Parent and Merger Sub contained in this Agreement and any certificate or other writing delivered pursuant hereto shall be true and correct in all material respects at and as of the date hereof and on and as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects).

(b) BaM, Parent and Merger Sub shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement to be performed or complied with by them prior to or on the Closing Date.

(c) No injunction or restraining order shall have been issued by any Governmental Authority, and be in effect, which restrains or prohibits any material transaction contemplated hereby.

(d) Parent shall have delivered each of the closing deliverables set forth in Section 2.03(b).

ARTICLE VIII
INDEMNIFICATION

Section 8.01 Survival. Subject to the limitations and other provisions of this Agreement, the representations and warranties contained herein (other than any representations or warranties contained in Section 3.16 which are subject to ARTICLE VI) shall survive the Closing and shall remain in full force and effect until the date that is one (1) year from the Closing Date; *provided, that* the representations and warranties in Section 3.01, Section 3.02(a), Section 3.04, Section 3.05, Section 3.19 shall survive indefinitely. All covenants and agreements of the parties contained herein (other than any covenants or agreements contained in ARTICLE VI which are subject to ARTICLE VI) shall survive the Closing indefinitely or for the period explicitly specified therein. Notwithstanding the foregoing, any claims asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from the indemnified party to the indemnifying party prior to the expiration date of the applicable survival period shall not thereafter be barred by the expiration of the relevant representation or warranty and such claims shall survive until finally resolved.

Section 8.02 Indemnification by Sellers. Subject to the other terms and conditions of this ARTICLE VIII, the Sellers, severally and not jointly (in accordance with their Pro Rata Shares), shall indemnify and defend Parent and its Affiliates (including the Company) and their respective Representatives (collectively, the "**Parent Indemnitees**") against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses incurred or sustained by, or imposed upon, Parent Indemnitees based upon, arising out of, with respect to or by reason of:

(a) any inaccuracy in or breach of any of the representations or warranties of the Company contained in this Agreement or in any certificate or instrument delivered by or on behalf of the Company pursuant to this Agreement (other than in respect of Section 3.16, it being understood that the sole remedy for any such inaccuracy in or breach thereof shall be pursuant to ARTICLE VI), 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 the Company pursuant to this Agreement (other than any breach or violation of, or failure to fully perform, any covenant, agreement, undertaking or obligation in ARTICLE VI, it being understood that the sole remedy for any such breach, violation or failure shall be pursuant to ARTICLE VI);

(c) any claim made by any Person relating to such Person's rights with respect to the Merger Consideration;

(d) any Transaction Expenses, to the extent not paid or satisfied by the Company at or prior to the Closing.

Section 8.03 Indemnification by Buyer. Subject to the other terms and conditions of this ARTICLE VIII, the Buyer shall indemnify and defend the Sellers and their respective Affiliates and their respective Representatives (collectively, the "**Seller Indemnitees**") against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses incurred or sustained by, or imposed upon, the Seller Indemnitees based upon, arising out of, with respect to or by reason of:

(a) any inaccuracy in or breach of any of the representations or warranties of the Buyer contained in this Agreement or in any certificate or instrument delivered by or on behalf of the Buyer pursuant to this Agreement, 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 the Buyer pursuant to this Agreement (other than any breach or violation of, or failure to fully perform, any covenant, agreement, undertaking or obligation in ARTICLE VI, it being understood that the sole remedy for any such breach, violation or failure shall be pursuant to ARTICLE VI);

Section 8.04 Indemnification Procedures.

(a) If any Parent Indemnitees or Seller Indemnitees (in either such case, the "**Indemnified Party**") receives notice of the assertion or commencement of any Action made or brought by any Person who is not a party to this Agreement or an Affiliate of a party to this Agreement or a Representative of the foregoing (a " **Third Party Claim**") against such Indemnified Party with respect to which the other party (in either such case, the "**Indemnifying Party**") is obligated to provide indemnification under this Agreement, the Indemnified Party shall give the Indemnifying Party reasonably prompt written notice thereof, but in any event not later than thirty (30) calendar days after receipt of such notice of such Third Party Claim. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of their indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defenses by reason of such failure. Such notice by the Indemnified Party shall describe the Third Party Claim in reasonable detail of the Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have the right to participate in, or by giving written notice to the Indemnified Party, to assume the defense of any Third Party Claim at the Indemnifying Party's expense and by the Indemnifying Party's own counsel, and the Indemnified Party shall cooperate in good faith in such defense; *provided, that* Indemnifying Party shall not have the right to defend or direct the defense of any such Third Party Claim that (i) is asserted directly by or on behalf of a Person that is a supplier or customer of the Company, or (ii) seeks an injunction or other equitable relief against the Indemnified Party. In the event that the Indemnifying Party assumes the defense of any Third Party Claim it shall have the right to take such action as it deems necessary to avoid, dispute, defend, appeal or make counterclaims pertaining to any such Third Party Claim in the name and on behalf of the Indemnified Party. The Indemnified Party shall have the right to participate in the defense of any Third Party Claim with counsel selected by it subject to the Indemnifying Party's right to control the defense thereof. Notwithstanding any other provision of this Agreement, the Indemnifying Party shall not enter into settlement of any Third Party Claim without the prior written consent of the Indemnified Party.

(b) Any Action by a Indemnified Party on account of a Loss which does not result from a Third Party Claim (a "**Direct Claim**") shall be asserted by the Indemnified Party giving the Indemnifying Party reasonably prompt written notice thereof, but in any event not later than thirty (30) days after the Indemnified Party becomes aware of such Direct Claim. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of their indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defenses by reason of such failure. Such notice by the Indemnified Party shall describe the Direct Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have thirty (30) days after its receipt of such notice to respond in writing to such Direct Claim. The Indemnified Party shall allow the Indemnifying Party and its professional advisors to investigate the matter or circumstance alleged to give rise to the Direct Claim, and whether and to what extent any amount is payable in respect of the Direct Claim and the Indemnified Party shall assist the Indemnifying Party's investigation by giving such information and assistance (including access to the Company's premises and personnel and the right to examine and copy any accounts, documents or records) as the Indemnifying Party or any of their professional advisors may reasonably request. If the Indemnifying Party does not so respond within such thirty (30) day period, the Indemnifying Party shall be deemed to have rejected such claim, in which case the Indemnified Party shall be free to pursue such remedies as may be available to the Indemnified Party on the terms and subject to the provisions of this Agreement.

(c) Notwithstanding any other provision of this Agreement, the control of any claim, assertion, event or proceeding in respect of Taxes of the Company (including, but not limited to, any such claim in respect of a breach of the representations and warranties in Section 3.16 hereof or any breach or violation of or failure to fully perform any covenant, agreement, undertaking or obligation in ARTICLE VI) shall be governed exclusively by ARTICLE VI hereof.

Section 8.05 Certain Limitations. The indemnification provided for in Section 8.02 and Section 8.03 shall be subject to the following limitations:

(a) Seller shall not be liable to Parent Indemnitees for indemnification under Section 8.02(a) until the aggregate amount of all Losses in respect of indemnification under Section 8.02(a) exceeds Twenty Thousand Dollars ($20,000) (the "**Basket**"), in which event Seller shall be required to pay or be liable for all such Losses from the first dollar.

(b) The aggregate amount of all Losses for which the Sellers shall be liable pursuant to Section 8.02(a), shall not exceed the aggregate amount of the Merger Consideration actually received by the Sellers.

(c) Payments by an Indemnifying Party pursuant to Section 8.02 or Section 8.03 in respect of any Loss shall be limited to the amount of any liability or damage that remains after deducting therefrom any insurance proceeds and any indemnity, contribution or other similar payment received by the Indemnified Party in respect of any such claim. The Indemnified Party shall use its commercially reasonable efforts to recover under insurance policies or indemnity, contribution or other similar agreements for any Losses prior to seeking indemnification under this Agreement. If after payment of any indemnity payment as to a claim, the Indemnified Party receives insurance proceeds or any indemnity, contribution or other similar payment in respect of any such claim, the Indemnified Party shall reimburse the Indemnifying Party with respect such payment, less the cost, if any, to obtain such payment, to the extent that the Indemnified Party has received duplicate recovery.

(d) Payments by an Indemnifying Party pursuant to Section 8.02 or Section 8.03 in respect of any Loss shall be reduced by an amount equal to any Tax benefit realized as a result of such Loss by the Indemnified Party. If after payment of any indemnity payment as to a claim, the Indemnified Party realizes a Tax benefit as a result of such Loss, the Indemnified Party shall reimburse the Indemnifying Party with respect such Tax benefit less the cost, if any, to obtain such Tax benefit.

(e) In no event shall any Indemnifying Party be liable to any Indemnified Party for any punitive, incidental, consequential, or special or indirect damages, except with respect to Third Party Claims and then only to the extent that such punitive, incidental, consequential or special or indirect damages are awarded against the Indemnified Party and in favor of the third party claimant.

(f) Each Indemnified Party shall take, and cause its Affiliates to take, all reasonable steps to mitigate any Loss upon becoming aware of any event or circumstance that would be reasonably expected to, or does, give rise thereto, including incurring costs only to the minimum extent necessary to remedy the breach that gives rise to such Loss.

Section 8.06 Tax Treatment of Indemnification Payments. All indemnification payments made under this Agreement shall be treated by the parties as an adjustment to the Merger Consideration for Tax purposes, unless otherwise required by Law.

Section 8.07 Exclusive Remedies. Subject to Section 10.10, the parties acknowledge and agree that their sole and exclusive remedy with respect to any and all claims (other than claims arising from fraud, criminal activity or willful misconduct on the part of a party hereto in connection with the transactions contemplated by this Agreement) for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement, shall be pursuant to the indemnification provisions set forth in this Article VIII. In furtherance of the foregoing, each party hereby waives, to the fullest extent permitted under Law, any and all rights, claims and causes of action for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement it may have against the other parties hereto and their Affiliates and each of their respective Representatives arising under or based upon any Law, except pursuant to the indemnification provisions set forth in this Article VIII. Nothing in this Section 8.07 shall limit any Person's right to seek and obtain any equitable relief to which any Person shall be entitled or to seek any remedy on account of any party's fraudulent, criminal or intentional misconduct.

ARTICLE IX
TERMINATION

Section 9.01 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by the mutual written consent of the Company and Parent;

(b) by Parent by written notice to the Company if:

(i) neither Parent nor Merger Sub is then in material breach of any provision of this Agreement and there has been a breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by the Company pursuant to this Agreement that would give rise to the failure of any of the conditions specified in ARTICLE VII and such breach, inaccuracy or failure has not been cured by the Company within fifteen (15) Business Days of the Company's receipt of written notice of such breach from Parent; or

(ii) any of the conditions set forth in Section 7.01 or Section 7.02 shall not have been, or if it becomes apparent that any of such conditions will not be, fulfilled by December 31, 2022, unless such failure shall be due to the failure of Parent to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it prior to the Closing;

(c) by the Company by written notice to Parent if:

(i) the Company is not then in material breach of any provision of this Agreement and there has been a breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by Parent or Merger Sub pursuant to this Agreement that would give rise to the failure of any of the conditions specified in ARTICLE VII and such breach, inaccuracy or failure has not been cured by Parent or Merger Sub within fifteen (15) Business Days of Parent's or Merger Sub's receipt of written notice of such breach from the Company; or

(ii) any of the conditions set forth in Section 7.01 or Section 7.03 shall not have been, or if it becomes apparent that any of such conditions will not be, fulfilled by December 31, 2022, unless such failure shall be due to the failure of the Company to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it prior to the Closing; or

(d) by Parent or the Company if there shall be any Law that makes consummation of the transactions contemplated by this Agreement illegal or otherwise prohibited or any Governmental Authority shall have issued a Governmental Order restraining or enjoining the transactions contemplated by this Agreement, and such Governmental Order shall have become final and non-appealable.

Section 9.02 Effect of Termination. In the event of the termination of this Agreement prior to the consummation of the Closing, this Agreement (including, without limitation, the Merger and payment of Merger consideration) shall become void and have no further force and effect, and the transactions contemplated herein shall be abandoned without any further action or Liabilities of any Party.

ARTICLE X
MISCELLANEOUS

Section 10.01 Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 10.03):

If to the Company:	CraftedPlants NJ Corp. 6608 E 2nd Street Scottsdale, Arizona 85251 E-mail: josh@bengalcap.com Attention: President
with a copy to:	Saul Ewing Arnstein & Lehr, LLP 161 North Clark Street, Suite 4200 Chicago, IL 60601 E-mail: adam.fayne@saul.com Attention: Adam Fayne
If to Parent or Merger Sub:	Body and Mind Inc. 2625 N Green Valley Pkwy, Ste 150 Henderson, NV 89014 E-mail: triphoffman@bodyandmind.com Attention: Chief Operating Officer
with a copy to:	Rimon Law 2029 Century Park East, Suite 400N Los Angeles, CA 90067 Tel/Fax: (213) 375-3811 E-mail: patrick.devine@rimonlaw.com Attention: Patrick Devine

Section 10.02 Interpretation. For purposes of this Agreement, (a) the words "include," "includes" and "including" shall be deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; and (c) the words "herein," "hereof," "hereby," "hereto" and "hereunder" refer to this Agreement as a whole. Unless the context otherwise requires, references herein: (x) to Articles, Sections, Disclosure Schedules and Exhibits mean the Articles and Sections of, and Disclosure Schedules and Exhibits attached to, this Agreement; (y) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. 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 Disclosure Schedules and Exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.

Section 10.03 Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

Section 10.04 Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

Section 10.05 Entire Agreement. This Agreement constitutes 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, the Exhibits and Disclosure Schedules (other than an exception expressly set forth as such in the Disclosure Schedules), the statements in the body of this Agreement will control.

Section 10.06 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, conditioned or delayed. No assignment shall relieve the assigning party of any of its obligations hereunder.

Section 10.07 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 or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 10.08 Amendment and Modification; Waiver. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by Parent, Merger Sub and the Company at any time prior to the Effective Time. Any failure of Parent or Merger Sub, on the one hand, or the Company, on the other hand, to comply with any obligation, covenant, agreement or condition herein may be waived by the Company (with respect to any failure by Parent or Merger Sub) or by Parent or Merger Sub (with respect to any failure by the Company), respectively, only by a written instrument signed by the party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

Section 10.09 Governing Law; Submission to Jurisdiction; Waiver of Jury Trial.

(a) THIS AGREEMENT SHALL BE GOVERNED IN ALL RESPECTS, INCLUDING VALIDITY, INTERPRETATION AND EFFECT, BY THE LAWS OF THE STATE OF NEW JERSEY APPLICABLE TO CONTRACTS EXECUTED AND TO BE PERFORMED WHOLLY WITHIN SUCH STATE WITHOUT GIVING EFFECT TO THE CHOICE OF LAW PRINCIPLES OF SUCH STATE.

(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 of this Agreement, the parties hereto shall use their good faith 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 in Section 10.09(c).

(c) If the parties cannot resolve the Action pursuant to the foregoing provisions, the dispute shall be settled by arbitration in Newark, New Jersey before a neutral arbitrator in accordance with the rules and regulations of the American Arbitration Association. If the parties cannot agree on a single arbitrator, each party shall appoint an arbitrator, and the two arbitrators shall agree to a third, neutral arbitrator. The parties shall share the fees and expenses of arbitration, provided however, that the arbitrator(s) shall be empowered to award costs of arbitration and attorneys' fees as part of any award. The arbitrator(s)' decision shall be final and legally binding on the parties and shall be rendered in a manner to permit enforcement of the award in any court of competent jurisdiction.

(d) THE PARTIES HERETO UNDERSTAND THAT THIS AGREEMENT CONTAINS AN AGREEMENT TO ARBITRATE. AFTER EXECUTING THIS DOCUMENT, EACH PARTY UNDERSTANDS THAT IT WILL NOT BE ABLE TO BRING A LAWSUIT CONCERNING ANY DISPUTE THAT MAY ARISE WHICH IS COVERED BY THE ARBITRATION AGREEMENT, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN. INSTEAD, EACH PARTY AGREES TO SUBMIT ANY SUCH DISPUTE TO IMPARTIAL ARBITRATOR(S). NOTWITHSTANDING THE FOREGOING OR ANY OTHER PROVISION IN THIS AGREEMENT TO THE CONTRARY, THE ARBITRATION PROVISIONS IN THIS AGREEMENT WILL NOT PREVENT ANY PARTY FROM SEEKING INJUNCTIVE RELIEF WHERE APPROPRIATE IN CONNECTION WITH THIS AGREEMENT.

Section 10.10 Specific Performance. The parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity.

Section 10.11 Counterparts. 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.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

COMPANY:
CraftedPlants NJ Corp.

By */s/ Joshua Rosen*
Name: Joshua Rosen
Title: CEO

PARENT:
DEP Nevada, Inc.

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

MERGER SUB:
BaM Body and Mind Dispensary NJ, Inc.

By */s/ Stephen "Trip" Hoffman*
Name: Stephen "Trip" Hoffman
Title: President

SELLERS:

/s/ Hugh O'Beirne
Name: Hugh O'Beirne

/s/ Sanjay Tolia
Name: Sanjay Tolia

/s/ Jerry Derevyanny
Name: Jerry Derevyanny

/s/ Brad Kotansky
Name: Brad Kotansky

/s/ Vinay Tolia
Name: Vinay Tolia

/s/ Trevor Pratte
Name: Trevor Pratte

/s/ Nicolle Dorsey
Name: Nicolle Dorsey

/s/ Joshua Rosen
Name: Joshua Rosen

Bengal Impact Partners, LLC

/s/ Joshua Rosen
By: Joshua Rosen
Its: Manager

EXHIBIT 10.1

LIMITED WAIVER AND AMENDMENT TO LOAN AGREEMENT

This LIMITED WAIVER AND AMENDMENT TO LOAN AGREEMENT, dated as of December 12, 2022 (this " **Agreement**"), is made by and among BODY AND MIND, INC., a Nevada corporation (the "**Borrower**"), DEP Nevada, Inc., a Nevada corporation ("**Holdings**"), the other Guarantors set forth on the signature pages affixed hereto (together with Holdings, each a "**Guarantor**" and together with the Borrower, the "**Loan Parties**"), FG AGENCY LENDING LLC, a Delaware limited liability company (the "**Agent**"), and BOMIND HOLDINGS LLC, a Delaware limited liability company (together with its successors and assigns, the "**Lender**"). Capitalized terms used herein that are not otherwise defined herein shall have the respective meanings assigned to such terms in the Loan Agreement referred to below.

W I T N E S S E T H:

WHEREAS, the Loan Parties, the Agent and the Lender from time-to-time party thereto are parties to that certain Loan Agreement dated as of July 19, 2021 (as amended, restated, supplemented or modified from time to time, the "**Loan Agreement**");

WHEREAS, an Event of Default as a result of (i) the Loan Parties' failure to deliver to Agent the audited annual financial statements of the Borrower and its Subsidiaries for the Fiscal Year ending July 31, 2022, on or before ninety (90) days after the end of such Fiscal Year in accordance with Section 7.2(c) of the Loan Agreement, has occurred and is continuing (the "**First Specified Default**") and (ii) the Agent being informed that the Loan Parties anticipate that it will fail to deliver the quarterly financial statements of the Borrower and its Subsidiaries for the fiscal quarter ending October 31, 2022, in form and substance acceptable to Agent, on or before forty- five (45) days after the end of such fiscal quarter, in accordance with Section 7.2(b) (the "**Second Specified Default**", and together with the First Specified Default, the "**Specified Defaults**"); and

WHEREAS, the Loan Parties have requested that the Agent and the Lender waive the Specified Default and, subject to the terms and conditions of this Waiver, the Agent and the Lender are willing to waive the Specified Default on a limited basis.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained herein, the parties agree as follows:

1. Limited Waiver.

a. Effective as of the Waiver Effective Date (as defined herein), upon satisfaction of the conditions precedent set forth in Section 3 hereof, the Agent and the Lender each hereby waive the Specified Defaults on a limited one-time basis subject to the terms and conditions hereof and solely until, (i) with respect to the First Specified Default, 5:00 PM EST on December 30, 2022, and (ii) with respect to the Second Specified Default, 5:00 PM EST on January 13, 2023 (the "**Waiver Period**"); *provided* that if the Loan Parties do not deliver each of the Amended Deliverables (as hereinafter defined) on or before expiration of their respective Waiver Period; this waiver shall no longer be of any effect, and the Lenders shall be entitled to enforce all remedies set forth in the Loan Agreement as of the date each Specified Default first occurred, including but not limited to imposition of default interest retroactively to the date of such Specified Default. For the avoidance of doubt, the failure to timely deliver such Amended Deliverables shall immediately result in an Event of Default and shall not be subject to any cure period.

b. The waiver contained in this Section 1 is limited waiver which shall only apply during the Waiver Period and (i) shall not constitute nor be deemed to constitute a waiver of (x) any Default or Event of Default other than the Specified Default whether or not known to the Agent or any Lender and whether or not existing on the date of this Agreement, or (y) any term or condition of the Loan Agreement or any other Loan Documents, (ii) shall not constitute nor be deemed to constitute a consent by the Agent or any Lender to anything other than as expressly stated herein, and (iii) shall not constitute a course of dealing among the parties hereto.

2. Amendment to Loan Agreement.

a. Section 7.2(b) is amended to provide as follows:

> "Quarterly Financial Statements. As soon as available and in any event (i) for the fiscal quarter ending October 31, 2022, on or before 5:00PM EST on January 13, 2023, (the "Second Amended Deliverables") and (ii) for each fiscal quarter thereafter, within forty-five (45) days after the end of each fiscal quarter of the Loan Parties commencing with the first fiscal quarter ending after the Closing Date, balance sheets (which are to be consolidated, if applicable), statements of operations and retained earnings and statements of cash flows of Borrower and its Subsidiaries as at the end of such quarter, and for the period commencing at the end of the immediately preceding Fiscal Year and ending with the end of such quarter, setting forth in each case in comparative form the figures for the corresponding date or period set forth in (A) the financial statements for the immediately preceding Fiscal Year and (B) the Projections, all in reasonable detail and certified by the Chief Financial Officer of Borrower as fairly presenting, in all material respects, the financial position of the Loan Parties as of the end of such quarter and the results of operations and cash flows of the Loan Parties for such quarter and for such year-to-date period, in accordance with GAAP applied in a manner consistent with that of the most recent audited financial statements of Borrower and its Subsidiaries furnished to the Lenders, subject to the absence of footnotes and normal year-end adjustments;"

b. Section 7.2(c) is amended to provide as follows:

> "Annual Financial Statements. As soon as available, and in any event (i) for the Fiscal Year ending July 31, 2022, on or before 5:00 PM EST on December 30, 2022, (the "First Amended Deliverables", and together with the Second Amended Deliverables, the "Amended Deliverables"), and (ii) for each Fiscal Year thereafter, within ninety (90) days after the end of such Fiscal Year, balance sheets (which are to be consolidated, if applicable), statements of operations and retained earnings and statements of cash flows of the Loan Parties and each of their Subsidiaries as at the end of such Fiscal Year, setting forth in each case in comparative form the figures for the corresponding date or period set forth in (A) the financial statements for the immediately preceding Fiscal Year, and (B) the Projections, all in reasonable detail and prepared in accordance with GAAP, and accompanied by a report and an opinion, prepared in accordance with generally accepted auditing standards, of independent certified public accountants of recognized standing selected by Borrower and satisfactory to the Agent (which opinion shall be without (1) a "going concern" or like qualification or exception or (2) any qualification or exception as to the scope of such audit), together with a certification by the Chief Financial Officer of Borrower that in its review of the financial statements, it has not obtained any knowledge of the existence of an Event of Default or a Default and if it has obtained any knowledge of the existence of an Event of Default or such Default, describing the nature thereof;"

c. A new Section 8.23 is added as follows:

"Consulting Agreement. Enter into any consulting agreement, management agreement, or other similar arrangement with Bengal Impact Partners, LLC, or any of its Affiliates ("Bengal") without the prior written consent of the Agent, other than the consulting agreement entered into by Borrower and Bengal, in form and substance satisfactory to Agent (the "Bengal Consulting Agreement"), so long as no Loan Party makes any payment on the obligations owed thereunder in excess of $240,000 (including payment in the form of equity interests) in any Fiscal Year, or $60,000 in cash in any Fiscal Year, and"

d. A new Section 8.24 is added as follows:

"Limited Waiver Fee. For the period commencing January 13, 2023, until and including the 6-month anniversary thereafter, on each monthly anniversary, the Loan Parties shall pay to the Agent, a fully earned and nonrefundable waiver fee of $10,000 (the "Limited Waiver Monthly Fee")."

e. Section 9.1(c) is amended to read as follows:

"Other Payment Failure. (i) Borrower shall fail to pay the premium required for a Change of Control (that is not a Permitted Change of Control) pursuant to Section 3.2(c)(ii) hereof within ten (10) days after Agent provides written notice of its election to receive payment; (ii) Borrower shall fail to pay any other amounts owed or due under the Term Loan or this Agreement or any other Loan Document, when the same becomes due and payable, and such failure to pay shall remain unremedied for fifteen (15) days thereafter; or (iii) the Loan Parties shall fail to pay the Limited Waiver Monthly Fee when due, as required pursuant to Section 8.24; or

f. A new Section 9.1(r) is added as follows:

"Delisting from Stock Exchange. The occurrence of the shares of Borrower's stock being delisted from any exchange or market because of any Loan Party's failure to comply with continued listing standards thereof or due to a voluntary delisting which results in such shares not being listed on such exchange or market without the prior written consent of the Agent."

3. Conditions Precedent to Effectiveness. This Agreement shall become effective on the date (the "**Waiver Effective Date**") on which the Agent shall have received, each item in this Section 3:

a. one or more counterparts of this Agreement in form and substance satisfactory to the Agent, duly executed and delivered by the Loan Parties, the Agent and the Lender;

b. a fully earned and nonrefundable waiver fee of $35,000 US Dollars shall be paid to the Agent on or before the Waiver Effective Date; and

c. payment of all reasonable and documented out-of-pocket costs, fees and expenses of the Agent and the Lender in connection with this Agreement, pursuant to Section 11.5 of the Loan Agreement, to the extent invoiced prior to the date hereof.

4. General Release.

a. In consideration of, among other things, the Agent and the Lenders' execution and delivery of this Agreement, each the Loan Parties, on behalf of itself and its agents, representatives, officers, directors, advisors, employees, subsidiaries, affiliates, successors and assigns (collectively, "Releasors"), hereby forever agree and covenant not to sue or prosecute against any Releasee (as hereinafter defined) and hereby forever waives, releases and discharges, to the fullest extent permitted by law, each Releasee from any and all claims (including, without limitation, crossclaims, counterclaims, rights of set-off and recoupment), actions, causes of action, suits, debts, accounts, interests, liens, promises, warranties, damages and consequential damages, demands, agreements, bonds, bills, specialties, covenants, controversies, variances, trespasses, judgments, executions, costs, expenses or claims whatsoever, that such Releasor now has or hereafter may have, of whatsoever nature and kind, whether known or unknown, whether now existing or hereafter arising, whether arising at law or in equity (collectively, the "Claims"), against any or all of the Lenders in any capacity and their respective affiliates, subsidiaries, shareholders and "controlling persons" (within the meaning of the federal securities laws), and their respective successors and assigns and each and all of the officers, directors, employees, agents, attorneys, advisors and other representatives of each of the foregoing (collectively, the "Releasees"), based in whole or in part on facts, whether or not now known, existing on or before the Waiver Effective Date, that relate to, arise out of or otherwise are in connection with: (i) any or all of the Loan Documents or transactions contemplated thereby or any actions or omissions in connection therewith, or (ii) any aspect of the dealings or relationships between or among Borrower and the Guarantors, on the one hand, and any or all of the Lenders, on the other hand, relating to any or all of the documents, transactions, actions or omissions referenced in clause (i) hereof. The receipt by Borrower or any other Loan Party of any loans or other financial accommodations made by any Lender after the date hereof shall constitute a ratification, adoption, and confirmation by such party of the foregoing general release of all Claims against the Releasees that are based in whole or in part on facts, whether or not now known or unknown, existing on or prior to the date of receipt of any such Loans or other financial accommodations. In entering into this Agreement, Borrower and each other Loan Party consulted with, and has been represented by, legal counsel and expressly disclaims any reliance on any representations, acts or omissions by any of the Releasees and hereby agrees and acknowledges that the validity and effectiveness of the releases set forth above do not depend in any way on any such representations, acts and/or omissions or the accuracy, completeness or validity thereof. The provisions of this Section shall survive the termination of this Agreement, the Loan Agreement, the other Loan Documents and payment in full of the Obligations.

b. Each of the Loan Parties, on behalf of itself and its successors, assigns, and other legal representatives, hereby absolutely, unconditionally and irrevocably, covenants and agrees with and in favor of each Releasee that it will not sue (at law, in equity, in any regulatory proceeding or otherwise) any Releasee on the basis of any Claim released, remised and discharged by Borrower or any other Loan Party.

5. No Modification. Except as expressly set forth herein, nothing contained herein shall be deemed to constitute a waiver of compliance with any term or condition contained in the Loan Agreement or any of the other Loan Documents other than the Specified Defaults or constitute a course of conduct or dealing among the parties. Except as expressly stated herein, the Agent and the Lenders reserve all rights, privileges and remedies under the Loan Documents. Except as consented to hereby, the Loan Agreement and the other Loan Documents remain unmodified and in full force and effect. All references in the Loan Documents to the Loan Agreement shall be deemed to be references to the Loan Agreement as modified hereby. This Agreement shall constitute a Loan Document.

6. Counterparts. This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart. Delivery of an executed signature page of this Agreement by facsimile transmission or Electronic Transmission shall be as effective as delivery of a manually executed counterpart hereof.

7. Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; *provided* that none of the Loan Parties may assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the Agent.

8. Incorporation by Reference. The terms of the Loan Agreement with respect to Sections 11.3 (Notices), 11.5 (Costs and Expenses), 11.6 (Indemnification), 11.12 (Governing Law), 11.13 (Submission to Jurisdiction, Waivers), and 11.14 (Waiver of Defense of Illegality) are incorporated herein by reference, mutatis mutandis, and the parties hereto agree to such terms.

[Remainder of Page Intentionally Left Blank; Signature Pages Follow]

IN WITNESS WHEREOF, each of the undersigned has executed this Waiver as of the date set forth above.

BORROWER:

BODY AND MIND INC.

By: */s/ Michael Mills*
Name:
Title:

[Signature Page to Limited Waiver]

GUARANTORS:

DEP NEVADA, INC.

By: */s/ Stephen "Trip" Hoffman*
Name:
Title:

NEVADA MEDICAL GROUP, LLC

By: */s/ Stephen "Trip" Hoffman*
Name:
Title:

NMG OH 1, LLC

By: */s/ Stephen "Trip" Hoffman*
Name:
Title:

NMG OH P1, LLC

By: */s/ Stephen "Trip" Hoffman*
Name:
Title:

NMG LONG BEACH, LLC

By: */s/ Stephen "Trip" Hoffman*
Name:
Title:

NMG MI C1, Inc.

By: */s/ Stephen "Trip" Hoffman*
Name:
Title:

NMG MI P1, Inc.

By: */s/ Stephen "Trip" Hoffman*
Name:
Title:

NMG MI 1, Inc.

By: */s/ Stephen "Trip" Hoffman*
Name:
Title:

NMG CA C1, LLC

By: */s/ Stephen "Trip" Hoffman*
Name:
Title:

NMG CA P1, LLC

By: */s/ Stephen "Trip" Hoffman*
Name:
Title:

NMG CA 1, LLC

By: */s/ Stephen "Trip" Hoffman*
Name:
Title:

NMG CATHEDRAL CITY, LLC

By: */s/ Stephen "Trip" Hoffman*
Name:
Title:

AGENT:

FG AGENCY LENDING LLC

By: */s/ Peter Bio*
Name: Peter Bio
Title: Partner

LENDER:

BOMIND HOLDINGS LLC

By: */s/ Peter Bio*
Name: Peter Bio
Title: Partner

EXHIBIT 10.2

CONSENT AND AMENDMENT TO LOAN AGREEMENT

This CONSENT AND AMENDMENT TO LOAN AGREEMENT (this " Agreement"), dated as of December 16, 2022, is made by and among Body and Mind, Inc., a Nevada corporation (the "Company"), FG Agency Lending LLC, a Delaware limited liability company (the "Agent") and the lenders party thereto (each a "Lender" and collectively, the "Lenders").

W I T N E S S E T H:

WHEREAS, the Company, the Agent and the Lenders from time to time party thereto are parties to that certain Loan Agreement, dated as of July 19, 2021, as amended by that certain Amendment No. 1 to the Loan Agreement, dated November 30, 2021, and that certain Amendment No. 2 to Loan Agreement, dated June 14, 2022, (collectively, the " Loan Agreement"), by and among the Company, and the Agent. Capitalized terms used herein shall have the meanings assigned to such terms in the Loan Agreement.

WHEREAS, pursuant to Section 8.5 of the Loan Agreement, neither the Company nor its Subsidiaries is permitted to effect any Acquisition or merger without the prior written consent of the Agent;

WHEREAS, pursuant to Section 8.2 of the Loan Agreement, neither the Company nor its Subsidiaries is permitted to incur indebtedness without the prior written consent of the Agent;

WHEREAS, the Company has advised Agent of its desire to enter into that certain Agreement and Plan of Merger, substantially in the form attached hereto as **Exhibit A**, subject to such changes thereto as are acceptable to Agent (the "Merger Agreement"), by and among the Company, DEP Nevada, Inc., BaM Body and Mind Dispensary NJ, Inc. (the "Merger Sub"), CraftedPlants NJ Corp. ("Craft"), and the Sellers party thereto. Upon the consummation of the transactions contemplated under the Merger Agreement (the "Merger"), Merger Sub will be merged with and into Craft with Craft surviving as a wholly owned subsidiary of the Company;

WHEREAS, the Company has advised Agent of its desire to enter into that certain Securities Purchase Agreements, substantially in the form attached hereto as **Exhibit B**, subject to such changes thereto as are acceptable to Agent (the "SPA"), by and among the Company, and the purchasers party thereto;

WHEREAS, the Company has requested that, notwithstanding the terms of the Loan Agreement to the contrary, Agent and Lenders consent to the Company entering into the Merger Agreement and the consummation of the transactions thereby;

NOW, THEREFORE, for and in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the parties mutually agree as follows:

1. Consent. Subject to the terms and conditions set forth herein, Agent and the Lenders hereby consent to:

(a) the Company entering into the Merger Agreement; the consummation of the Merger, and all other transactions provided for under the Merger Agreement; provided that the Merger Agreement, and any related documents shall not be amended or modified in any way without Agent's prior written consent.

(b) the Company entering into the SPA, and all other transactions provided for under the SPA. Notwithstanding the foregoing, the Company expressly acknowledges, confirms and agrees that the SPA, and any related documents shall not be amended or modified in any way without Agent's prior written consent.

2. Amendment. The Schedules to the Loan Agreement are each replaced in their entirety with the revised corresponding schedules and provided to the agent. Such updated Schedules to the Loan Agreement are to include a complete capital table, which shall be updated in accordance with Section 7.2(d) of the Loan Agreement.

In addition to the foregoing, the Company hereby acknowledges and agrees:

(a) (i) Agent and Lenders will not provide any financing necessary to consummate the Merger and (ii) nothing contained herein is or shall be construed to be an expression of interest or a commitment on the part of Agent or any Lender to provide any working capital financing to the Company, the Merger Sub, Craft, or any of their respective Subsidiaries.

(b) The failure of the Company to promptly provide Agent and the Lenders with such information related to the Merger as Agent and the Lenders may reasonably request from time to time as Agent and the Lenders deem necessary shall constitute an immediate Event of Default under the Loan Documents without any cure period.

(c) Simultaneously with the consummation of the Merger, the Loan Parties shall deliver to the Agent (1) a Joinder Agreement, pursuant to which any newly acquired or formed entity that is a Subsidiary of a Loan Party relating to the Merger (including for the avoidance of doubt, Craft) shall be made a party to the Loan Agreement, the Pledge Agreement and Security Agreement as a Borrower or a grantor, as applicable (including providing supplements to the Schedules hereto); (2) supplements to each of the Security Agreement and the Pledge Agreement together with (A) certificates evidencing all of the equity interests of any Person owned by such Subsidiary required to be pledged under the terms of the Pledge Agreement and (B) undated stock powers for such equity interests executed in blank; (4) Omnibus Collateral Assignments in favor of Agent for any agreement as set forth in Section 7.11(c) below of such Subsidiary (including any consents required for the foregoing); (5) a joinder to the Intercompany Subordinated Note, pursuant to which such Subsidiary shall be made a party to the Intercompany Subordinated Note as an Affiliated Obligor (as defined therein) thereunder and (6) such other agreements, instruments, approvals or other documents reasonably requested by the Agent in order to effect the intent that such Subsidiary shall become bound by all of the terms, covenants and agreements contained in the Loan Documents and that all Property and assets of such Subsidiary shall become Collateral for the Obligations to the same extent that Property of the Borrower being parties to the Loan Documents at the Closing Date is required to be such Collateral.

(d) The consent contained herein is a limited consent and (i) shall not constitute nor be deemed to constitute a consent by the Agent or any Lender to anything other than as expressly stated herein, and (ii) shall not constitute a course of dealing among the parties hereto.

3. Conditions to Effectiveness. The consent set forth in this agreement shall not be effective until:

(a) The Company has received prior written consent from Agent, of the final version of the Merger Agreement, and any related documents attached hereto as Exhibit A.

(b) The Company has provided updated Schedules to the Loan Agreement and provided to the lender.

(c) The Company has provided evidence in form and satisfaction to Agent of their receipt of at least Three Million Dollars ($3,000,000) in cash proceeds, pursuant to the SPA.

(d) Payment of all reasonable fees, costs and expenses incurred by Agent and Lenders in connection with the preparation, execution and delivery of this Amendment.

4. No Modification. Except as expressly set forth herein, nothing contained herein shall be deemed to constitute a waiver of compliance with any term or condition contained in the Loan Agreement or any of the other Loan Documents other than the defaults specified herein or constitute a course of conduct or dealing among the parties. Except as expressly stated herein, the Agent and the Lenders reserve all rights, privileges and remedies under the Loan Documents. Except as consented to hereby, the Loan Agreement and the other Loan Documents remain unmodified and in full force and effect. All references in the Loan Documents to the Loan Agreement shall be deemed to be references to the Loan Agreement as modified hereby. This Agreement shall constitute a Loan Document.

5. Counterparts. This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart. Delivery of an executed signature page of this Agreement by facsimile transmission or Electronic Transmission shall be as effective as delivery of a manually executed counterpart hereof.

[Signature Page Follows]

Dated as of: December 16, 2022

BODY AND MIND INC.

By: */s/ Michael Mills*
Name: Michael Mills
Title: CEO

FG AGENCY LENDING LLC

By: */s/ Peter Bio*
Name: Peter Bio
Title: Authorized Signatory

BOMIND HOLDINGS LLC

By: */s/ Peter Bio*
Name: Peter Bio
Title: Authorized Signatory

EXHIBIT A

[Merger Agreement to be attached]

EXHIBIT B

[SPA to be attached]

EXHIBIT 10.3

THIS SECURITIES PURCHASE AGREEMENT (the "**Agreement**") is entered into as of December 19, 2022, by and between Body and Mind Inc., a Nevada corporation (the "**Company**") with its principal executive offices situated at 750 -1095 West Pender Street, Vancouver, British Columbia, Canada V6E 2M6, and [●] (the " **Purchaser**") a Delaware limited partnership with its principal executive offices situated at [●].

RECITALS

A. The Company and the Purchaser are executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by Rule 506(b) of Regulation D under Section 4(a)(2) of the Securities Act of 1933, as amended (the "**U.S. Securities Act**") promulgated by the United States Securities and Exchange Commission ("**SEC**") under the U.S. Securities Act;

B. Purchaser desires to purchase from the Company, and the Company desires to issue and sell to the Purchaser, upon the terms and conditions set forth in this Agreement, an 8% Convertible Debenture of the Company, in the aggregate principal amount of US$[●], substantially in the form attached hereto as Exhibit A (the "**Debenture**"), convertible into shares of common stock, $0.0001 par value per share, of the Company ("**Common Stock**"), upon the terms and subject to the limitations and conditions set forth in such Debenture;

C. The Company wishes to issue warrants to purchase [●] shares of Common, substantially in the form attached hereto as Exhibit B, (the "**Warrants**") to the Purchaser as additional consideration for the purchase of the Debenture; and

D. As further additional consideration for the purchase of the Debenture, the Company wishes to enter into that certain Registration Rights Agreement with the Purchaser, of even date herewith (substantially in the form attached hereto as Exhibit C, the "**RRA**").

AGREEMENT

NOW THEREFORE, in consideration of the foregoing and of the agreements and covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Company and the Purchaser hereby agree as follows:

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions. Whenever used in this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following words and phrases shall have the respective meanings ascribed to them as follows:

(1) "**8-K Filing**" shall have the meaning ascribed to such term in Section 5.1(43).

(2) "**Agreement**" means this subscription agreement (including any Schedules hereto) and any instrument amending this Agreement; "**hereof**", "**hereto**", "**hereunder**", "**herein**" and similar expressions mean and refer to this Agreement and not to a particular Article or Section; and the expression "Article" or "Section" followed by a number means and refers to the specified Article or Section of this Agreement.

(3) "**Audited Financial Statements**" shall have the meaning ascribed to such term in Section 5.1(10).

(4) "**Board**" shall mean the Board of Directors of the Company.

(5) "**Business Day**" means a day other than a Saturday, Sunday, or any day on which banking institutions in the State of Nevada or the Province of British Columbia are authorized or required by law or other governmental action to close.

(6) "**CDS**" means CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., as nominee for certain Canadian brokerage firms).

(7) "**Closing**" shall have the meaning ascribed to such term in Section 4.1.

(8) "**Closing Date**" shall have the meaning ascribed to such term in Section 4.1.

(9) "**Common Stock**" shall have the meaning ascribed to such term in the preamble hereto.

(10) "**Conversion Price**" shall have the meaning ascribed to such term in Section 3.2(2).

(11) "**Conversion Shares**" means those shares of Common Stock issued to a holder of the Debenture upon conversion of a Debenture in accordance with the terms and conditions of the Debenture.

(12) "**Company**" means Body and Mind Inc. and its subsidiaries, and includes any successor corporation to or of the Company.

(13) "**Company Permits**" shall have the meaning ascribed to such term in Section 5.1(24).

(14) "**Covered Persons**" means those persons specified in Rule 506(d)(1) under the U.S. Securities Act, including the Company; any predecessor or affiliate of the Company; any director or executive officer of the Company; any beneficial owner of twenty percent (20%) or more of the Company's outstanding voting equity securities, calculated on the basis of voting power; any promoter (as defined in Rule 405 under the Securities Act) connected with the Company in any capacity at the time of the sale of the Debenture; and any Solicitor, any general partner or managing member of any Solicitor, and any director, executive officer or other officer participating in the offering of any Solicitor or general partner or managing member of any Solicitor.

(15) "**CSE**" means the Canadian Securities Exchange.

(16) "**Debenture**" shall have the meaning ascribed to such term in the preamble hereto.

(17) "**Debenture Certificate**" shall have the meaning ascribed to such term in Section 4.2(2).

(18) "**Debentures**" shall have the meaning ascribed to such term in Section 3.2(1).

(19) "**Disqualification Events**" means the "bad actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the U.S. Securities Act.

(20) "**DTC**" means the Depository Trust Company.

(21) "**Exchange Act**" means the United States Securities Exchange Act of 1934, as amended, or any successor thereto.

(22) "**Event of Default**" shall have the meaning ascribed to such term in Section 6.1.

(23) "**FG Agency**" shall have the meaning ascribed to such term in Section 3.2(1).

(24) "**Financial Statements**" shall have the meaning ascribed to such term in Section 5.1(10).

(25) "**Intellectual Property**" shall have the meaning ascribed to such term in Section 5.1(23).

(26) "**Inter-Creditor Agreement**" shall have the meaning ascribed to such term in Section 3.2(4).

(27) "**Interim Financial Statements**" shall have the meaning ascribed to such term in Section 5.1(10).

(28) "**Legal Counsel Opinion**" shall have the meaning ascribed to such term in Section 5.1(43).

(29) "**Loan Agreement**" shall have the meaning ascribed to such term in Section 3.2(1).

(30) "**Material Adverse Effect**" shall have the meaning ascribed to such term in Section 5.1(3).

(31) "**Maximum Rate**" shall have the meaning ascribed to such term in Section 5.1(36).

(32) "**NI 45-102**" means National Instrument 45-102 *Resale of Securities* of the Canadian Securities Administrators promulgated under the securities legislation of each of the provinces and territories of Canada.

(33) "**Offering**" shall have the meaning ascribed to such term in Section 3.2(1).

(34) "**Parties**" means the Company and the Purchaser.

(35) "**person**" means any individual (whether acting as an executor, trustee administrator, legal representative or otherwise), corporation, firm, limited partnership, general partnership, sole proprietorship, syndicate, joint venture, trustee, trust, joint stock company, bank, syndicate, trust company, federal, provincial, territorial, municipal or other governmental authority, department, board or agency having or claiming jurisdiction, unincorporated organization or association, and pronouns have a similar extended meaning.

(36) "**Principal Markets**" shall have the meaning ascribed to such term in Section 5.1(28).

(37) "**Prospectus**" means the prospectus included in a Registration Statement, as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by a Registration Statement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

(38) "**Public Information Failure**" shall have the meaning ascribed to such term in Section 5.1(41).

(39) "**Public Information Failure Payments**" shall have the meaning ascribed to such term in Section 5.1(41).

(40) "**Public Record**" means all information (a) filed by or on behalf of the Company with the Canadian securities regulators and accessible at the Company's profile as filed on SEDAR (www.sedar.com) since August 1, 2020 and (b) with the SEC and accessible at the Company's profile as filed on EDGAR (www.edgar.gov) since August 1, 2020 in compliance, or intended compliance, with the obligations imposed on the Company under the Exchange Act.

(41) "**Purchase Price**" shall have the meaning ascribed to such term in Section 3.1.

(42) "**Purchaser**" means the purchaser of the Debenture as set out on the face page of this Agreement and includes, as applicable, such beneficial person(s) on whose behalf the Purchaser is contracting hereunder.

(43) "**Registrable Securities**" means, as of any date of determination, (a) all of the Conversion Shares then issued and issuable upon conversion in full of the Debenture (b) all Warrant Shares then issued and issuable upon exercise of the Warrants (assuming on such date the Warrants are exercised in full without regard to any exercise limitations therein), (c) any additional Common Stock issued and issuable in connection with any anti-dilution provisions in the Warrants (in each case, without giving effect to any limitations on exercise set forth in the Warrants), and (d) any securities issued or then issuable upon any stock split, dividend or other distribution, recapitalization or similar event with respect to the foregoing; provided, however, that any such securities shall cease to be Registrable Securities (and the Company shall not be required to maintain the effectiveness of any, or file another, Registration Statement hereunder with respect thereto) for so long as (i) a Registration Statement with respect to the sale of such Registrable Securities is declared effective by the SEC under the U.S. Securities Act and such Registrable Securities have been disposed of by the Holder in accordance with such effective Registration Statement, (ii) such Registrable Securities have been sold in accordance with Rule 144 under the U.S. Securities Act and the Company has delivered certificates or other instruments representing such securities that no longer bear a legend and/or for which the Company's transfer agent has not instituted a stop order restricting further transfer, or (iii) such securities become eligible for resale without volume or manner-of-sale restrictions and without current public information pursuant to Rule 144 under the U.S. Securities Act as set forth in a written opinion letter of legal counsel recognized standing to such effect, addressed, delivered and reasonably acceptable to the Company's transfer agent and the affected Holders (assuming that such securities and any securities issuable upon exercise or conversion of which, or as a dividend upon which, such securities were issued or are issuable, were at no time held by any affiliate of the Company, as reasonably determined by the Company, upon the advice of counsel to the Company).

(44) "**Registration Statement**" means any registration statement required to be filed hereunder pursuant to Section 3.4 which shall be in Form S-1 under the U.S. Securities Act (or such other form as may then be available to the Company) including the Prospectus, amendments and supplements to any such registration statement or Prospectus, including pre- and post-effective amendments, all exhibits thereto, and all material incorporated by reference or deemed to be incorporated by reference in any such registration statement.

(45) "**Regulation D**" means Regulation D promulgated under the U.S. Securities Act.

(46) "**Regulation S**" means Regulation S promulgated under the U.S. Securities Act.

(47) "**Schedules**" means the schedules attached hereto and forming an integral part hereof.

(48) "**SEC**" shall have the meaning ascribed to such term in the preamble hereto.

(49) "**SEC Documents**" shall have the meaning ascribed to such term in Section 5.1(9).

(50) "**Securities**" means the Debenture and the Warrants, as well as the Conversion Shares and Warrant Shares.

(51) "**Securities Laws**" means the federal securities laws and regulations of the Unites States, the securities laws of any state of the United States, the securities laws, regulations, rules, rulings and orders in each of the provinces and territories of Canada, and the applicable policy statements issued by the securities regulators in each of the provinces and territories of Canada, having application over this Offering and the Company including those laws in the jurisdiction in which the Purchaser is ordinarily resident.

(52) "**Solicitor**" means any person that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of the Securities.

(53) "**Subsidiaries**" means and direct and indirect subsidiaries of the Company set forth in Schedule "B".

(54) "**Transaction Documents**" means, collectively, this Agreement, the Debenture Certificate, the Warrant Certificate, and the RRA.

(55) "**United States**" or "**U.S.**" means, as the context requires, the United States of America, its territories and possessions, any state of the United States, and/or the District of Columbia.

(56) "**U.S. Person**" means a "U.S. person" as defined in Rule 902(k) of Regulation S (the definition of which includes, but is not limited to, (i) any natural person resident in the United States, (ii) any partnership or corporation organized or incorporated under the laws of the United States, (iii) any partnership or corporation organized outside of the United States by a U.S. Person principally for the purpose of investing in securities not registered under the U.S. Securities Act., unless it is organized, or incorporated, and owned, by accredited investors (as defined in Rule 501(a) of Regulation D) who are not natural persons, estates or trusts, and (iv) any estate or trust of which any executor or administrator or trustee is a U.S. Person).

(57) "**U.S. Securities Act**" shall have the meaning ascribed to such term in the preamble hereto.

(58) "**Warrants**" shall have the meaning ascribed to such term in the preamble hereto.

(59) "**Warrant Share**" or "**Warrant Shares**" means the Common Stock to be issued on the due exercise of the Warrants.

1.2 Gender and Number. Words importing the singular number only shall include the plural and vice versa, words importing the masculine gender shall include the feminine gender and the neutral gender.

1.3 Currency. Unless otherwise specified, all dollar amounts in this Agreement, including the symbol "$", are expressed in United States dollars.

1.4 Subdivisions and Headings. The division of this Agreement into articles, sections, Schedules and other subdivisions, and the inclusion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The headings in this Agreement are not intended to be full or precise descriptions of the text to which they refer. Unless something in the subject matter or context is inconsistent therewith, references herein to an article, section, subsection, paragraph, clause or Schedule are to the applicable article, section, subsection, paragraph, clause or Schedule of this Agreement.

ARTICLE 2
EXHIBITS AND SCHEDULES

2.1 Description of Exhibits and Schedules. The following are the Schedules attached to and incorporated in this Agreement by reference and deemed to be an integral part hereof:

Exhibit A	-	Debenture
Exhibit B	-	Warrants
Exhibit C	-	RRA
Schedule "A"	-	Particulars of Purchaser
Schedule "B"	-	List of Subsidiaries
Schedule "C"	-	U.S. Accredited Investor Certificate

ARTICLE 3
PURCHASE AND SALE OF DEBENTURES

3.1 Agreement to Sell and Purchase. Subject to the terms and conditions hereof, the Purchaser agrees to purchase from the Company, on the Closing Date, the Debenture in the principal amount US$2,750,000, and the Company agrees to issue and sell such Debenture to Purchaser, for an aggregate purchase price (the "**Purchase Price**") equal to 100% of the principal amount of the Debenture.

3.2 Description of the Debenture

(1) The Debenture forms part of an offering (the "**Offering**") by the Company of unsecured convertible debentures (together with the Debenture, the "**Debentures**") with identical terms (other than as to their respective principal amounts, which in each case is subject to a $50,000 minimum), in the minimum aggregate principal amount of $3,000,000 and the maximum aggregate principal amount of $3,500,000. The maximum aggregate principal amount of all Debentures sold in the Offering may be upsized to $4,000,000, subject to the prior written approval of FG Agency Lending LLC ("FG Agency") in accordance with that certain loan agreement entered into among the Company, its subsidiaries, FG Agency, and Bomind Holdings LLC dated July 19, 2021, as amended on November 30, 2021 and June 14, 2022 (the "**Loan Agreement**").

(2) The Debenture will have a term of five (5) years and shall bear interest at a rate of eight percent (8.0%) per annum. Interest shall accrue monthly, compound annually, and shall be payable on the maturity date of the Debenture. The outstanding principal amount and/or any accrued interest will be convertible at the election of the Holder, at any time, in any amount up to the aggregate principal and interest accrued under the Debenture, and from time to time, into Conversion Shares at the conversion price of $0.10 per share of Common Stock (the "**Conversion Price**").

(3) The attributes and certain terms of the Debenture are described herein; however, reference should be made to the certificate representing the Debenture for the definitive terms thereof, including those relating to anti-dilution and other customary provisions.

(4) The indebtedness evidenced by the Debentures will be unsecured and will be subordinated in right of payment to the prior payment in full of all indebtedness under the Loan Agreement (whether outstanding on the date hereof or hereafter created, incurred, assumed or guaranteed), and the issuance of the Debentures will be conditioned on the holders thereof being made party to an inter-creditor agreement (the "**Inter-Creditor Agreement**") in the form to be provided by FG Agency.

3.3 Warrant Coverage

(1) On the Closing Date, the Company shall issue to the Purchaser, and the Purchaser shall receive from the Company, the Warrants, where such number of Warrant **s** shall equal (a) fifty percent (50%) of the Purchase Price divided by the Conversion Price.

(2) Each Warrant shall entitle the holder thereof to acquire one Warrant Share at an exercise price equal to the Conversion Price until 4:00 p.m. (New York time) on the date that is four (4) years from the Closing Date.

(3) The attributes and certain terms of the Warrants are described herein; however, reference should be made to the certificate representing the Warrants for the definitive terms thereof.

3.4 Registration Rights

(1) The Company and the Purchaser shall enter into the RRA concurrent with this Agreement.

(2) To the extent permitted by law, the Company shall indemnify the Purchaser and each person controlling the Purchaser within the meaning of Section 15 of the U.S. Securities Act or Section 20 of the Exchange Act, against all claims, losses, damages, and liabilities (or actions in respect thereof), including any of the foregoing incurred in settlement of any litigation, commenced or threatened, arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in the Registration Statement, any Prospectus, any amendment or supplement relating to the Registration Statement, or arising out of or based on any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading, or based on any violation by the Company of any rule or regulation of the SEC applicable to the Company and relating to any action or inaction required of the Company in connection with such registration, and will reimburse the Purchaser and each person controlling the Purchaser for legal and out-of-pocket expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability or action, as incurred; provided, however, that the Company will not be liable in any such case if and to the extent, but only to the extent, that any such claims, losses, damages, and liabilities (or action in respect thereof), including any of the foregoing incurred in settlement of any litigation commenced or threatened, arise out of or are based upon an untrue statement or alleged untrue statement or omission or alleged omission so made in conformity with information furnished by the Purchaser or any such persons controlling the Purchaser in writing specifically for use in the Registration Statement or the related prospectus.

(3) With a view to making available to the Purchaser the benefits of certain rules and regulations of the SEC which at any time permit the sale of the Registrable Securities to the public without registration, so long as the Purchaser owns Registrable Securities, the Company will use its best efforts to: (a) make and keep public information available, as those terms are understood and defined in Rule 144 under the U.S. Securities Act; and (b) file with the SEC in a timely manner all reports and other documents required of the Company under the Exchange Act.

ARTICLE 4
CLOSING

4.1 Closing. Delivery and sale of the Securities and payment of the Purchase Price will be completed (the "**Closing**") on the date that the Transaction documents are fully executed by the Company and the Purchaser (the "**Closing Date**"), or on such other date and at such other place as shall be mutually agreeable to the Company and the Purchaser.

4.2 Deliverables.

(1) On or before the Closing Date, the Purchaser shall:

(a) deliver to the Company a certified check or bank draft payable to the Company, or as the Company may direct, in payment of the Purchase Price, or

(b) have paid the Purchase Price by wire transfer of immediately available funds;

(c) have caused each of its equity owners to have completed and delivered a U.S. Accredited Investor Certificate as contemplated by Section 5.2(1); and

(d) execute and deliver to the Company the RRA.

(2) On the Closing Date, the Company shall execute and deliver to the Purchaser:

(a) the certificate representing the Debenture (the "**Debenture Certificate**");

(b) the certificate representing the Warrants (the "**Warrant Certificate**"), reflecting, in each case, the name of the Purchaser; and

(c) execute and deliver to the Purchaser the RRA.

4.3 Conditions of Closing. The obligations of the Parties to Closing hereunder shall be subject to the following conditions:

(1) Receipt of approval or non-objection of the CSE to the issuance of the Securities;

(2) The Company shall have entered into a corporate strategy and capital allocation plan approved by Purchaser, and such approval shall not be unreasonably withheld or delayed.

(3) The representations and warranties of the Company contained in this Agreement shall be true and correct on and as of the Closing Date;

(4) The representations and warranties of the Purchaser contained in this Agreement shall be true and correct on and as of the Closing Date;

(5) The Purchaser and FG Agency shall have executed and delivered the Inter-Creditor Agreement; and

(6) No Event of Default under the Debenture would arise immediately after giving effect to or as a result of the Closing.

ARTICLE 5
REPRESENTATIONS, WARRANTIES AND COVENANTS

5.1 Representations, Warranties and Covenants of the Company. By executing this Agreement, the Company represents and warrants to and covenants with the Purchaser as follows, and acknowledges that the Purchaser (on its own behalf and, if applicable, on behalf of others for whom it is acting hereunder) is relying thereon, both at the date hereof and at the Closing:

(1) The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Nevada and has full corporate power and authority to: (i) execute and deliver the Transaction Documents, to carry out its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby and thereby, (ii) own, operate or lease the properties and assets now owned, operated or leased by it and its Subsidiaries, and (iii) to carry on its business as it has been and is currently conducted.

(2) The information set forth in Schedule "B" is true and correct and each of the Subsidiaries as set forth in Schedule "B" is an entity duly organized, validly existing and in good standing under the laws of its jurisdiction of formation and: (i) has full power and authority to own, operate or lease the properties and assets now owned, operated or leased by it, and (ii) validly possess in good standing any licenses, registrations, certificates, permits and any other similar documentation necessary to carry on its business as it has been and is currently conducted.

(3) The Company and each of its Subsidiaries is duly qualified to conduct business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, could not have or reasonably be expected to result in (i) a material adverse effect on the legality, validity or enforceability of the Transaction Documents, (ii) a material adverse effect on the results of operations, assets, business, prospects or condition (financial or otherwise) of the Company, or (iii) a material adverse effect on the Company's ability to perform in any material respect on a timely basis its obligations under the Transaction Documents (any of (i), (ii) and (iii), a "**Material Adverse Effect**"), and no proceeding has been instituted in any such jurisdiction revoking, limiting or curtailing or seeking to revoke, limit or curtail such corporate power and authority or qualification.

(4) All corporate action required to be taken by the Board in order to authorize the Company to enter into the Transaction Documents has been taken. All action on the part of the officers of the Company necessary for the execution and delivery of the Transaction Documents, the performance of all obligations of the Company under the Transaction Documents to be performed as of the Closing Date, the reservation of the number of Conversion Shares, and the reservation of the number of Warrant Shares.

(5) The Transaction Documents, when executed and delivered by the Company, shall constitute valid and legally binding obligations of the Company, enforceable against the Company in accordance with their respective terms except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, or other laws of general application relating to or affecting the enforcement of creditors' rights generally or (ii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

(6) As of December 14, 2022, the authorized capital stock of the Company consists of 900,000,000 authorized shares of Common Stock, of which 129,970,307 shares were issued and outstanding. All of such outstanding shares of capital stock of the Company, the Conversion Shares, and the Warrant Shares, are, or upon issuance will be, duly authorized, validly issued, fully paid and non-assessable. No shares of capital stock of the Company are subject to preemptive rights or any other similar rights of the stockholders of the Company or any liens or encumbrances imposed through the actions or failure to act of the Company. As of the effective date of this Agreement, other than as publicly announced prior to such date and reflected in the SEC filings of the Company (i) there are no outstanding options, warrants, scrip, rights to subscribe for, puts, calls, rights of first refusal, agreements, understandings, claims or other commitments or rights of any character whatsoever relating to, or securities or rights convertible into or exchangeable for any shares of capital stock of the Company or any of its Subsidiaries, or arrangements by which the Company or any of its Subsidiaries is or may become bound to issue additional shares of capital stock of the Company or any of its Subsidiaries, (ii) there are no agreements or arrangements under which the Company or any of its Subsidiaries is obligated to register the sale of any of its or their securities under the U.S. Securities Act and (iii) there are no anti-dilution or price adjustment provisions contained in any security issued by the Company (or in any agreement providing rights to security holders) that will be triggered by the issuance of any of the Securities. The Company's articles of incorporation, as amended, as in effect on the date hereof, the Company's bylaws, as amended, as in effect on the date hereof, and the terms of all securities convertible into or exercisable for Common Stock of the Company and the material rights of the holders thereof in respect thereto have been filed on EDGAR and are true and correct copies thereof.

(7) The execution and delivery of, and the performance of the terms of, the Transaction Documents by the Company, including the issuance of the Debenture and Warrants and, in the event the Debenture is converted in accordance with its terms, the issuance of the Conversion Shares, and, in the event the Warrants are exercised in accordance with their terms, the issuance of the Warrant Shares, do not and will not constitute a breach or violation of, or be in conflict with, or constitute a default under the constating documents of the Company or any law, regulation, order or ruling applicable to the Company or any agreement, contract or indenture to which the Company is a party or by which it is bound.

(8) Subject to the terms of the Loan Agreement and the Inter-Creditor Agreement, the execution, delivery and performance of the Transaction Documents by the Company and the consummation by the Company of the transactions contemplated hereby and thereby (including, without limitation, the issuance and reservation for issuance of the Conversion Shares and the Warrant Shares) will not (i) conflict with or result in a violation of any provision of the articles of incorporation or bylaws of the Company, or (ii) violate or conflict with, or result in a breach of any provision of, or constitute a default (or an event which with notice or lapse of time or both could become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, debenture, evidence of indebtedness, indenture, patent, patent license or instrument to which the Company or any of its Subsidiaries is a party, or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including federal and state securities laws and regulations and regulations of any self-regulatory organizations to which the Company or its securities is subject) applicable to the Company or any of its Subsidiaries or by which any property or asset of the Company or any of its Subsidiaries is bound or affected (except for such conflicts, defaults, terminations, amendments, accelerations, cancellations and violations as would not, individually or in the aggregate, have a Material Adverse Effect), or (iv) trigger any anti-dilution and/or ratchet provision contained in any other contract to which the Company is a party or any security issued by the Company. Neither the Company nor any of its Subsidiaries is in violation of its articles of incorporation, bylaws or other organizational documents and neither the Company nor any of its Subsidiaries is in default (and no event has occurred which with notice or lapse of time or both could put the Company or any of its Subsidiaries in default) under, and neither the Company nor any of its Subsidiaries has taken any action or failed to take any action that would give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which the Company or any of its Subsidiaries is a party or by which any property or assets of the Company or any of its Subsidiaries is bound or affected, except for possible defaults as would not, individually or in the aggregate, have a Material Adverse Effect. The businesses of the Company and its Subsidiaries, if any, are not being conducted, and shall not be conducted so long as the Purchaser owns any of the Securities, in violation of any law, ordinance or regulation of any governmental entity. Except as specifically contemplated by this Agreement and as required under the U.S. Securities Act, the Exchange Act, any applicable state securities laws, any applicable Securities laws, or the policies of the Canadian Securities Exchange, the Company is not required to obtain any consent, authorization or order of, or make any filing or registration with, any court, governmental agency, regulatory agency, self-regulatory organization, stock market, or any other third party in order for it to execute, deliver or perform any of its obligations under the Transaction Documents in accordance with the terms hereof or thereof or to issue and sell both the Debenture and the Warrants in accordance with the terms thereof and, upon conversion of the Debenture or Warrants, issue Conversion Shares or Warrant Shares, respectively. All consents, authorizations, orders, filings and registrations which the Company is required to obtain pursuant to the preceding sentence have been obtained or effected on or prior to the date hereof.

(9) Except as disclosed to the Purchaser, the Company has filed all reports, schedules, forms, statements and other documents required to be filed by it with the SEC pursuant to the reporting requirements of the Exchange Act (all of the foregoing filed prior to the date hereof and all exhibits included therein and financial statements and schedules thereto and documents (other than exhibits to such documents) incorporated by reference therein, being hereinafter referred to herein as the "**SEC Documents**"). As of their respective dates, the SEC Documents complied in all material respects with the requirements of the Exchange Act and the rules and regulations of the SEC promulgated thereunder applicable to the SEC Documents, and none of the SEC Documents, at the time they were filed with the SEC, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to (a) make the statements therein, in light of the circumstances under which they were made, not misleading. None of the statements made in any such SEC Documents is, or has been, required to be amended or updated under applicable law (except for such statements as have been amended or updated in subsequent filings prior the date hereof). The Company is subject to the reporting requirements of the Exchange Act. The Company is a former "shell company" as described in Rule 144(i)(1)(i).

(10) Complete copies of the Company's audited consolidated financial statements consisting of the consolidated balance sheets of the Company as of July 31, 2021 and 2020, and the related consolidated statements of operation, consolidated statements of changes in stockholders' equity and consolidated statements of cash flows for the years then ended, and the notes thereto (the "**Audited Financial Statements**"), are contained in the Company's annual report on Form 10-K under the Exchange Act, as filed with the SEC on November 19, 2021. Complete copies of the Company's unaudited condensed consolidated interim financial statements consisting of the condensed consolidated interim balance sheets as of April 30, 2022 and the related condensed consolidated interim statements of operation, condensed consolidated interim statements of changes in stockholders' equity and condensed consolidated interim statements of cash flows for the nine months ended April 30, 2022 and April 30, 2021, and the notes thereto (the "**Interim Financial Statements**" and together with the Audited Financial Statements, the "**Financial Statements**"). The Financial Statements have been prepared in accordance with United States generally accepted accounting principles, consistently applied, during the periods involved and fairly present in all material respects the consolidated financial position of the Company and its consolidated Subsidiaries as of the dates thereof and the consolidated results of their operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments). Except as set forth in the Financial Statements, the Company has no liabilities, obligations or commitments of any nature whatsoever, asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured or otherwise, except (i) those which are adequately reflected or reserved against in the Audited Financial Statements, and (ii) those which have been incurred in the ordinary course of business consistent with past practice since April 30, 2022. The Financial Statements have been prepared in conformity with applicable accounting requirements applied on a consistent basis throughout the periods involved and comply with all published rules and regulations of the SEC with respect thereto. The Financial Statements are based on the books and records of the Company, and fairly present in all material respects the financial condition and operating results of the Company as of the respective dates, and for the periods indicated therein, subject, in the case of the Interim Financial Statements, to normal and recurring year-end adjustments (the effect of which will not be materially adverse) and the absence of notes (that, if presented, would not differ materially from those presented in the Audited Financial Statements). There is no transaction, arrangement, or other relationship between the Company or any of its Subsidiaries and an unconsolidated or other off balance sheet entity that is required to be disclosed by the Company in its Exchange Act filings and is not so disclosed or that otherwise could be reasonably likely to have a Material Adverse Effect.

(11) Since April 30, 2022, there has been no material adverse change and no material adverse development in the assets, liabilities, business, properties, operations, financial condition, results of operations, prospects or Exchange Act reporting status of the Company or any of its Subsidiaries. No default has occurred and is continuing and no default has occurred and is continuing under or with respect to any material contractual obligations of the Company or any of its Subsidiaries that would reasonably be expected to have a Material Adverse Effect.

(12) The Company and each of its Subsidiaries maintain a system of internal accounting controls sufficient, in the judgment of the Board, to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(13) The Company (after giving effect to the transactions contemplated by the Transaction Documents) is solvent (i.e., its assets have a fair market value in excess of the amount required to pay its probable liabilities on its existing debts as they become absolute and matured) and currently the Company has no information that would lead it to reasonably conclude that the Company would not, after giving effect to the transaction contemplated by the Transaction Documents, have the ability to, nor does it intend to take any action that would impair its ability to, pay its debts from time to time incurred in connection therewith as such debts mature.

(14) There is no action, suit, claim, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the Company or any of its Subsidiaries, threatened against or affecting the Company or any of its Subsidiaries, or their officers or directors in their capacity as such, that could have a Material Adverse Effect. The SEC Documents contain a complete list and summary description of any pending or, to the knowledge of the Company, threatened proceeding against or affecting the Company or any of its Subsidiaries, without regard to whether it would have a Material Adverse Effect. The Company and its Subsidiaries are unaware of any facts or circumstances which might give rise to any of the foregoing.

(15) Neither the Company nor any of its Subsidiaries is subject to any charter, corporate or other legal restriction, or any judgment, decree, order, rule or regulation which in the judgment of the Company's officers has or is expected in the future to have a Material Adverse Effect. Neither the Company nor any of its Subsidiaries is a party to any contract or agreement which in the judgment of the Company's officers has or is expected to have a Material Adverse Effect.

(16) Except as disclosed to the Purchaser, the Company is not indebted, directly or indirectly, to any of its directors, officers or employees or to their respective spouses or children or to any affiliate of any of the foregoing, other than in connection with expenses or advances of expenses incurred in the ordinary course of business or employee relocation expenses and for other customary employee benefits made generally available to all employees. Except as disclosed to the Purchaser, none of the Company's directors, officers or employees, or any members of their immediate families, or any affiliate of the foregoing are, directly or indirectly, indebted to the Company or have any (i) material commercial, industrial, banking, consulting, legal, accounting, charitable or familial relationship with any of the Company's customers, suppliers, service providers, joint venture partners, licensees and competitors, (ii) direct or indirect ownership interest in any firm or corporation with which the Company is affiliated or with which the Company has a business relationship, or any firm or corporation which competes with the Company except that directors, officers, employees or stockholders of the Company may own stock in (but not exceeding two percent (2%) of the outstanding capital stock of) publicly traded companies that may compete with the Company; or (iii) financial interest in any contract with the Company.

(17) The Company and each of its Subsidiaries has made or filed all federal, state and foreign income and all other tax returns, reports and declarations required by any jurisdiction to which it is subject (unless and only to the extent that the Company and each of its Subsidiaries has set aside on its books provisions reasonably adequate for the payment of all unpaid and unreported taxes) and has paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations, except those being contested in good faith and has set aside on its books provisions reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports or declarations apply. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of the Company know of no basis for any such claim. The Company has not executed a waiver with respect to the statute of limitations relating to the assessment or collection of any foreign, federal, state or local tax. None of the Company's tax returns is presently being audited by any taxing authority.

(18) Except as disclosed to the Purchaser and except for arm's length transactions pursuant to which the Company or any of its Subsidiaries makes payments in the ordinary course of business upon terms no less favorable than the Company or any of its Subsidiaries could obtain from third parties and other than the grant of stock options described in the SEC Documents, none of the officers, directors, or employees of the Company is presently a party to any transaction with the Company or any of its Subsidiaries (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any officer, director or such employee or, to the knowledge of the Company, any corporation, partnership, trust or other entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee or partner.

(19) The Company's decision to enter into this Agreement has been based solely on the independent evaluation of the Company and its representatives.

(20) All information relating to or concerning the Company or any of its Subsidiaries set forth in this Agreement and provided to the Purchaser in connection with the transactions contemplated hereby is true and correct in all material respects and the Company has not omitted to state any material fact necessary in order to make the statements made herein or therein, in light of the circumstances under which they were made, not misleading. No event or circumstance has occurred or exists with respect to the Company or any of its Subsidiaries or its or their business, properties, prospects, operations or financial conditions, which, under applicable law, rule or regulation, requires public disclosure or announcement by the Company but which has not been so publicly announced or disclosed (assuming for this purpose that the Company's reports filed under the Exchange Act are being incorporated into an effective registration statement filed by the Company under the U.S. Securities Act).

(21) Neither the Company, nor any of its affiliates, nor any person acting on its or their behalf, has directly or indirectly made any offers or sales in any security or solicited any offers to buy any security under circumstances that would require registration under the U.S. Securities Act of the issuance of the Securities to the Purchaser. The issuance of the Securities to the Purchaser will not be integrated with any other issuance of the Company's securities (past, current or future) for purposes of any stockholder approval provisions applicable to the Company or its securities.

(22) The Company has taken no action which would give rise to any claim by any person for brokerage commissions, transaction fees or similar payments relating to this Agreement or the transactions contemplated hereby.

(23) The Company and each of its Subsidiaries owns or possesses the requisite licenses or rights to use all patents, patent applications, patent rights, inventions, know-how, trade secrets, trademarks, trademark applications, service marks, service names, trade names and copyrights ("**Intellectual Property**") necessary to enable it to conduct its business as now operated (and, as presently contemplated to be operated in the future); there is no claim or action by any person pertaining to, or proceeding pending, or to the Company's knowledge threatened, which challenges the right of the Company or of a Subsidiary with respect to any Intellectual Property necessary to enable it to conduct its business as now operated (and, as presently contemplated to be operated in the future); to the best of the Company's knowledge, the Company's or its Subsidiaries' current and intended products, services and processes do not infringe on any Intellectual Property or other rights held by any person; and the Company is unaware of any facts or circumstances which might give rise to any of the foregoing. The Company and each of its Subsidiaries have taken reasonable security measures to protect the secrecy, confidentiality and value of their Intellectual Property.

(24) The Company and each of its Subsidiaries is in possession of all franchises, grants, authorizations, licenses, permits, easements, variances, exemptions, consents, certificates, approvals and orders necessary to own, lease and operate its properties and to carry on its business as it is now being conducted (collectively, the "**Company Permits**"), and there is no action pending or, to the knowledge of the Company, threatened regarding suspension or cancellation of any of the Company Permits. Neither the Company nor any of its Subsidiaries is in conflict with, or in default or violation of, any of the Company Permits, except for any such conflicts, defaults or violations which, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. Since April 30, 2022, neither the Company nor any of its Subsidiaries has received any notification with respect to possible conflicts, defaults or violations of applicable laws, except for notices relating to possible conflicts, defaults or violations, which conflicts, defaults or violations would not have a Material Adverse Effect.

(25) There are, to the Company's knowledge, with respect to the Company or any of its Subsidiaries or any predecessor of the Company, no past or present violations of Environmental Laws (as defined below), releases of any material into the environment, actions, activities, circumstances, conditions, events, incidents, or contractual obligations which may give rise to any common law environmental liability or any liability under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 or similar federal, state, local or foreign laws and neither the Company nor any of its Subsidiaries has received any notice with respect to any of the foregoing, nor is any action pending or, to the Company's knowledge, threatened in connection with any of the foregoing. The term "**Environmental Laws**" means all federal, state, local or foreign laws relating to pollution or protection of human health or the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata), including, without limitation, laws relating to emissions, discharges, releases or threatened releases of chemicals, pollutants contaminants, or toxic or hazardous substances or wastes (collectively, "**Hazardous Materials**") into the environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials, as well as all authorizations, codes, decrees, demands or demand letters, injunctions, judgments, licenses, notices or notice letters, orders, permits, plans or regulations issued, entered, promulgated or approved thereunder. Other than those that are or were stored, used or disposed of in compliance with applicable law, no Hazardous Materials are contained on or about any real property currently owned, leased or used by the Company or any of its Subsidiaries, and no Hazardous Materials were released on or about any real property previously owned, leased or used by the Company or any of its Subsidiaries during the period the property was owned, leased or used by the Company or any of its Subsidiaries, except in the normal course of the Company's or any of its Subsidiaries' business. There are no underground storage tanks on or under any real property owned, leased or used by the Company or any of its Subsidiaries that are not in compliance with applicable law.

(26) The Company and its Subsidiaries have good and marketable title in fee simple to all real property and good and marketable title to all personal property owned by them which is material to the business of the Company and its Subsidiaries, in each case free and clear of all liens, encumbrances and defects except such as are described in the Loan Agreement and the Inter-Creditor Agreement, or such as would not have a Material Adverse Effect. Any real property and facilities held under lease by the Company and its Subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as would not have a Material Adverse Effect.

(27) The Company and each of its Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as management of the Company believes to be prudent and customary in the businesses in which the Company and its Subsidiaries are engaged. Neither the Company nor any such Subsidiary has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Material Adverse Effect. Upon written request the Company will provide to the Purchaser true and correct copies of all policies relating to directors' and officers' liability coverage, errors and omissions coverage, and commercial general liability coverage.

(28) The Company is a reporting issuer or the equivalent under applicable Securities Laws of the Provinces British Columbia and Ontario. The Company's Common Stock is registered as a class pursuant to section 12(g) of the Exchange Act. The Company's Common Stock is listed and posted for trading on the CSE under the trading symbol "BAMM", and is quoted on the OTCQB Venture Market (with the CSE, the "**Principal Markets**") under the symbol "BMMJ". The Company is not in violation of the listing requirements of the Principal Markets and does not reasonably anticipate that the Common Stock will be delisted by the Principal Markets in the foreseeable future. The Company and its Subsidiaries are unaware of any facts or circumstances which might give rise to any of the foregoing. The Company (i) is in compliance with all applicable Securities Laws in all material respects, and (ii) has complied, or will comply, with all applicable Securities Laws and applicable corporate laws in connection with the Debenture, the conversion of the Debenture into Conversion Shares, the Warrants and the exercise of the Warrants for Warrant Shares.

(29) The Company is not, and upon the issuance and sale of the Securities as contemplated by the Transaction Documents will not be, and will not be controlled by, an "investment company" required to be registered under the Investment Company Act of 1940, as amended.

(30) Neither the Company nor any of its Subsidiaries nor, to the Company's knowledge, any of the officers, directors, employees, agents or other representatives of the Company or any of its Subsidiaries or any other business entity or enterprise with which the Company or any Subsidiary is or has been affiliated or associated, has, directly or indirectly, made or authorized any payment, contribution or gift of money, property, or services, whether or not in contravention of applicable law, (i) as a kickback or bribe to any person or (ii) to any political organization, or the holder of or any aspirant to any elective or appointive public office except for personal political contributions not involving the direct or indirect use of funds of the Company or any of its Subsidiaries.

(31) The Company has not, and to its knowledge no one acting on its behalf has: (i) taken, directly or indirectly, any action designed to cause or to result, or that could reasonably be expected to cause or result, in the manipulation of the price of any security of the Company to facilitate the sale or resale of any of the Securities, (ii) sold, bid for, purchased, or paid any compensation for soliciting purchases of, any of the Securities, or (iii) paid or agreed to pay to any person any compensation for soliciting another to purchase any other securities of the Company.

(32) Neither the Company, nor any of its Subsidiaries, nor any director, officer, agent, employee or other person acting on behalf of the Company or any Subsidiary has, in the course of his actions for, or on behalf of, the Company, used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended, or made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any foreign or domestic government official or employee.

(33) The Company has exercised reasonable care, in accordance with SEC rules and guidance, to determine whether any Covered Person is subject to any of the Disqualification Events. To the Company's knowledge, no Covered Person is subject to a Disqualification Event, except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3) under the U.S. Securities Act. The Company has complied, to the extent applicable, with any disclosure obligations under Rule 506(e) under the U.S. Securities Act. Acknowledgements of the Company

(34) The Company agrees to file a Form D with respect to the Securities as required under Regulation D. The Company intends to rely upon the exemption from the registration requirements under the U.S. Securities Act provided by Rule 506(b) of Regulation D with respect to the offer, sale and issuance of the Securities to the Purchaser and to file, if required, any applicable state notice and filing fees pursuant to applicable state securities or "blue sky" laws.

(35) The Company shall use the proceeds for business development, and not for the repayment of any indebtedness owed to officers, directors or employees of the Company or their affiliates or in violation or contravention of any applicable law, rule or regulation.

(36) To the extent it may lawfully do so, the Company hereby agrees not to insist upon or plead or in any manner whatsoever claim, and will resist any and all efforts to be compelled to take the benefit or advantage of, usury laws wherever enacted, now or at any time hereafter in force, in connection with any action or proceeding that may be brought by the Purchaser in order to enforce any right or remedy under this Agreement, the Debenture and any document, agreement or instrument contemplated thereby. Notwithstanding any provision to the contrary contained in the Transaction Documents, it is expressly agreed and provided that the total liability of the Company under the Transaction Documents for payments which under applicable law are in the nature of interest shall not exceed the maximum lawful rate authorized under applicable law (the "**Maximum Rate**"), and, without limiting the foregoing, in no event shall any rate of interest or default interest, or both of them, when aggregated with any other sums which under applicable law in the nature of interest that the Company may be obligated to pay under the Transaction Documents exceed such Maximum Rate. It is agreed that if the maximum contract rate of interest allowed by law applicable to the Transaction Documents is increased or decreased by statute or any official governmental action subsequent to the date hereof, the new maximum contract rate of interest allowed by law will be the Maximum Rate applicable to the Transaction Documents from the effective date thereof forward, unless such application is precluded by applicable law. If under any circumstances whatsoever, interest in excess of the Maximum Rate is paid by the Company to the Purchaser with respect to indebtedness evidenced by the Transaction Documents, such excess shall be applied by the Purchaser to the unpaid principal balance of any such indebtedness or be refunded to the Company, the manner of handling such excess to be at the Purchaser's election.

(37) Commencing as of the date first above written, and until the earlier of payment of the Debenture in full or full conversion of the Debenture, the Company shall not, directly or indirectly, without the Purchaser's prior written consent, which consent shall not be unreasonably withheld: (a) change the nature of its business; (b) sell, divest, acquire, change the structure of any material assets other than in the ordinary course of business; or (c) solicit any offers for, respond to any unsolicited offers for, or conduct any negotiations with any other person or entity in respect of any Variable Rate Transaction, whether a transaction similar to the one contemplated hereby or any other investment.

(38) The Company will use commercially reasonable efforts, so long as the Purchaser beneficially owns any of the Securities, to maintain the listing and trading of its Common Stock on the Principal Markets or any equivalent replacement exchange or electronic quotation system (including but not limited to the Pink Sheets electronic quotation system) and will comply in all respects with the Company's reporting, filing and other obligations under the bylaws or rules of the Financial Industry Regulatory Authority (and such exchanges, as applicable). The Company shall promptly provide to the Purchaser copies of any notices it receives from the Principal Markets and any other exchanges or electronic quotation systems on which the Common Stock is then traded regarding the continued eligibility of the Common Stock for listing on such exchanges and quotation systems.

(39) The Company will, so long as the Purchaser beneficially owns any of the Securities, maintain its corporate existence and shall not sell all or substantially all of the Company's assets, except in the event of a merger or consolidation or sale of all or substantially all of the Company's assets, where the surviving or successor entity in such transaction (i) assumes the Company's obligations hereunder and under the agreements and instruments entered into in connection herewith and (ii) is a publicly traded corporation whose Common Stock is listed for trading or quotation on the Principal Markets, the Toronto Stock Exchange, the TSX Venture Exchange, the Nasdaq Stock Market, the New York Stock Exchange or the NYSE American.

(40) The Company has not and shall not make any offers or sales of any security (other than the Securities) under circumstances that would require registration of the Securities being offered or sold hereunder under the U.S. Securities Act or cause the offering of the Securities to be integrated with any other offering of securities by the Company for the purpose of any stockholder approval provision applicable to the Company or its securities.

(41) For so long as the Purchaser beneficially owns the Securities, the Company shall comply with the reporting requirements of the Exchange Act; and the Company shall continue to be subject to the reporting requirements of the Exchange Act. During the period that the Purchaser beneficially owns the Securities, if the Company shall (i) fail for any reason to satisfy the requirements of Rule 144(c)(1), including, without limitation, the failure to satisfy the current public information requirements under Rule 144(c) or (ii) since the Company has been an issuer described in Rule 144(i)(1)(i) the Company shall fail to satisfy any condition set forth in Rule 144(i)(2) (each, a "**Public Information Failure**") then, as partial relief for the damages to the Purchaser by reason of any such delay in or reduction of its ability to sell the Securities (which remedy shall not be exclusive of any other remedies available pursuant to this Agreement, the Debenture, or at law or in equity), the Company shall pay to the Purchaser an amount in shares of Common Stock of the Company based on the ten (10) trading day VWAP from prior to the date of the Public Information Failure equal to two percent (2%) of the Purchase Price if the Public Information Failure continues for 30 days, which Public Information Failure payment will be made on the thirtieth (30^{th}) day, if such Public Information Failure has not been cured prior to such thirtieth (30^{th}) day, and on every thirtieth (30^{th}) day (pro rated for periods totaling less than thirty days) thereafter until the date such Public Information Failure is cured.

(42) Within four (4) business days following the date this Agreement has been fully executed, the Company shall file a Current Report on Form 8-K describing the terms of the transactions contemplated by this Agreement in the form required by the Exchange Act and attaching this Agreement (the " **8-K Filing**"). From and after the filing of the 8-K Filing with the SEC, the Purchaser shall not be in possession of any material, nonpublic information received from the Company, any of its Subsidiaries or any of their respective officers, directors, employees or agents that is not disclosed in the 8-K Filing. In addition, effective upon the filing of the 8-K Filing, the Company acknowledges and agrees that any and all confidentiality or similar obligations under any agreement, whether written or oral, between the Company, any of its Subsidiaries or any of their respective officers, directors, affiliates, employees or agents, on the one hand, and the Purchaser or any of its affiliates, on the other hand, shall terminate.

(43) Upon the request of the Purchaser from to time to time, the Company shall be responsible (at its cost) for promptly supplying to the Company's transfer agent and the Purchaser a customary legal opinion letter of its counsel (the "**Legal Counsel Opinion**") to the effect that the resale of the Conversion Shares by the Purchaser or its affiliates, successors and assigns is exempt from the registration requirements of the U.S. Securities Act pursuant to Rule 144 (provided the requirements of Rule 144, as interpreted by Staff at the SEC, are satisfied and provided the Conversion Shares are not then registered under the U.S. Securities Act for resale pursuant to an effective registration statement). Should the Company's legal counsel fail for any reason to issue the Legal Counsel Opinion, other than non-satisfaction of the conditions set forth in Rule 144(i)(2) of the U.S. Securities Act at the time of the proposed resale transaction, the Purchaser may (at the Company's cost) secure another legal counsel to issue the Legal Counsel Opinion, and the Company will instruct its transfer agent to accept such opinion.

5.2 Representations, Warranties and Covenants of the Purchaser. The Purchaser hereby represents and warrants to and covenants with the Company as follows, and acknowledges that the Company and its counsel are relying thereon, both at the date hereof and at the Closing Time:

(1) The Purchaser is a newly formed entity, created specifically for the purpose of acquiring the Securities. The Purchaser understands and acknowledges that, under Rule 501(a)(8) of Regulation D under the U.S. Securities Act, as interpreted by Staff at the SEC, it is permissible to look through various forms of equity ownership to natural persons in determining that the Purchaser is an "accredited investor" as defined in Rule 501(a) of Regulation D. As such, the Purchaser represents and warrants that the Purchaser has caused each such natural person to complete, execute and deliver a U.S. Accredited Investor Certificate in the form annexed to this Agreement as Schedule "C", and that the Purchaser has determined that it therefore qualifies as an "accredited investor".

(2) The Purchaser and any beneficial purchaser for whom it is acting has knowledge in financial and business affairs, is capable of evaluating the merits and risks of an investment in the Securities and is able to bear the economic risk of such investment even if the entire investment is lost.

(3) The Purchaser is domiciled in the jurisdiction set out on the face page of this Agreement.

(4) The Purchaser has properly completed, executed and delivered within applicable time periods to the Company the applicable certificate(s) and/or form(s) (dated as of the date hereof) set forth in the Schedules and the information contained therein is true and correct.

(5) The information, representations, warranties and covenants contained in the applicable Schedules will be true and correct both as of the date of execution of this Agreement and as of the Closing Date, if such dates are not the same date.

(6) The execution and delivery of this Agreement, the performance and compliance with the terms hereof, the subscription for the Securities and the completion of the transactions described herein by the Purchaser will not result in any material breach of, or be in conflict with or constitute a material default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a material default under any term or provision of the organizational documents, limited liability company operating agreement or resolution of the Purchaser, the Securities Laws or any other law applicable to the Purchaser, any agreement to which the Purchaser is a party, or any judgment, decree, order, statute, rule or regulation applicable to the Purchaser.

(7) The Purchaser is acquiring the Securities for investment purposes as principal for its own account and not for the benefit of any other person (within the meaning of applicable Securities Laws).

(8) This Agreement has been duly authorized, executed and delivered by, and constitutes a legal, valid and binding agreement of, the Purchaser. This Agreement is enforceable in accordance with its terms against the Purchaser.

(9) If the Purchaser is:

(a) a corporation, it is duly incorporated and is validly subsisting under the laws of its jurisdiction of incorporation and has all requisite legal and corporate power and authority to execute and deliver this Agreement, to subscribe for the Securities as contemplated herein and to carry out and perform its obligations under the terms of this Agreement; or

(b) a partnership, syndicate or other form of unincorporated organization, it has the necessary legal capacity and authority to execute and deliver this Agreement and to observe and perform its covenants and obligations hereunder and has obtained all necessary approvals in respect thereof.

(10) There is no person acting or purporting to act in connection with the transactions contemplated herein who is entitled to any brokerage or finder's fee. If any person establishes a claim that any fee or other compensation is payable in connection with this subscription for Securities, the Purchaser covenants to indemnify and hold harmless the Company and its counsel with respect thereto and with respect to all costs reasonably incurred in the defence thereof.

(11) If required by applicable Securities Laws or policies of the CSE, the Purchaser will execute, deliver and file or assist the Company in filing such reports, undertakings and other documents with respect to the issue of the Securities and underlying securities as may be required by any securities commission, stock exchange or other regulatory authority.

(12) The Purchaser has not received or been provided with a prospectus or offering memorandum, within the meaning of the Securities Laws, or any sales or advertising literature in connection with the Offering and the Purchaser's decision to subscribe for the Securities was not based upon, and the Purchaser has not relied upon, any verbal or written representations as to facts made by or on behalf of the Company. The Purchaser's decision to subscribe for the Securities was based solely upon the Transaction Documents (and corresponding ancillary documents) and the Public Record.

(13) None of the funds the Purchaser is using to purchase the Securities represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) (the "**PCMLTFA**") or the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* (United States) (the "**USA PATRIOT Act**"), and the Purchaser acknowledges that the Corporation may in the future be required by law to disclose the Purchaser's name and other information relating to this Agreement and its subscription hereunder, on a confidential basis, pursuant to the PCMLTFA and USA PATRIOT Act. To the best of its knowledge (i) none of the subscription funds to be provided by the Purchaser (A) have been or will be derived from or related to any activity that is deemed criminal under the law of Canada, the United States, or any other jurisdiction, or (B) are being tendered on behalf of a person or entity who has not been identified to it, and (ii) it shall promptly notify the Corporation if the Purchaser discovers that any of such representations ceases to be true, and to provide the Corporation with appropriate information in connection therewith.

(14) The Purchaser has had an opportunity to seek the advice of independent counsel or such other advisors as the Purchaser requires in order to evaluate the investment in the Company and to fully understand the rights of holders of the Securities and the underlying securities.

(15) The Purchaser has not purchased the Securities as a result of any form of general solicitation or general advertising (as those terms are understood pursuant to the provisions of Rule 502 of Regulation D), including advertisements, articles, press releases, notices or other communications published in any newspaper, magazine or similar media or on the Internet, or broadcast over radio or television, or the Internet or other form of telecommunications, including electronic display, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.

5.3 Governance Covenants

(1) Following the Closing, and until the later of (a) the repayment or conversion of the principal amount of the Debenture, and (b) the Purchaser (or any of its affiliates) ceasing to own at least 10% of the issued and outstanding Common Stock on an as-converted-basis in the aggregate, the Purchaser shall be entitled to nominate one (1) director to the Board and one (1) Board observer, provided that the director nominee must meet the requirements of applicable corporate, securities and other applicable laws, and the policies of the CSE.

(2) If permitted by applicable law and CSE policies, the Company shall appoint such director to the Board as soon as practicable following Closing. In respect of any meeting of stockholders at which directors are to be elected, the Company shall take all actions necessary and advisable to ensure that (a) proxies are solicited by or on behalf of the Company in favour of the election of the Purchaser's nominee, and (b) each such nominee is endorsed and recommended in the applicable management information circular and other proxy solicitation materials provided by or on behalf of the Company to stockholders. The Company shall take all other commercially reasonable actions necessary to permit the election or appointment to the Board of such nominee.

5.4 Acknowledgements of the Company. The Company acknowledges and agrees that the Purchaser is acting solely in the capacity of arm's length purchaser with respect to the Transaction Documents and the transactions contemplated thereby. The Company further acknowledges that the Purchaser is not acting as a financial advisor or fiduciary of the Company (or in any similar capacity) with respect to the Transaction Documents and the transactions contemplated thereby and any statement made by the Purchaser or any of its respective representatives or agents in connection with this Agreement and the transactions contemplated hereby is not advice or a recommendation and is merely incidental to the Purchaser's purchase of the Securities.

5.5 Acknowledgements of the Purchaser. The Purchaser, on its own behalf and, if applicable, on behalf of others for whom it is acting hereunder, acknowledges and agrees as follows:

(1) The Securities have not been and will not be registered under the U.S. Securities Act or the securities laws of any U.S. state.

(2) The offer and sale of the Securities contemplated hereby is being made in reliance on an exemption from such registration requirements contained in section 4(a)(2) of the U.S. Securities Act and Rule 506(b) of Regulation D promulgated thereunder.

(3) The Debenture and Warrants, any Conversion Shares issuable upon conversion of the Debenture, and any Warrant Shares issued upon exercise of the Warrants, and will be issued to the Purchaser as "restricted securities" (as defined in Rule 144(a)(3) under the U.S. Securities Act) and may not be offered, sold, pledged, or otherwise transferred, directly or indirectly, without prior registration under the U.S. Securities Act and applicable U.S. state securities laws, or in compliance with the exemption from the registration requirements under the U.S. Securities Act provided by Rule 144 thereunder. The Company shall be responsible for the fees of its transfer agent and all fees associated with any such issuance. In the event that the Company does not accept the opinion of counsel provided by the Purchaser with respect to the transfer of Securities pursuant to an exemption from registration, such as Rule 144 (except for non-satisfaction of the conditions set forth in Rule 144(i)(2) of the U.S. Securities Act at the time of the proposed resale transaction), Rule 144A or Regulation S, it will be considered an Event of Default.

(4) There may be material tax consequences to the Purchaser of an acquisition, disposition or exercise of any the Securities and underlying securities. The Company gives no opinion and makes no representation with respect to the tax consequences to the Purchaser under United States, state, local or foreign tax law of the undersigned's acquisition or disposition of such securities.

(5) The Purchaser consents to the Company making a notation on its records or giving instruction to the registrar and transfer agent of the Company in order to implement the restrictions on transfer set forth and described herein.

(6) No securities commission, agency, governmental authority, regulatory body, stock exchange or other regulatory body has reviewed or passed on the merits of the Securities or underlying securities.

(7) The Securities and underlying securities have not been recommended by the SEC, or by any U.S. state or Canadian provincial securities commission or regulatory authority.

(8) The Purchaser is not purchasing the Securities and underlying securities with a view to any resale, distribution or other disposition of such securities in violation of United States federal or State securities laws. The Securities and underlying securities shall be subject to additional statutory resale restrictions under applicable Securities Laws, and the Purchaser covenants that it will not resell the Securities and underlying securities except in compliance with such laws. The Purchaser acknowledges that it is solely responsible for compliance with any applicable Securities Laws governing the resale of the Securities and underlying securities.

(9) The certificates or other instruments representing the Debenture and Warrants will bear, as of the Closing Date, a legend substantially in the following form and with the necessary information inserted:

> **"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE APRIL 20, 2023."**

(10) In addition to the legend contemplated in Section 5.5(9), the Securities shall be issued as "restricted securities" as defined in Rule 144(a)(3) under the U.S. Securities Act, and the certificates or other instruments representing the Securities, as well as all certificates or other instruments issued in exchange therefor or in substitution thereof, until such time as is no longer required under the applicable requirements of the U.S. Securities Act or applicable state securities laws, will bear the following legend:

> "**THE SECURITIES REPRESENTED BY THIS CERTIFICATE [*for Debentures add:* AND THE SECURITIES ISSUABLE UPON CONVERSION THEREOF] [*for Warrants add:* AND THE SECURITIES ISSUABLE UPON EXERCISE THEREOF] HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, OR PURSUANT TO AN EXEMPTION OR EXCLUSION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS. [*For Conversion Shares and Warrant Shares add:* THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT "GOOD DELIVERY" OF THE SECURITIES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE.]**"

provided, that if any Securities are being sold otherwise than to the Company, the legend may be removed by delivery to the registrar and transfer agent and the Company of an opinion of counsel of recognized standing, in form and substance reasonably satisfactory to the Company, that such legend is no longer required under applicable requirements of the U.S. Securities Act or applicable U.S. state securities laws.

(11) The certificates or other instruments representing the Warrants, as well as all certificates or other instruments issued in exchange therefor or in substitution thereof, will also bear the following legend:

> "**THESE WARRANTS AND THE SECURITIES DELIVERABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THESE WARRANTS MAY NOT BE EXERCISED BY OR ON BEHALF OF A U.S. PERSON OR A PERSON IN THE UNITED STATES UNLESS THESE WARRANTS AND THE SHARES ISSUABLE UPON EXERCISE OF THESE WARRANTS HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE SECURITIES LEGISLATION OF ANY SUCH STATE OR EXEMPTIONS FROM SUCH REGISTRATION REQUIREMENTS ARE AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT.**"

(12) In the event the holder of the Debenture converts the Debenture prior to the expiry of the hold periods applicable to the Debenture under NI 45-102, the Conversion Shares will bear a legend substantially in the form contemplated in Section 5.5(9).

(13) In the event the holder of the Warrants exercises the Warrants prior to the expiry of the hold periods applicable to the Warrants under NI 45-102, the Warrant Shares will bear the legends substantially in the form contemplated in Section 5.5(9).

(14) Notwithstanding anything to the contrary herein, the Debenture shall not be converted and the Warrants shall not be exercised if such conversion/exercise shall cause the Purchaser, either alone or together with a combination of persons, to become a new Related Person (as such term is defined by the CSE), unless a CSE Form 3 - *Personal Information Form* is filed by the Purchaser with the CSE together with any additional documentation as may be required by the CSE; and (ii) the CSE has received satisfactory background search results.

(15) The Purchaser has been advised to consult its own legal advisors with respect to trading in the Securities and underlying securities and with respect to the resale restrictions imposed by the Securities Laws of the jurisdiction in which the Purchaser resides and other applicable securities laws.

(16) Rule 905 of Regulation S provides in substance that any "restricted securities" that are equity securities of a Domestic Issuer, as such term is defined in Regulation S, will continue to be deemed to be restricted securities notwithstanding that they were acquired in a resale transaction pursuant to Rule 901 or 904 of Regulation S, and, as interpreted by Staff at the SEC, Rule 905 applies to equity securities that, at the time of issuance were those of a Domestic Issuer, as such term is defined in Regulation S. By operation of Rule 905 of Regulation S, any Conversion Shares or Warrant Shares that are resold outside the United States by the Purchaser in compliance with the requirements of Rule 901 or Rule 904 of Regulation S will continue to be "restricted securities" and will continue to be subject to the requirement that they be represented by a physical certificate imprinted with a U.S. restrictive legend.

(17) The Company is relying on an exemption from the requirement to provide the Purchaser with a prospectus under the Securities Laws and, as a consequence of acquiring Common Stock pursuant to such exemption, certain protections, rights and remedies relating to a prospectus offering of securities that are provided by the Securities Laws, including statutory rights of rescission or damages, will not be available to the Purchaser.

(18) The Company is relying on the representations, warranties and covenants contained herein and in the applicable Schedules attached hereto to determine the Purchaser's eligibility to subscribe for the Securities under applicable Securities Laws and the Purchaser agrees to indemnify the Company and its directors and officers, employees and agents against all losses, claims, costs, expenses, damages or liabilities which any of them may suffer or incur as a result of or arising from reliance thereon. The Purchaser undertakes to immediately notify the Company of any change in any statement or other information relating to the Purchaser set forth in such applicable Schedules which takes place prior to the Closing Time.

(19) There is no government or other insurance covering the Securities or underlying securities.

(20) There are significant risks associated with the purchase of the Securities and the Purchaser may lose his, her or its entire investment.

(21) The Purchaser has had an opportunity to seek the advice of independent counsel or such other advisors as the Purchaser requires in order to evaluate the investment in the Company and to fully understand the rights of the Purchaser.

(22) The Company may complete additional financings in the future in order to develop the business of the Company and to fund its ongoing development; that there is no assurance that such financings will be available and, if available, on reasonable terms; any such future financings may have a dilutive effect on current securityholders, including the Purchaser; and that if such future financings are not available, the Company may be unable to fund its ongoing development.

(23) The Securities and underlying securities are highly speculative in nature and that there are significant risks associated with the purchase of the Securities, including without limitation, the risk factors included in the Company's most annual report on Form 10-K and its most recent quarterly report on Form 10-Q, each as filed with the SEC and available on EDGAR, which periodic reports have also been filed with Canadian Securities Administrators as alternative forms of Management's Discussion and Analysis and are available on SEDAR, and the Purchaser has such knowledge, sophistication and experience in business and financial matters as to be capable of evaluating the merits and risks of its investment in the Securities, fully understands the speculative nature of the Securities and underlying securities and is able to bear the economic risk of loss of its entire investment. All costs and expenses incurred by the Purchaser (including any fees and disbursements of any special counsel or other advisors retained by the Purchaser) relating to the purchase of the Securities shall be borne by the Purchaser.

(24) Pursuant to instructions from the Purchaser, the Company is authorized to correct any minor errors in or complete any minor information missing from the Schedules attached hereto.

(25) Notwithstanding Closing pursuant to Section 4.1, the Offering and issuance of the Securities to the Purchaser is ultimately subject to compliance with the CSE policies and the approval or non-objection of the CSE to the issuance of the Securities.

5.6 Reliance on Representations, Warranties, Covenants and Acknowledgements. The Purchaser acknowledges and agrees that the representations, warranties, covenants and acknowledgements made by the Purchaser in this Agreement are made with the intention that they may be relied upon by the Company in determining the Purchaser's eligibility to purchase the Securities under the Securities Laws. The Purchaser further agrees that by accepting the Securities and underlying securities, the Purchaser shall be representing and warranting that such representations, warranties, acknowledgements and covenants are true as at the Closing Time with the same force and effect as if they had been made by the Purchaser at the Closing Time and that they shall survive the purchase by the Purchaser of the Securities and shall continue in full force and effect notwithstanding any subsequent disposition by the Purchaser of any of the Securities or underlying securities. The Purchaser hereby indemnifies the Company and its counsel in respect to all costs or losses they may suffer as a result of any of the representations, warranties, covenants and acknowledgments of the Purchaser contained herein being not true.

ARTICLE 6
EVENTS OF DEFAULT

6.1 Events of Default. Any of the following shall constitute an Event of Default (each an "**Event of Default**"):

(1) if the Company makes default in payment of the Principal Amount or Interest Amount (as such terms are defined in the Debenture) on the Debenture when the same becomes due and payable under the Debenture, and such default is not waived, cured or remedied within five (5) days of the Company receiving written notification of such an event by the Purchaser;

(2) if the Company defaults in the observation or performance of any covenant, condition, representation, warranty or obligation contained in the Transaction Documents and such default results in a Material Adverse Effect and is not waived, cured or remedied within thirty (30) days of the Company receiving written notification of such an event by the Purchaser;

(3) the declaration of an event of default by any lender or other extender of credit to the Company under any notes, loans, agreements or other instruments of the Company (including those filed as exhibits to or described in the Company's filings with the SEC), after the passage of all applicable notice and cure or grace periods, and such default results in a Material Adverse Effect;

(4) if any of the representations and warranties of the Company in this Agreement are not true and correct on and as of the date of issuance of the Debenture or the Warrants, and such default results in a Material Adverse Effect and is not waived, cured or remedied within ten (10) days of the Company receiving written notification of such an event by the Purchaser;

(5) if any material change occurs in the financial condition or prospects of the Company which impairs to a material extent the ability of the Company to satisfy the obligations under this Debenture, compromises the remedies of the Purchaser, or may otherwise have a material adverse effect on the business, operations or assets of the Company;

(6) if at any time after the date hereof, the Company shall become subject to revocation of its registration under the Exchange Act pursuant to Section 12(j) thereof and/or the Company shall otherwise cease to be subject to the reporting requirements of the Exchange Act;

(7) the restatement of any financial statements filed by the Company with the SEC for any date or period from two years prior to the issuance date of this Debenture and until this Debenture is no longer outstanding, if the result of such restatement would, by comparison to the unrestated financial statement, have constituted a material adverse effect on the rights of the Purchaser, including under the Transaction Documents;

(8) the Company shall be delisted from the CSE without a concurrent listing of the Company's Common Stock on the Toronto Stock Exchange, the TSX Venture Exchange, the Nasdaq Stock Market, the New York Stock Exchange or the NYSE American;

(9) any attempt by the Company or its officers, directors, and/or affiliates to transmit, convey, disclose, or any actual transmittal, conveyance, or disclosure by the Company or its officers, directors, and/or affiliates of, material non-public information concerning the Company, to the Purchaser or its successors and assigns, which is not immediately cured by the Company's filing of a Form 8-K pursuant to Regulation FD on that same date;

(10) if, at any time on or after the date which is six (6) months after the date hereof, the Purchaser is unable to (i) obtain a standard "144 legal opinion letter" from an attorney reasonably acceptable to the Purchaser, the Purchaser's brokerage firm (and respective clearing firm), and the Company's transfer agent in order to facilitate the Purchaser's conversion of any portion of the Debenture into free trading shares of the Company's Common Stock pursuant to Rule 144 (except for non-satisfaction of the conditions set forth in Rule 144(i)(2) of the U.S. Securities Act at the time of the proposed resale transaction), and/or (ii) thereupon deposit such shares into the Purchaser's brokerage account in connection with a sale, which inability to deposit is the result of an action or inaction by the Company;

(11) if a decree or order of a court having jurisdiction in the premises is entered adjudging the Company a bankrupt or insolvent under the applicable laws of the State of Nevada or any other bankruptcy, insolvency or analogous laws, or issuing sequestration or process of execution against, or against any substantial part of, the property of the Company or appointing a receiver of, or of any substantial part of, the property of the Company or ordering the winding-up or liquidation of its or their affairs, or

(12) if a resolution is passed for the winding-up or liquidation of the Company or if proceedings are instituted against the Company under the applicable laws or any other bankruptcy, insolvency or analogous laws, or consents to the filing of any such petition or to the appointment of a receiver of, or of any substantial part of, the property of the Company or if the Company makes a general assignment for the benefit of creditors, or admits in writing its or their inability to pay its or their debts generally as they become due or takes corporate action in furtherance of any of the aforesaid purposes.

ARTICLE 7
SURVIVAL OF REPRESENTATIONS, WARRANTIES AND COVENANTS

7.1 Survival of Representations, Warranties and Covenants of the Company. The representations, warranties and covenants of the Company contained in this Agreement shall survive the Closing and, notwithstanding such Closing or any investigation made by or on behalf of the Purchaser with respect thereto, shall continue in full force and effect for the benefit of the Purchaser.

7.2 Survival of Representations, Warranties and Covenants of the Purchaser. The representations, warranties and covenants of the Purchaser contained in this Agreement shall survive the Closing and, notwithstanding such Closing or any investigation made by or on behalf of the Company with respect thereto, shall continue in full force and effect for the benefit of the Company.

ARTICLE 8
EXPENSES

8.1 Expenses. The Company agrees to reimburse the Purchaser for all expenses related in relation to the offering of the Securities contemplated hereby, including legal costs associated with preparing the Transaction Documents. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby. All costs and expenses (including, without limitation, the fees and disbursements of legal counsel) incurred in connection with this Agreement and the transactions herein contemplated of the Company shall be paid and borne by the Company, except as otherwise agreed in writing and as disclosed herein.

ARTICLE 9
COLLECTION OF PERSONAL INFORMATION

9.1 Collection of and Consent to Use Personal Information

The Purchaser hereby consents to the collection, use and disclosure by the Company and any other of its authorized representatives of the Purchaser's personal information set forth herein ("**Personal Information**") to enable the Company to fulfill its regulatory and reporting requirements and recognizes that this disclosure may result in the disclosure of some or all of the Personal Information becoming public information and, without limiting the foregoing, consents to the disclosure of such Personal Information to the Company and any of its other authorized representatives; securities commissions and/or other regulatory agencies in any jurisdiction in which the rules and requirements of such body may require such reporting; stock exchanges; publication on the SEDAR website; or as may be required or permitted by law.

In order to permit the Company to comply with the requirements of the *Personal Information Protection and Electronic Documents Act* (Canada), the Purchaser expressly consents to the disclosure by the Company in any submission or filing that the Company may be required to make with any applicable regulatory authority or stock exchange of any Personal Information.

The Purchaser hereby acknowledges and agrees that he/she/it (i) has been notified by the Company of the delivery to the securities regulatory authority or regulator of the Personal Information, that the Personal Information is being collected by the securities regulatory authority or regulator under the authority granted in securities legislation, and that the Personal Information is being collected for the purposes of the administration and enforcement of the securities legislation of the local jurisdiction, and (ii) has authorized the indirect collection of the Personal Information by the securities regulatory authority or regulator.

The Personal Information will not be placed on the public file of any securities regulatory authority or regulator. However, freedom of information legislation may require the securities regulatory authority or regulator to make this information available if requested.

If the Purchaser has any questions about the collection and use of the Personal Information and/or the security regulatory authority's or regulator's indirect collection of the Personal Information, the Purchaser hereby acknowledges and agrees that he/she/it has been notified to contact the Inquiries Group, British Columbia Securities Commission, 701 West Georgia Street, P.O. Box 10142, Pacific Centre, Vancouver, BC, Canada V7Y 1L2, Telephone: 1-604-899-6854, Toll free in Canada: 1-800-373-6393, Email: privacy@bcsc.bc.ca.

ARTICLE 10
MISCELLANEOUS

10.1 Further Assurances; Payment Set Aside. Each of the parties hereto upon the request of each of the other parties hereto, whether before or after the Closing Time, shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all such further acts, deeds, documents, assignments, transfers, conveyances, powers of attorney and assurances as may reasonably be necessary or desirable to complete the transactions contemplated herein. To the extent that the Company makes a payment or payments to the Purchaser hereunder or pursuant to the Debenture, or the Purchaser enforces or exercises its rights hereunder or thereunder, and such payment or payments or the proceeds of such enforcement or exercise or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, disgorged by or are required to be refunded, repaid or otherwise restored to the Company, a trustee, receiver or any other person or entity under any law (including, without limitation, any bankruptcy law, foreign, state or federal law, common law or equitable cause of action), then to the extent of any such restoration the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

10.2 Notices

(1) Any notice, direction or other instrument required or permitted to be given to any party hereto shall be in writing and shall be sufficiently given if delivered personally, or transmitted by facsimile or portable document format (PDF) tested prior to transmission to such party, as follows:

(a) in the case of the Company, to:

Body and Mind Inc.
750 -1095 West Pender Street
Vancouver, British Columbia
Canada V6E 2M6

Attention: Michael Mills, President and CEO
Email: mmills@bodyandmind.com

And a copy to:

McMillan LLP
1500 – 1055 West Georgia Street
Vancouver, British Columbia
Canada V6E 4N7

Attention: Michael Shannon
Email: michael.shannon@mcmillan.ca

(b) in the case of the Purchaser, to:

[●]
[●]
[●]

Attention: [●]
Email: [●]

And a copy to:

Akerman LLP
500 West Street, Suite 1210
Austin, TX 78701

Attention: Marc Adesso
Email: marc.adesso@akerman.com

(2) Any such notice, direction or other instrument, if delivered personally, shall be deemed to have been given and received on the day on which it was delivered, provided that if such day is not a Business Day then the notice, direction or other instrument shall be deemed to have been given and received on the first Business Day next following such day and if transmitted by facsimile or portable document format (PDF), shall be deemed to have been given and received on the day of its transmission, provided that if such day is not a Business Day or if it is transmitted or received after the end of normal business hours then the notice, direction or other instrument shall be deemed to have been given and received on the first Business Day next following the day of such transmission.

(3) Any party hereto may change its address for service from time to time by notice given to each of the other parties hereto in accordance with the foregoing provisions.

10.3 Time of the Essence; Remedies. Time shall be of the essence of this Agreement and every part hereof. The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Purchaser by vitiating the intent and purpose of the transaction contemplated hereby. Accordingly, the Company acknowledges that the remedy at law for a breach of its obligations under this Agreement or the Debenture will be inadequate and agrees, in the event of a breach or threatened breach by the Company of the provisions of this Agreement or the Debenture, that the Purchaser shall be entitled, in addition to all other available remedies at law or in equity, and in addition to the penalties assessable herein, to an injunction or injunctions restraining, preventing or curing any breach of this Agreement or the Debenture and to enforce specifically the terms and provisions hereof, without the necessity of showing economic loss and without any bond or other security being required.

10.4 Applicable Law. This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the State of Nevada and the federal laws of the United States applicable therein. Any and all disputes arising under this Agreement, whether as to interpretation, performance or otherwise, shall be subject to the non-exclusive jurisdiction of the state and federal courts of the State of located in Las Vegas, Nevada and each of the parties hereto hereby irrevocably attorns to the jurisdiction of the courts of such jurisdiction.

10.5 Entire Agreement. This Agreement, including the Schedules hereto, constitutes the entire agreement between the parties with respect to the transactions contemplated herein and cancels and supersedes any prior understandings, agreements, negotiations and discussions between the parties. There are no representations, warranties, terms, conditions, undertakings or collateral agreements or understandings, express or implied, between the parties hereto other than those expressly set forth in this Agreement or in any such agreement, certificate, affidavit, statutory declaration or other document as aforesaid. This Agreement may not be amended or modified in any respect except by written instrument executed by each of the parties hereto.

10.6 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same Agreement. Counterparts may be delivered either in original or by facsimile or electronic mail of a portable document format (PDF) form and the parties adopt any signature received by a receiving facsimile machine or electronic mail as original signatures of the parties.

10.7 Assignment. This Agreement may not be assigned by either party except with the prior written consent of the other party hereto.

10.8 Enurement. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, successors (including any successor by reason of the amalgamation or merger of any party), administrators and permitted assigns. No failure or delay on the part of the Purchaser in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privileges. All rights and remedies of the Purchaser existing hereunder are cumulative to, and not exclusive of, any rights or remedies otherwise available.

[*SIGNATURE PAGE FOLLOWS*]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed by a duly authorized officer as of the date first written above.

BODY AND MIND INC.

Michael Mills

President and CEO
(Official Capacity or Title)

[●]

[●]

(Official Capacity or Title)

EXHIBIT A

DEBENTURE

Refer to the materials attached hereto

EXHIBIT B

WARRANTS

Refer to the materials attached hereto

EXHIBIT C

REGISTRATION RIGHTS AGREEMENT

Refer to the materials attached hereto

SCHEDULE "A"
PARTICULARS OF PURCHASER

Please check the appropriate box (and complete the required information, if applicable) in each section:

1. **Security Holdings**. Prior to giving effect to the securities being subscribed for under this Subscription Agreement, the Purchaser and all persons acting jointly and in concert with the Purchaser currently own, directly or indirectly, or exercise control or direction over (provide additional detail as applicable):

   ☐ _____ shares of common stock of Body and Mind Inc. (the "**Issuer**") and/or the following other kinds of shares and convertible securities (including but not limited to convertible debt, warrants and options) entitling the Purchaser to acquire additional shares of common stock or other kinds of shares of the Issuer:

   _____

   ☐ No shares of the Issuer or securities convertible into shares of the Issuer.

2. **Insider Status**. The Purchaser either:

   ☐ Is an "insider" of the Issuer by virtue of being:

   (a) a director or senior officer of the Issuer;

   (b) a director or senior officer of a company that is an Insider or subsidiary of the Issuer;

   (c) a person that beneficially owns or controls, directly or indirectly, voting shares of the Issuer carrying more than 10% of the voting rights attached to all the Issuer's outstanding voting shares;

   (d) the Issuer itself if it holds any of its own securities; or

   (e) a person designated as an insider in an order made by the British Columbia Securities Commission under Securities Act (British Columbia).

   ☐ Is not an Insider of the Issuer.

3. **Related Entity.**

   ☐ The subscriber is **not** a Related Entity of the Issuer. Related Entity means, in respect of a CSE Issuer:

   (a) a person

   (i) that is an affiliated entity of the Issuer;

   (ii) of which the Issuer is a control block holder;

   (b) a management company or a distribution company of a mutual fund that is a CSE Issuer; or

   (c) a management company or other company that operates a trust or partnership that is a CSE Issuer.

   ☐ The subscriber is a Related Entity of the Issuer.

4. **Related Person**.

   ☐ The Purchaser is **not** a Related Person. Related Person means, in respect of a CSE Issuer:

   (a) a Related Entity of the Issuer;

   (b) a partner, director or officer of the Issuer or Related Entity;

   (c) a promoter of or person who performs Investor Relations Activities for the Issuer or Related Entity;

(d) any person that beneficially owns, either directly or indirectly, or exercises voting control or direction over at least 10% of the total voting rights attached to all voting securities of the Issuer or Related Entity; and

(e) such other person as may be designated from time to time by CSE.

☐ The Purchaser is a Related Person.

5. **Registrant status**. The Purchaser either:

☐ is a person registered or required to be registered under the *Securities Act* (British Columbia);

☐ is not a person registered or required to be registered under the *Securities Act* (British Columbia).

SCHEDULE "B"

LIST OF SUBSIDIARIES

Name of Entity	Place of Incorporation/Formation	Ownership Interest
DEP Nevada Inc.(1)	Nevada, USA	100%
Nevada Medical Group, LLC(2)	Nevada, USA	100%
NMG Long Beach, LLC(3)	California, USA	100%
NMG Cathedral City, LLC(4)	California, USA	100%
NMG San Diego, LLC(5)	California, USA	60%
NMG OH, LLC(6)	Ohio, USA	100%
NMG MI 1, Inc.(7)	Michigan, USA	100%
NMG MI P1 Inc.(8)	Michigan, USA	100%
NMG MI C1 Inc.(9)	Michigan, USA	100%

Notes:

(1) DEP Nevada Inc. is a wholly-owned subsidiary of Body and Mind Inc.
(2) Nevada Medical Group, LLC is a wholly-owned subsidiary of DEP Nevada Inc.
(3) NMG Long Beach, LLC is a wholly-owned subsidiary of Nevada Medical Group, LLC
(4) NMG Cathedral City, LLC is a wholly-owned subsidiary of Nevada Medical Group, LLC
(5) NMG San Diego, LLC is a 60% owned subsidiary of Nevada Medical Group, LLC
(6) NMG OH 1, LLC is a wholly-owned subsidiary of DEP Nevada Inc.
(7) NMG MI 1, Inc. is a wholly-owned subsidiary of DEP Nevada, Inc.
(8) NMG MI C1, Inc. is a wholly-owned subsidiary of DEP Nevada, Inc.
(9) NMG MI P1 Inc. is a wholly-owned subsidiary of DEP Nevada Inc.

SCHEDULE "C"
U.S. ACCREDITED INVESTOR CERTIFICATE

The undersigned covenants, represents and warrants to Body and Mind Inc. (the "**Company**") that the undersigned is an "accredited investor" as defined in Regulation D by virtue of satisfying one or more of the categories indicated below **(please hand-write your initial on the appropriate lines and write "SUB" for the criteria the Purchaser meets and "BEN" for the criteria any persons for whose account or benefit the Purchaser is purchasing the Securities meets):**

_____	Category 1.	A bank, as defined in Section 3(a)(2) of the U.S. Securities Act, whether acting in its individual or fiduciary capacity; a savings and loan association or other institution as defined in Section 3(a)(5)(A) of the U.S. Securities Act, whether acting in its individual or fiduciary capacity; a broker or dealer registered pursuant to Section 15 of the United States Securities Exchange Act of 1934; an investment adviser registered pursuant to section 203 of the Investment Advisers Act of 1940 or registered pursuant to the laws of a state; an investment adviser relying on the exemption from registering with the United States Securities and Exchange Commission (the "**Commission**") under section 203(l) or (m) of the United States Investment Advisers Act of 1940; an insurance company as defined in Section 2(a)(13) of the U.S. Securities Act; an investment company registered under the United States Investment Company Act of 1940; a business development company as defined in Section 2(a)(48) of the United States Investment Company Act of 1940; a small business investment company licensed by the United States Small Business Administration under Section 301 (c) or (d) of the United States Small Business Investment Act of 1958; a rural business investment company as defined in section 384A of the United States Consolidated Farm and Rural Development Act; a plan established and maintained by a state, its political subdivisions or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, with total assets in excess of US$5,000,000; or an employee benefit plan within the meaning of the United States Employee Retirement Income Security Act of 1974 in which the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company or registered investment adviser, or an employee benefit plan with total assets in excess of US$5,000,000 or, if a self-directed plan, with investment decisions made solely by persons who are Accredited Investors; or
_____	Category 2.	A private business development company as defined in Section 202(a)(22) of the United States Investment Advisers Act of 1940; or
_____	Category 3.	An organization described in Section 501(c)(3) of the United States Internal Revenue Code, a corporation, a Massachusetts or similar business trust, a partnership, or a limited liability company, not formed for the specific purpose of acquiring the Securities offered, with total assets in excess of US$5,000,000; or
_____	Category 4.	A director or executive officer of the Company; or

_____ Category 5. A natural person whose individual net worth, or joint net worth with that person's spouse or spousal equivalent (being a cohabitant occupying a relationship generally equivalent to that of a spouse), at the time of that person's purchase exceeds US$1,000,000 (**note:** for the purposes of calculating net worth: (i) the person's primary residence shall not be included as an asset; (ii) indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of the sale and purchase of securities contemplated hereby, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of the sale and purchase of securities contemplated hereby exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); (iii) indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence shall be included as a liability; (iv) for the purposes of calculating joint net worth of the person and that person's spouse or spousal equivalent, (A) joint net worth can be the aggregate net worth of the investor and spouse or spousal equivalent, and (B) assets need not be held jointly to be included in the calculation; and reliance by the person and that person's spouse or spousal equivalent on the joint net worth standard does not require that the securities be purchased jointly); or

_____ Category 6. A natural person who had an individual income in excess of US$200,000 in each of the two most recent years or joint income with that person's spouse or spousal equivalent in excess of US$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year; or

_____ Category 7. A trust, with total assets in excess of US$5,000,000, not formed for the specific purpose of acquiring the Securities, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) under the U.S. Securities Act; or

_____ Category 8. An entity in which each of the equity owners are Accredited Investor; or

If you checked Category 8, please indicate the name and category of Accredited Investor (by reference to the applicable number in this Certificate") of each equity owner:

Name of Equity Owner	**Category of Accredited Investor**

It is permissible to look through various forms of equity ownership to natural persons in determining the Accredited Investor status of entities under this category. If those natural persons are themselves Accredited Investors, and if all other equity owners of the entity seeking Accredited Investor status are Accredited Investors, then this category will be available.

_____ Category 9. An entity, of a type not listed in Categories 1, 2, 3, 7 or 8, not formed for the specific purpose of acquiring the Securities, owning investments in excess of US$5,000,000 (note: for the purposes of this Category 9, "investments is defined in Rule 2a51-1(b) under the United States Investment Company Act of 1940); or

_____ Category 10. A natural person holding in good standing one or more of the following professional certifications or designations or credentials from an accredited educational institution that the Commission has designated as qualifying an individual for Accredited Investor status: The General Securities Representative license (Series 7), the Private Securities Offerings Representative license (Series 82), and the Licensed Investment Adviser Representative (Series 65); or

_____ Category 11. A "family office," as defined in rule 202(a)(11)(G)-1 under the United States Investment Advisers Act of 1940: (i) with assets under management in excess of US$5,000,000, (ii) that is not formed for the specific purpose of acquiring the Securities, and (iii) whose prospective investment is directed by a person (a "**Knowledgeable Family Office Administrator**") who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of the prospective investment; or

_____ Category 12. A "family client," as defined in rule 202(a)(11)(G)-1 under the United States Investment Advisers Act of 1940, of a family office meeting the requirements set forth in Category 11 above and whose prospective investment in the Company is directed by such family office with the involvement of the Knowledgeable Family Office Administrator.

Dated _____.

X _____
Signature of individual (if Purchaser **is** an individual)

X _____
Authorized signatory (if Purchaser is **not** an individual)

_____
Name of Purchaser (**please print**)

_____
Name of authorized signatory (**please print**)

_____
Official capacity of authorized signatory (**please print**)

_____

EXHIBIT 10.4

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE APRIL 20, 2023.

THE SECURITIES REPRESENTED HEREBY AND ANY SECURITIES ISSUABLE UPON CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THESE SECURITIES MAY NOT BE OFFERED FOR RESALE, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION UNDER THE U.S. SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, OR PURSUANT TO AN EXEMPTION OR EXCLUSION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.

UNSECURED CONVERTIBLE DEBENTURE
BODY AND MIND INC.
(a corporation existing under the laws of the state of Nevada)

DEBENTURE
CERTIFICATE NUMBER: 2022-12-[●] **PRINCIPAL AMOUNT: US$[●]**

BODY AND MIND INC. (the "**Borrower**"), for value received, hereby acknowledges itself indebted and promises to pay to [●] (hereinafter referred to as the "**Lender**"), the principal amount of US$[●] (the "**Principal Amount**") in lawful money of the United States in the manner hereinafter provided at the address of the Lender set forth in Section 7.2 of Schedule A hereto, or at such other place or places as the Lender may designate by notice in writing to the Borrower, on the date that is five years from the date of issuance of this Debenture (the "**Maturity Date**"), and to pay interest on the Principal Amount outstanding from time to time owing hereunder to the date of payment as hereinafter provided.

The Lender has the right, from time to time and at any time prior to 4:00 p.m. (New York Time) on the Business Day (as defined herein) immediately preceding the Maturity Date to convert all or any portion of the outstanding Principal Amount and/or any accrued interest into Common Stock (as defined herein), at a price, with respect to the Principal Amount and any accrued interest, equal to the Conversion Price (as defined herein), subject to adjustment in certain events. Interest shall accrue monthly, compound annually, and shall be payable on the Maturity Date of the Debenture.

Unless the Lender exercises the conversion rights attached to this Debenture, the Principal Amount owing, or the portion of the Principal Amount which has yet to be converted, together with any amounts now or hereafter payable hereunder including accrued and unpaid interest (collectively, the "**Obligations**") shall be due and payable on the Maturity Date in accordance with the terms hereof. This Debenture is issued subject to the terms and conditions appended hereto as Schedule A.

(See terms and conditions attached hereto)

IN WITNESS WHEREOF, the Borrower has caused this Debenture to be executed by a duly authorized officer.

DATED for reference this 19th day of December, 2022.

BODY AND MIND INC.

Per: _____
Authorized Signatory

Schedule A

TERMS AND CONDITIONS OF UNSECURED CONVERTIBLE DEBENTURE

ARTICLE I
INTERPRETATION

Section 1.1 Definitions

In this Debenture, the following terms shall have the following meanings:

"**Applicable Securities Laws**" means the *Securities Act* (British Columbia) and the securities laws of any other province, state or territory of Canada and the United States, if applicable, and the rules, regulations and policies of any securities regulatory authority administering such securities laws, as the same shall be in effect from time to time.

"**Authorized Share Increase**" has the meaning attributed thereto in Section 3.8.

"**Base Conversion Price**" has the meaning attributed thereto in Section 3.3.

"**Borrower**" has the meaning attributed thereto in the Debenture.

"**Business Day**" means a day other than a Saturday, Sunday or other day on which commercial banks in New York, New York, United States, are authorized by law to close.

"Buy-In Price" has the meaning attributed thereto in Section 3.2.

"**CDS**" means CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., as nominee for certain Canadian brokerage firms).

"**Common Stock**" means shares of the common stock of the Borrower, par value $0.0001 per share, or the common shares of the continuing corporation or other resulting issuer formed as a result of a Merger.

"**Conversion Amount**" has the meaning attributed thereto in Section 3.2.

"**Conversion Failure**" has the meaning attributed thereto in Section 3.2.

"Conversion Price" means US$0.10 per Common Share.

"**Conversion Right**" has the meaning attributed thereto in Section 3.1.

"**Conversion Shares**" means the shares of Common Stock issued to a holder of a Debenture upon conversion of a Debenture in accordance with the terms and conditions of the Debenture.

"**Corporate Event**" has the meaning attributed thereto in Section 3.3.

"**Debenture**" means this unsecured convertible debenture.

"**Dilutive Issuance**" has the meaning attributed thereto in Section 3.3.

"**Event of Default**" has the meaning attributed thereto in the Securities Purchase Agreement.

"**Exchange Cap**" has the meaning attributed thereto in Section 3.3.

"**Exchange**" means the Canadian Securities Exchange or such other stock exchange on which the Common Stock are listed and posted for trading.

"**Exchange Act**" has the meaning attributed thereto in Section 3.1.

"**FG Agency**" means FG Agency Lending LLC, the agent for Bomind Holdings LLC in accordance with the Loan Agreement.

"**Independent Accountant**" means Sadler, Gibb & Associates, LLC.

"**Inter-Creditor Agreement**" means the Inter-Creditor Agreement entered into between the Lender and FG Agency, the agent for Bomind Holdings LLC.

"**Interest Amount"** means any interest amount accrued but unpaid in accordance with the provisions of this Debenture.

"**Interest Rate"** means eight (8%) per annum.

"**Issue Date**" has the meaning attributed thereto in Section 3.2(1).

"**Lender**" has the meaning attributed thereto in the Debenture.

"**Loan Agreement**" means that certain loan agreement entered into among the Borrower, its subsidiaries, FG Agency and Bomind Holdings LLC, dated July 19, 2021, as amended on November 30, 2021 and June 14, 2022.

"**Maturity Date**" means the date that is five years from the date of issuance of this Debenture.

"**Merger**" means any transaction (whether by way of arrangement, amalgamation, merger, transfer, sale or lease) whereby all or substantially all of the Borrower's assets would become the property of any other Person, or, in the case of any such arrangement, amalgamation or merger, of the continuing corporation or other entity resulting therefrom.

"**Obligations**" has the meaning attributed thereto in the Debenture.

"**Offering**" means the offering of Debentures in the aggregate principal amount of up to US$3,500,000, which may be upsized to US$4,000,000, subject to the prior written consent of FG Agency, to be issued by the Borrower, pursuant to the Securities Purchase Agreement.

"**Person**" means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization, or a government or agency or political subdivision thereof .

"**Principal Amount**" has the meaning attributed thereto in the Debenture.

"**Purchase Agreement**" means the Securities Purchase Agreement by and between the Borrower and the Lender of even date herewith.

"**Purchase Rights**" has the meaning attributed thereto in Section 3.3.

"**Reserve Amount Failure**" has the meaning attributed thereto in Section 3.8.

"**Reserved Amount**" has the meaning attributed thereto in Section 3.8.

"**SEC**" means the Securities and Exchange Commission.

"**Securities Purchase Agreement**" means the convertible debenture purchase agreement entered into among the Borrower and [●], dated December 19, 2022.

"**Taxes**" means any present or future income and other taxes, levies, rates, royalties, deductions, withholdings, assessments, fees, dues, duties, imposts and other charges of any nature whatsoever, together with any interest and penalties, additions to tax and other additional amounts, levied, assessed or imposed by any governmental authority.

"**Trading day**" means a day on which the Exchange is open for trading (or if the Borrower's Common Stock are not then listed on the Exchange, such other recognized stock exchange or quotation system on which the Common Stock may trade or be quoted).

"**U.S. Securities Act**" has the meaning attributed thereto in Section 3.5.

Section 1.2 Headings

The inclusion of headings in this Debenture is for convenience of reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Currency

Unless otherwise indicated, all amounts in this Debenture are stated and shall be paid in the lawful currency of the United States.

Section 1.4 Number, Gender and Persons

Unless the context otherwise requires, words importing the singular in number only shall include the plural and vice versa, words importing the use of gender shall include the masculine, feminine and neuter genders and words importing Persons shall include individuals, corporations, partnerships, associations, trusts, unincorporated organizations, governmental bodies and other legal or business entities.

Section 1.5 Severability

If any provision of this Debenture is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination shall not impair or affect the validity, legality or enforceability of the remaining provisions hereof, and each such provision shall be interpreted in such a manner as to render them valid, legal and enforceable to the greatest extent permitted by applicable law. Each provision of this Debenture is declared to be separate, severable and distinct.

Section 1.6 Entire Agreement

This Debenture, including any schedules attached hereto, constitutes the entire agreement between the Borrower and the Lender relating to the subject matter hereof, and supersedes all prior agreements, representations, warranties, statements, promises, information, arrangements, understandings, conditions or collateral agreements, whether oral or written, express or implied, with respect to the subject matter hereof.

ARTICLE II
PAYMENT OF PRINCIPAL, INTEREST AND OTHER CONSIDERATIONS

Section 2.1 Repayment of Principal

(1) The Borrower, for value received, hereby acknowledges itself indebted and promises to pay, subject to ARTICLE III below, to the Lender or any subsequent holder or holders of this Debenture, the Principal Amount in the lawful money of United States of America on the Maturity Date or such other time specified herein, at such places as the Lender may designate by notice in writing to the Borrower.

Section 2.2 Interest Payable

This Debenture shall bear interest commencing on the Issue Date at 8% per annum, which shall accrue monthly, compound annually, and shall be payable on the Maturity Date of the Debenture.

ARTICLE III
CONVERSION

Section 3.1 Conversion Right.

(1) Subject to this ARTICLE III, the Lender shall have the right at any time prior to the Maturity Date, to convert all or any portion of the Principal Amount and/or any Interest Amount, into fully paid and non-assessable Common Stock at the Conversion Price (the "**Conversion Right**"), *provided, however*, that in no event shall the Lender be entitled to convert any portion of this Debenture in excess of that portion of this Debenture upon conversion of which the sum of (a) the number of Common Stock beneficially owned by the Lender and its affiliates (other than Common Stock which may be deemed beneficially owned through the ownership of the unconverted portion of this Debenture or the unexercised or unconverted portion of any other security of the Borrower subject to a limitation on conversion or exercise analogous to the limitations contained herein), and (b) the number of Common Stock issuable upon the conversion of the portion of this Debenture with respect to which the determination of this proviso is being made, would result in beneficial ownership by the Lender and its affiliates of more than 9.99% of the then outstanding Common Stock of the Borrower. For purposes of the proviso set forth in the immediately preceding sentence, beneficial ownership shall be determined in accordance with Section 13(d) of the United States Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and Regulations 13D-G promulgated thereunder, except as otherwise provided in clause (1) of such proviso, provided, however, that the limitations on conversion may be waived by the Lender upon, at the election of the Lender, not less than 61 days' prior notice to the Borrower, and the provisions of the conversion limitation shall continue to apply until such 61st day (or such later date, as determined by the Holder, as may be specified in such notice of waiver). The Conversion Price shall be subject to adjustment as provided in Section 3.3.

(2) The Conversion Right shall extend only to the maximum number of whole Common Stock into which the Principal Amount and/or any Interest Amount of this Debenture or any part thereof may be converted in accordance with this Section 3.1. The Borrower shall not be required to issue fractional Common Stock upon the conversion of the Debenture pursuant to this ARTICLE III with any factional amounts rounded down to the nearest whole number without any compensation to the Lender for any fractional amounts.

Section 3.2 Conversion Procedure

(1) The Conversion Right may be exercised by the Lender by completing and signing the notice of conversion (the "**Conversion Notice**") attached hereto as Schedule B, and delivering the Conversion Notice and this Debenture to the Borrower. The Conversion Notice shall provide that the Conversion Right is being exercised, shall specify the Principal Amount being converted and/or any Interest Amount being converted (the "**Conversion Amount**") and shall set out the date "on which Common Stock are to be issued upon the exercise of the Conversion Right (the "**Issue Date**") (such date to be no earlier than five (5) Business Days and no later than ten (10) Business Days after the day on which the Conversion Notice is issued). The conversion shall be deemed to have been effected immediately prior to the close of business on the Issue Date and the Common Stock issuable upon conversion shall be deemed to be issued as fully paid and non-assessable at such time. Within two (2) Business Days after the Issue Date, a certificate for the required number of Common Stock shall be issued to the Lender. If less than all of the Principal Amount and any Interest Amount of this Debenture is the subject of the Conversion Right, then within ten (10) Business Days after the Issue Date, the Borrower shall deliver to the Lender a replacement Debenture in the form hereof in the principal amount of the unconverted principal balance and any accrued unconverted interest hereof, and this Debenture shall be cancelled. If the Conversion Right is being exercised in respect of the entire Principal Amount and all of the Interest Amount of this Debenture, this Debenture shall be cancelled.

(2) If the Borrower shall fail for any reason or for no reason to issue to the Lender on or prior to ten (10) Business Days from the date on which the Conversion Notice is received by the Borrower a certificate for the number of Conversion Shares or to which the Lender is entitled hereunder and register such Conversion Shares on the Borrower's share register or to credit the Lender's balance account with CDS for such number of Conversion Shares to which the Lender is entitled upon the Lender's conversion of any portion this Debenture (a "Conversion Failure"), then, in addition to all other remedies available to the Lender, (i) the Borrower shall pay to the Lender an amount in cash or in shares of Common Stock of the Company, at the sole discretion of the Company, with the price per share based on the ten (10) trading day volume weighted average price of the Company's Common Stock prior to the date of the Conversion Failure, on each day after the Issue Date and during such Conversion Failure equal to 2.0% of the product of (A) the sum of the number of Conversion Shares not issued to the Lender on or prior to the Issue Date and to which the Lender is entitled and (B) the closing sale price of the Common Stock on the Business Day immediately preceding the last possible date which the Borrower could have issued such Conversion Shares to the Lender without violating this Section 3.2(2), and (ii) the Lender, upon written notice to the Borrower, may void its Conversion Notice with respect to, and retain or have returned, as the case may be, any portion of this Debenture that has not been converted pursuant to such Conversion Notice; provided that the voiding of an Conversion Notice shall not affect the Borrower's obligations to make any payments which have accrued prior to the date of such notice. In addition to the foregoing, if on or prior to ten (10) Business Days from the date on which the Conversion Notice is received by the Borrower, the Borrower shall fail to issue and deliver a certificate to the Lender and register such Conversion Shares on the Borrower's share register or credit the Lender's balance account with CDS for the number of Conversion Shares to which the Lender is entitled upon the Lender's exercise hereunder or pursuant to the Borrower's obligation pursuant to clause (1) above, and if on or after such Business Day the Lender purchases (in an open market transaction or otherwise) Common Stock, provided that the Conversion Shares have been registered under the U.S. Securities Act, to deliver in satisfaction of a sale by the Lender of Common Stock issuable upon such exercise that the Lender anticipated receiving from the Borrower, then the Borrower shall, within two (2) Business Days after the Lender's request and in the Lender's discretion, either (i) pay cash to the Lender in an amount equal to the Lender's total purchase price (including brokerage commissions and other reasonable and customary out-of-pocket expenses, if any) for the Common Stock so purchased (the "**Buy-In Price**"), at which point the Borrower's obligation to deliver such certificate (and to issue such Conversion Shares) or credit such Lender's balance account with CDS for such Conversion Shares shall terminate, or (ii) promptly honor its obligation to deliver to the Lender a certificate or certificates representing such Conversion Shares or credit such Lender's balance account with CDS and pay cash to the Lender in an amount equal to the excess (if any) of the Buy-In Price over the product of (A) such number of Common Stock, times (B) the closing sales price of the Common Stock on the date of exercise. Nothing shall limit the Lender's right to pursue any other remedies available to it hereunder, at law or in equity, including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Borrower's failure to timely deliver certificates representing the Conversion Shares upon the conversion of this Debenture as required pursuant to the terms hereof.

Section 3.3 Adjustments

If and whenever the Common Stock will be subdivided into a greater or consolidated into a lesser number of shares, or in the event of any payment by the Borrower of a stock dividend (other than a dividend paid in the ordinary course), the exercise price will be decreased or increased proportionately as the case may be. Upon any such subdivision, consolidation, payment of a stock dividend or rights offering, the number of shares deliverable upon conversion of this Debenture and the Conversion Price will be increased or decreased proportionately as the case may be such that in all cases the Lender is entitled to receive the same proportion of Common Stock upon conversion as it was entitled to receive prior to the subdivision, or consolidation payment of a stock dividend.

If, at any time when all or any portion of this Debenture is issued and outstanding, the Borrower issues any convertible securities or rights to purchase stock, warrants, securities or other property (the "**Purchase Rights**") pro rata to the record holders of any class of Borrower securities, then the Lender will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which Lender could have acquired if Lender had held the number of Common Stock acquirable upon complete conversion of this Debenture (without regard to any limitations on conversion contained herein) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights or, if no such record is taken, the date as of which the record holders of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights.

In case of any reclassification of the capital of the Borrower, or in the case of the merger, reorganization or amalgamation of the Borrower with, or into any other company (including, for greater certainty, any triangular or three-cornered merger or amalgamation to which the Borrower is party) or of the sale of substantially all of the property and assets of the Borrower to any other company (in each case, a "**Corporate Event**"), the Conversion Right will, after such Corporate Event, confer the right to convert into that number of shares or other securities or property of the Borrower or of the company resulting from such Corporate Event, or to which such sale will be made, as the case may be, which the Lender would then hold if the Lender had exercised the Lender's Conversion Right before the Corporate Event; and in any such case, if necessary, appropriate adjustments will be made in the application of the provisions set forth in this Section 3.3 with respect to the rights and interest thereafter of the Lender to the end that the provisions set forth in this Section 3.3 will thereafter correspondingly be made applicable as nearly as may reasonably be in relation to any Common Stock or other securities or property thereafter deliverable on the conversion of this Debenture.

The adjustments provided for in this Section 3.3 are cumulative. Notwithstanding anything in this Debenture to the contrary, and in addition to the beneficial ownership limitations provided herein, the total number of Common Stock that may be issued under this Note, shall be limited to 19.99% of the Borrower's outstanding Common Stock as of the date hereof (the "**Exchange Cap**"), unless stockholder approval is obtained to issue more than the Exchange Cap. The Exchange Cap shall be appropriately adjusted for any reorganization, recapitalization, non-cash dividend, stock split, reverse stock split or other similar transaction.

Section 3.4 Determination of Adjustments

If any question will at any time arise with respect to any adjustments to be made under Section 3.3, such question will be conclusively determined by the Independent Accountant, who will have access to all appropriate records, and such determination will be binding upon the Borrower and the Lender.

Section 3.5 Resale Restrictions

This Debenture and the Conversion Shares to be issued upon its conversion have not been registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States.

Any Conversion Shares issued upon conversion of this Debenture will be "restricted securities", as defined in Rule 144(a)(3) under the U.S. Securities Act. The certificates or other instruments representing such Conversion Shares, as well as all certificates or other instruments issued in exchange or in substitution therefor, until such time as is no longer required under the applicable requirements of the U.S. Securities Act, or applicable state securities laws, will bear, on the face of such certificate or instrument, the following legend (or substantially equivalent language) restricting transfer in the following manner in the United States:

> THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THESE SECURITIES MAY NOT BE OFFERED FOR RESALE, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION UNDER THE U.S. SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, OR PURSUANT TO AN EXEMPTION OR EXCLUSION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

Any Conversion Shares issued upon conversion of this Debenture prior to the date that is four months and one day after the date of issuance of the Debenture will bear the following legend:

> UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE APRIL 20, 2023.

The Lender agrees to sell, assign or transfer such Conversion Shares only in accordance with the requirements of all such legends and all applicable corporate laws and securities laws.

Section 3.6 Entitlement to Payment of Interest Amount

The Lender, on surrender of the Debenture for conversion, in whole or in part, in accordance with this Debenture shall be entitled to any Interest Amount payable on the Conversion Amount to the Issue Date unless the Lender decides to convert any Interest Amount into Conversion Shares.

Section 3.7 Borrower to Reserve Common Stock

The Borrower covenants with the Lender that it will at all times reserve and keep available out of its authorized Common Stock, solely for the purpose of issue upon exercise of the Conversion Right, and conditionally allot to the Lender, the number of Common Stock as shall then be issuable upon the conversion of this Debenture (the "**Reserved Amount**"). The Borrower covenants with the Lender that all Conversion Shares which shall be so issuable shall be duly and validly issued as fully paid and non-assessable. In the event that the Borrower shall be unable to reserve the entirety of the Reserved Amount at any time (a "**Reserve Amount Failure**"), the Borrower shall promptly take all actions necessary to increase its authorized share capital to accommodate the Reserved Amount (the "**Authorized Share Increase**"), including without limitation, all board of directors actions and approvals and promptly (but no less than sixty (60) days following the calling and holding a special meeting of its shareholders no more than seventy-five (75) days following the Reserve Amount Failure to seek approval of the Authorized Share Increase via the solicitation of proxies. The Borrower represents that upon issuance, the Conversion Shares issued upon any conversion of this Debenture will be duly and validly issued, fully paid and non-assessable. In addition, if the Borrower shall issue any securities or make any change to its capital structure which would change the number of Conversion Shares into which this Debenture shall be convertible at the then current Conversion Price, the Borrower shall at the same time make proper provision so that thereafter there shall be a sufficient number of shares of Common Stock authorized and reserved, free from preemptive rights, for conversion of this Debenture. The Borrower agrees that its issuance of this Debenture shall constitute full authority to its officers and agents who are charged with the duty of executing stock certificates or cause the Borrower to electronically issue Common Stock to execute and issue the necessary certificates for the Conversion Shares or cause the Conversion Shares to be issued as contemplated by the terms and conditions of this Debenture.

Section 3.8 Certificate as to Adjustment

The Borrower shall from time to time, immediately after the occurrence of any event which requires an adjustment or readjustment as provided in Section 3.3, deliver an officer's certificate to the Lender specifying the nature of the event requiring the same and the amount of the adjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based. Such certificate shall be binding and determinative of the adjustment to be made, absent manifest error or the Lender's right to challenge the Borrower's calculation or compliance with the foregoing adjustment provisions. If the Lender challenges the Borrower's calculation or compliance with the foregoing adjustment provisions, the parties will attempt to resolve their disagreement within 30 days of the date the Lender provides notice to the Borrower of its disagreement. If the parties are unable to resolve their disagreement within such 30-day period, the Lender may refer such matter to the Independent Accountant, whose determination in such matter will be binding on the Lender and Borrower.

Section 3.9 Shareholder of Record

For all purposes, on the Issue Date or the applicable date specified in Section 3.2 the Lender shall be deemed to have become the holder of record of the Conversion Shares into which the Principal Amount and/or any Interest Amount of this Debenture (or a portion thereof) is converted in accordance with Section 3.2.

ARTICLE IV
COVENANTS OF THE BORROWER

Section 4.1 Positive Covenants

The Borrower covenants and agrees, for as long this Debenture remains outstanding, that:

(1) **Maintain Corporate Existence**. The Borrower shall maintain its corporate existence, and preserve its rights, powers, licenses and privileges which are necessary or material to the conduct of its business, and not materially change the nature of its business;

(2) **Compliance with Laws**. The Borrower shall comply in all material respects with all applicable laws, rules, governmental restrictions and regulations;

(3) **Payment of Taxes**. The Borrower shall pay and discharge promptly all Taxes assessed or imposed upon it or its property as and when the same become due and payable save and except where it contests in good faith the validity thereof by proper legal proceedings;

(4) **Payment of Obligations**. The Borrower shall pay all principal and other amounts owing to the Lender hereunder promptly when due;

(5) **Performance of Covenants**. The Borrower shall promptly perform and satisfy all covenants and obligations to be performed by it under this Debenture;

(6) **Certain Transactions**. The Borrower hereby covenants and agrees that it will not, by amendment of its Articles of Incorporation or bylaws, or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Debenture, and will at all times in good faith carry out all the provisions of this Debenture and take all action as may be required to protect the rights of the Lender.

(7) **Maintain Listing**. The Borrower shall use reasonable commercial efforts to maintain the listing of the Common Stock on the Exchange and to maintain the Borrower's status as (A) a "reporting issuer" under the Applicable Securities Laws of the Provinces of British Columbia and Ontario, and (B) having its Common Stock registered as a class pursuant to Section 12(g) or 12(b) of the Exchange Act;

(8) **Notice of Event of Default**. The Borrower shall promptly, and in any event within five (5) Business Days after a responsible officer of the Borrower becoming aware, give notice to the Lender of the existence of any Event of Default.

ARTICLE V
EVENTS OF DEFAULT

Section 5.1 Events of Default

(1) If an Event of Default shall occur and be continuing and the Borrower shall fail forthwith to pay the amounts owing hereunder, subject to the terms and conditions of the Loan Agreement and the Inter-Creditor Agreement, the Lender shall be entitled and empowered to institute any action or proceedings at law or in equity for the collection of the sums so due and unpaid, and may prosecute any such action or proceedings to judgment or final decree, and may enforce any such judgment or final decree against the Borrower or other obligors upon this Debenture and collect in the manner provided by law out of the property of the Borrower or other obligors upon this Debenture wherever situated the monies adjudged or decreed to be payable. In addition, subject to the terms and conditions of the Loan Agreement and the Inter-Creditor Agreement, the Lender may, in their discretion, proceed to protect and enforce the rights vested in them by this Debenture by such appropriate judicial proceedings as the Lender shall deem most effectual to protect and enforce any of such rights, either at law or in equity and either in bankruptcy or otherwise.

(2) The Lender may, by instrument in writing signed by the Lender or by an authorized officer of the Lender, but not otherwise, waive any breach by the Borrower of any of the provisions contained in this Debenture or any default by the Borrower in the observance or performance of any covenant, agreement or condition required to be kept, observed or performed by the Borrower under the terms of this Debenture; provided always that no act or omission of the Lender in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent breach or default or to affect the rights of the Lender resulting therefrom.

ARTICLE VI
MUTILATION, LOSS, THEFT OR DESTRUCTION OF DEBENTURE CERTIFICATE

In case this Debenture certificate shall become mutilated or be lost, stolen or destroyed, the Borrower shall issue and deliver a new replacement Debenture certificate upon surrender and cancellation of the mutilated Debenture certificate or, in the case of a lost, stolen or destroyed Debenture certificate, in lieu of and in substitution for the same. In the case of loss, theft or destruction, the applicant for a substituted Debenture certificate shall furnish to the Borrower such evidence of the loss, theft or destruction of the Debenture certificate as shall be satisfactory to the Borrower in its discretion and shall also furnish an indemnity and surety bond satisfactory to the Borrower in its discretion. The applicant shall pay all reasonable expenses incidental to the issuance of any substituted Debenture certificate.

ARTICLE VII
GENERAL

Section 7.1 Taxes

All payments made by the Borrower to the Lender under this Debenture shall be made free and clear of, and without deduction for or on account of, any withholding Taxes now or hereafter imposed by any official body in any jurisdiction. If any such withholding Taxes are required to be withheld or deducted from any amounts payable by the Borrower to the Lender hereunder, the Borrower shallwithin the time period for payment permitted by applicable law, pay to the appropriate governmental body the full amount of such withholding Taxes and make such reports and filings in connection therewith in the manner required by applicable law.

Upon the request of the Lender, the Borrower shall furnish to the Lender the original or a certified copy of a receipt for (or other satisfactory evidence as to) the payment of the withholding Taxes (if any) payable in respect of such payment. Nothing herein is intended to require payment by the Borrower to or for the Lender in respect of any Taxes payable by the Lender in respect of Taxes on the Lenders' own income, capital, capital gains, dividends, or other earnings realized pursuant to payments made pursuant to the terms of this Debenture.

Section 7.2 Notice

Unless otherwise expressly provided in this Debenture, any notice or other communication to be given under this Debenture shall be in writing addressed as follows:

(a) If to the Borrower, to:

Body and Mind Inc.
750 – 1095 West Pender Street
Vancouver, BC
V6E 2M6

Attention: Michael Mills
Email: mmills@bodyandmind.com

with a copy (for informational purposes only and not constituting notice) to:

McMillan LLP
1500 – 1055 West Georgia Street
PO Box 11117
Vancouver, BC V6E 4N7

Attention: Michael Shannon
Email: michael.shannon@mcmillan.ca

(b) If to the Lender, to:

[●]
[●]
[●]

Attention: [●]
Email: [●]

with a copy (for informational purposes only and not constituting notice) to:

Akerman LLP
500 West 5th Street, Suite 1210
Austin, TX 78701

Attention: Marc Adesso
Email: marc.adesso@akerman.com

or to such other address as any of the parties may designate by notice given to the others.

Each notice or other communication given under this Debenture shall be personally delivered to the addressee or sent by means of electronic transmission to the addressee and: (i) a notice which is personally delivered shall, if delivered on a Business Day, be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is delivered; and (ii) a notice which is sent by means of electronic transmission shall be deemed to be given and received on the first Business Day following the day on which it is sent.

Section 7.3 Merger of Borrower

By its acceptance hereof, each of the Borrower and the Lender acknowledges and agrees that in the event of any transaction (whether by way of arrangement, amalgamation, merger, transfer, sale or lease) whereby all or substantially all of the Borrower's assets would become the property of any other Person, or, in the case of any such arrangement, amalgamation or merger, of the continuing corporation or other entity resulting therefrom; occurs, then all references herein to the Borrower shall extend to and include the entity resulting therefrom or which thereafter will carry on the business of the Borrower.

Section 7.4 Amendments

This Debenture may not be amended or otherwise modified except by an instrument in writing executed by the Borrower and the Lender.

Section 7.5 Waivers

The Lender shall not, by any act, delay, omission or otherwise, be deemed to have expressly or impliedly waived any of its rights, powers and/or remedies unless such waiver shall be in writing and executed by an authorized officer of the Lender. Any such waiver shall be enforceable only to the extent specifically set forth therein. A waiver by the Lender of any right, power and/or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power and/or remedy which the Lender would otherwise have on any future occasion, whether similar in kind or otherwise.

Section 7.6 Transfer of Debenture

No transfer of this Debenture shall be valid unless made in accordance with applicable laws, including all Applicable Securities Laws. If the Lender intends to transfer this Debenture or any portion thereof, it shall deliver to the Borrower the transfer form attached to this Debenture as Schedule C, duly executed by the Lender. Upon compliance with the foregoing conditions and the surrender by the Lender of this Debenture, the Borrower shall execute and deliver to the applicable transferee a new Debenture registered in the name of the transferee. If less than the full Principal Amount of this Debenture is transferred, the Lender shall be entitled to receive, in the same manner, a new Debenture registered in its name evidencing the portion of the Principal Amount of this Debenture not so transferred. Prior to registration of any transfer of this Debenture, the Lender and the applicable transferee shall be required to provide the Borrower with necessary information and documents, including certificates and statutory declarations, as may be required to be filed under applicable laws.

Section 7.7 Release and Discharge

If the Lender exercises all conversion rights attached to this Debenture pursuant to ARTICLE III hereof or if the Borrower pays all of the Obligations in full to the Lender, the Lender shall release this Debenture and the Borrower shall be, and shall be deemed to have, discharged of all its obligations under this Debenture.

Section 7.8 Successors and Assigns

This Debenture shall enure to the benefit of the Lender and its successors and assigns, and shall be binding upon the Borrower and its successors and permitted assigns.

Section 7.9 Time

Time shall be of the essence of this Debenture.

Section 7.10 Governing Law

This Debenture shall be governed by and interpreted in accordance with the laws of the State of Nevada applicable therein.

Section 7.11 Further Assurances

The Borrower shall forthwith, at its own expense and from time to time, do or file, or cause to be done or filed, all such things and shall execute and deliver all such documents, agreements, certificates and instruments reasonably requested by the Lender or its counsel as may be necessary or desirable to complete the transactions contemplated by this Debenture and carry out its provisions and intention.

SCHEDULE B

FORM OF CONVERSION NOTICE

TO: BODY AND MIND INC. (the "**Company**")

Pursuant to the Unsecured Convertible Debenture (the "**Debenture**") of the Company issued to the undersigned on December 19, 2022, the undersigned hereby notifies the Company that $_____ of the principal amount outstanding and $_____ of the interest amount accrued under the Debenture shall be converted into Common Stock of the Company, all in accordance with the terms of the Debenture on December 19, 2022. No fee will be charged to the undersigned for any conversion, except for transfer taxes, if any.

The undersigned hereby directs that the Common Stock subscribed for be registered and delivered as follows:

NAME(S) IN FULL	ADDRESS(ES)	NUMBER OF COMMON SHARES

DATED this _____ day of _____, 20_____.

In the presence of:

Signature of Witness	Signature of Holder
Witness's Name	Name and Title of Authorized Signatory for the Holder

Please print below your name and address in full.

Legal Name _____

Address _____

SCHEDULE C

FORM OF TRANSFER

TO: BODY AND MIND INC. (the "**Company**")

FOR VALUE RECEIVED, the undersigned (the "**Transferor**") hereby sells, assigns and transfers unto _____ (include name and address of the transferee) (the "**Transferee**") $_____ principal amount of Unsecured Convertible Debenture of the Company registered in the name of the undersigned on the register of the Borrower maintained therefor, and hereby irrevocably appoints _____ the attorney of the undersigned to transfer the said securities on the books maintained by the Company with full power of substitution.

The Transferor hereby certifies that (check either A or B):

_____ (A) if the Transferee is (i) a U.S. person, (ii) a person in the United States, or (iii) a person who is acting for the account or benefit of a U.S. person or a person in the United States, the transfer of the Debentures is being completed pursuant to an exemption from the registration requirements of the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), in which case the Transferor has delivered or caused to be delivered by the Transferee a written opinion of U.S. legal counsel of recognized standing in form and substance satisfactory to the Company to the effect that the transfer of the Debentures is exempt from the registration requirements of the U.S. Securities Act; or

_____ (B) the transfer of the Debentures is being made in reliance on Rule 904 of Regulation S under the U.S. Securities Act, and certifies that:

(1) the undersigned is not an "affiliate" (as defined in Rule 405 under the U.S. Securities Act) of the Company (except solely by virtue of being an officer or director of the Company) or a "distributor", as defined in Regulation S, or an affiliate of a "distributor";

(2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believe that the buyer was outside the United States or (b) the transaction was executed on or through the facilities of a designated offshore securities market within the meaning of Rule 902(b) of Regulation S under the U.S. Securities Act, and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States;

(3) neither the seller nor any affiliate of the seller nor any person acting on their behalf engaged in any directed selling efforts in connection with the offer and sale of the Debentures;

(4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the Debentures are "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act);

(5) the Transferor does not intend to replace the securities sold in reliance on Rule 904 of the U.S. Securities Act with fungible unrestricted securities; and

(6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S, is part of a plan or a scheme to evade the registration provisions of the U.S. Securities Act.

Unless otherwise specified, terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act. If Option B is checked, the Company may, in its sole discretion, require the Transferor or the Transferee to furnish a written opinion of U.S. legal counsel or other documentation acceptable to the Company to the effect that the transfer of the Debentures is excluded from the registration requirements of the U.S. Securities Act.

DATED this _____ day of _____, 20___.

Signature of Transferor guaranteed by:

Medallion Signature Guarantee
Stamp of Transferor

Authorized Officer

Name of Institution

Signature of Transferor

(print name of Transferor)

(if applicable, print name of signatory and office)

Address of Transferor

INSTRUCTIONS FOR TRANSFER

Signature of the Debenture Holder must be the signature of the person appearing on the face of this Debenture Certificate.

If the Form of Transfer is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a fiduciary or representative capacity, the certificate must be accompanied by evidence of authority to sign satisfactory to the Company.

The signature on the Form of Transfer must be guaranteed by one of the following methods:

***In Canada and the US*: a Medallion Guarantee** obtained from a member of an acceptable Medallion Guarantee Program (STAMP,SEMP or MSP). Many banks, credit unions and broker dealers are members of a Medallion Guarantee Program. The guarantor must affix a stamp in the space above bearing the actual words "Medallion Guaranteed".

***In Canada*: a Signature Guarantee** obtained from a major Canadian Schedule I bank that is not a member of a Medallion Guarantee Program. The guarantor must affix a stamp in the space above bearing the actual words "Signature Guaranteed".

Outside Canada and the US: Holders must obtain a guarantee from a local financial institution that has a corresponding affiliate in Canada or the US that is a member of an acceptable Medallion Guarantee Program. The corresponding affiliate must overguarantee the guarantee provided by the local financial institution.

The Debenture shall only be transferable in accordance with all applicable laws.

TRANSFEREE ACKNOWLEDGMENT

The Transferee acknowledges and agrees that the Debentures may not be offered, sold, pledged or otherwise transferred in the absence of: (a) an effective registration statement under the United States *Securities Act of 1933*, as amended (the "**U.S. Securities Act**"), relating thereto; or (b) an exemption from the registration requirements of the U.S. Securities Act. The Debenture Certificate, and each certificate representing Common Shares issuable upon conversion thereof, shall contain a legend on the face thereof, in the appropriate form, setting forth the restrictions on transfer referred to in the Debenture Certificate, unless in the opinion of counsel for the holder thereof (which counsel shall be reasonably satisfactory to the Company), the securities represented thereby are not, at such time, required by law to bear such legend, or in the case of the Common Shares, are transferred pursuant to an effective registration statement under the U.S. Securities Act and the applicable state securities laws. The holder acknowledges and agrees that the Debentures represented by this Debenture Certificate, and the Common Shares issuable upon conversion thereof, constitute "restricted securities" under the U.S. Securities Act.

If the Transferee acquires the Debentures pursuant to a resale transaction pursuant to Rule 904 of Regulation S under the U.S. Securities Act, then the Transferee acknowledges that the Debentures still continue to be deemed restricted securities and will continue to bear restrictive legends.

Any certificate issued at any time in exchange or substitution for any certificate bearing a restrictive legend shall also bear such legend unless in the opinion of counsel for the holder thereof (which counsel shall be reasonably satisfactory to the Company and its transfer agent), the securities represented thereby are not, at such time, required by law to bear such legend.

The Transferee acknowledges that it shall notify the Company prior to any transfer of the Debentures if the representations, warranties and certifications contained in the Form of Transfer are no longer true and correct.

DATED the ___ day of _____, 20__

In the presence of:	(Signature of Transferee)
(Witness)	(Name of Transferee – Please print)
(Name of Witness – Please print)	(Capacity of Authorized Representative)

The Debentures and the Common Shares issuable upon conversion of the Debentures shall only be transferable in accordance with applicable laws. The Debentures may only be converted in the manner required by the Debenture Certificate and the Conversion Notice attached thereto. Any securities acquired pursuant to the conversion of the Debentures shall be subject to applicable hold periods and any certificate representing such securities may bear restrictive legends.

EXHIBIT 10.5

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this "**Agreement**") is made and entered into as of December 19, 2022, between Body and Mind Inc., a Nevada corporation (the "**Company**"), and each of the purchasers signatory hereto (each such purchaser, a "**Purchaser**" and, collectively, the "**Purchasers**").

This Agreement is made pursuant to that certain Securities Purchase Agreement, dated as of the date hereof, between the Company and each Purchaser (the "**Purchase Agreement**"). The execution of this Agreement is a condition to the closing of the transactions contemplated by the Purchase Agreement.

The Company and each Purchaser hereby agree as follows:

1. Definitions.

Capitalized terms used and not otherwise defined herein that are defined in the Purchase Agreement shall have the meanings given such terms in the Purchase Agreement. As used in this Agreement, the following terms shall have the following meanings:

"**Advice**" shall have the meaning set forth in 6(c).

"**Effectiveness Date**" means, with respect to the Initial Registration Statement required to be filed hereunder, the 150th calendar day following the date hereof (or, in the event of a "full review" by the SEC, the 270th calendar day following the date hereof) and with respect to any additional Registration Statements which may be required pursuant to 2(c) or 3(c), the 120th calendar day following the date on which an additional Registration Statement is required to be filed hereunder (or, in the event of a "full review" by the SEC, the 165th calendar day following the date such additional Registration Statement is required to be filed hereunder); provided, however, that in the event the Company is notified by the SEC that one or more of the above Registration Statements will not be reviewed or is no longer subject to further review and comments, the Effectiveness Date as to such Registration Statement shall be no later than the fifteenth Trading Day following the date on which the Company is so notified if such date precedes the dates otherwise required above, provided, further, if such Effectiveness Date falls on a day that is not a Trading Day, then the Effectiveness Date shall be the next succeeding Trading Day.

"**Effectiveness Period**" shall have the meaning set forth in 2(a).

"**Event**" shall have the meaning set forth in 2(d).

"**Event Date**" shall have the meaning set forth in 2(d).

"**Filing Date**" means, with respect to the Initial Registration Statement required hereunder, on or before the date that is 60 days after the execution of this Agreement, and, with respect to any additional Registration Statements which may be required pursuant to 2(c) or 3(c), the earliest practical date on which the Company is permitted by SEC Guidance to file such additional Registration Statement related to the Registrable Securities.

"**Holder**" or "**Holders**" means the holder or holders, as the case may be, from time to time of Registrable Securities.

"**Indemnified Party**" shall have the meaning set forth in 5(c).

"**Indemnifying Party**" shall have the meaning set forth in 5(c).

"**Initial Registration Statement**" means the initial Registration Statement on Form S-1 filed with the SEC pursuant to this Agreement.

"**Losses**" shall have the meaning set forth in 5(a).

"**New Registration Statement**" shall have the meaning set forth in 2(b).

"**Plan of Distribution**" shall have the meaning set forth in 2(a).

"**Prospectus**" means the prospectus included in a Registration Statement (including, without limitation, a prospectus that includes any information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A promulgated by the SEC pursuant to the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by a Registration Statement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

"**Registrable Securities**" means, as of any date of determination, (a) all of the Shares and (b) any securities issued or then issuable upon any stock split, dividend or other distribution, recapitalization or similar event with respect to the Shares; provided, however, that any such Registrable Securities shall cease to be Registrable Securities (and the Company shall not be required to maintain the effectiveness of any, or file another, Registration Statement hereunder with respect thereto) for so long as (a) a Registration Statement with respect to the sale of such Registrable Securities is declared effective by the SEC under the Securities Act and such Registrable Securities have been disposed of by the Holder in accordance with such effective Registration Statement, (b) such Registrable Securities have been previously sold in accordance with Rule 144 or pursuant to another available resale safe harbor, or (c) such securities become eligible for resale without volume or manner-of-sale restrictions as set forth in a written opinion letter to such effect, addressed, delivered and acceptable to the Transfer Agent and the affected Holders (assuming that such securities and any securities issuable upon exercise, conversion or exchange of which, or as a dividend upon which, such securities were issued or are issuable, were at no time held by any Affiliate of the Company, as reasonably determined by the Company, upon the advice of counsel to the Company.

"**Registration Statement**" means any registration statement required to be filed hereunder pursuant to 2(a) and any additional registration statements contemplated by 2(c) or 3(c) (including, for the avoidance of doubt, a New Registration Statement), including (in each case) the Prospectus, amendments and supplements to any such registration statement or Prospectus, including pre- and post-effective amendments, all exhibits thereto, and all material incorporated by reference or deemed to be incorporated by reference in any such registration statement.

"**Rule 144**" means Rule 144 promulgated by the SEC pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the SEC having substantially the same purpose and effect as such Rule.

"**Rule 415**" means Rule 415 promulgated by the SEC pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the SEC having substantially the same purpose and effect as such Rule.

"**Rule 424**" means Rule 424 promulgated by the SEC pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the SEC having substantially the same purpose and effect as such Rule.

"**Selling Stockholder Questionnaire**" shall have the meaning set forth in 3(a).

"**SEC Guidance**" means (i) any publicly-available written or oral guidance of the SEC staff, or any comments, requirements or requests of the SEC staff, (ii) the U.S. Securities Act, and (iii) any other rules and regulations of the SEC.

"**Trading Day**" means a Business Day during which trading in the Common Stock generally occurs on the Company's principal market, which at the time of the writing of this Agreement is the Canadian Securities Exchange.

2. Registration.

(a) On or prior to each Filing Date, the Company shall prepare and file with the SEC a Registration Statement covering the resale of 100% of the Registrable Securities that are not then registered on an effective Registration Statement for an offering to be made on a continuous basis pursuant to Rule 415. The Initial Registration Statement shall be filed on Form S-1 and each other Registration Statement filed hereunder shall be on Form S-3 (except if the Company is not then eligible to register for resale the Registrable Securities on Form S-3, in which case such registration shall be on another appropriate form such as Form S-1 in accordance herewith, subject to the provisions of Section2(e)) and shall contain (unless otherwise directed by at least 60% in interest of the Holders) substantially the "**Plan of Distribution**" attached hereto as Annex A and substantially the "**Selling Stockholder**" section attached hereto as Annex B; provided, however, that no Holder shall be required to be named as an "underwriter" without such Holder's express prior written consent. Subject to the terms of this Agreement, the Company shall use its best efforts to cause a Registration Statement filed under this Agreement (including, without limitation, under 3(c)) to be declared effective under the Securities Act as promptly as possible after the filing thereof, but in any event no later than the applicable Effectiveness Date, and shall use its best efforts to keep such Registration Statement continuously effective under the Securities Act until the date that all Registrable Securities covered by such Registration Statement (i) have been sold, thereunder or pursuant to Rule 144, or (ii) may be sold without volume or manner-of-sale restrictions pursuant to Rule 144 or pursuant to another available resale safe harbor, as determined by the counsel to the Company pursuant to a written opinion letter to such effect, addressed and acceptable to the Transfer Agent and the affected Holders (the "**Effectiveness Period**"). The Company shall telephonically request effectiveness of a Registration Statement as of 5:00 p.m. (New York City time) on a Trading Day. The Company shall immediately notify the Holders via e-mail of the effectiveness of a Registration Statement on the same Trading Day that the Company telephonically confirms effectiveness with the SEC, which shall be the date requested for effectiveness of such Registration Statement. The Company shall within two Trading Days immediately after the effective date of such Registration Statement, file a final Prospectus with the SEC as required by Rule 424.

(b) Notwithstanding the registration obligations set forth in Section2(a), if the SEC informs the Company that all of the Registrable Securities cannot, as a result of the application of Rule 415, be registered for resale as a secondary offering on a single Registration Statement, the Company shall promptly inform each of the Holders thereof and (i) use its best efforts to file amendments to the Initial Registration Statement as required by the SEC and/or (ii) withdraw the Initial Registration Statement and file a new registration statement (the "**New Registration Statement**"), in each case, covering the maximum number of Registrable Securities permitted to be registered by the SEC, on Form S-1 or Form S-3 or such other form available to register for resale the Registrable Securities as a secondary offering, subject to the provisions of Section 2(e); with respect to filing on Form S-1 or Form S-3 or other appropriate form, and subject to the provisions of Section2(d) with respect to the payment of liquidated damages; *provided, however*, that prior to filing such amendment or New Registration Statement, the Company shall be obligated to use diligent best efforts to advocate with the SEC for the registration of all of the Registrable Securities in accordance with the SEC Guidance, including without limitation, SEC's Securities Act Rules Compliance and Disclosure Interpretation 612.09.

(c) Notwithstanding any other provision of this Agreement and subject to the payment of liquidated damages pursuant to Section2(d), if the SEC or any SEC Guidance sets forth a limitation on the number of Registrable Securities permitted to be registered on a particular Registration Statement as a secondary offering (and notwithstanding that the Company used diligent efforts to advocate with the SEC for the registration of all or a greater portion of Registrable Securities), unless otherwise directed in writing by a Holder as to its Registrable Securities, the Company shall first reduce or eliminate any securities to be included other than Registrable Securities. In the event of a cutback hereunder, the Company shall give the Holder at least five (5) Trading Days prior written notice along with the calculations as to such Holder's allotment. In the event the Company amends the Initial Registration Statement or files a New Registration Statement in accordance with the foregoing, the Company will use its best efforts to file with the SEC, as promptly as allowed by SEC or SEC Guidance provided to the Company or to registrants of securities in general, one or more registration statements on Form S-1 or Form S-3 or such other form available to register for resale those Registrable Securities that were not registered for resale on the Initial Registration Statement, as amended, or the New Registration Statement.

(d) If: (i) the Initial Registration Statement is not filed on or prior to its Filing Date (if the Company files the Initial Registration Statement without affording the Holders the opportunity to review and comment on the same as required by 3(a) herein, the Company shall be deemed to have not satisfied this clause (i)), or (ii) the Company fails to file with the SEC a request for acceleration of a Registration Statement in accordance with Rule 461 promulgated by the SEC pursuant to the Securities Act, within ten (10) Trading Days of the date that the Company is notified (orally or in writing, whichever is earlier) by the SEC that such Registration Statement will not be "reviewed" or will not be subject to further review, or (iii) prior to the effective date of a Registration Statement, the Company fails to file a pre-effective amendment and otherwise respond in writing to comments made by the SEC in respect of such Registration Statement within forty (40) Trading Days after the receipt of comments by or notice from the SEC that such amendment is required in order for such Registration Statement to be declared effective, or (iv) a Registration Statement registering for resale all of the Registrable Securities is not declared effective by the SEC by the Effectiveness Date of the Initial Registration Statement, or (v) after the effective date of a Registration Statement, such Registration Statement ceases for any reason to remain continuously effective as to all Registrable Securities included in such Registration Statement, or the Holders are otherwise not permitted to utilize the Prospectus therein to resell such Registrable Securities, for more than thirty (30) consecutive Trading Days or more than an aggregate of fifty (50) Trading Days (which need not be consecutive Trading Days) during any 12-month period, other than with respect to the filing of a post-effective amendment on Form S-1 after the Company has filed an Annual Report on Form 10-K with the SEC (any such failure or breach being referred to as an "Event", and for purposes of clauses (i) and (iv), the date on which such Event occurs, and for purpose of clause (ii) the date on which such ten (10) Trading Day period is exceeded, and for purpose of clause (iii) the date which such forty (40) Trading Day period is exceeded, and for purpose of clause (v) the date on which such thirty (30) or fifty (50) Trading Day period, as applicable, is exceeded being referred to as "**Event Date**"), then, in addition to any other rights the Holders may have hereunder or under applicable law, on each such Event Date and on each monthly anniversary of each such Event Date (if the applicable Event shall not have been cured by such date) until the applicable Event is cured, the Company shall pay to each Holder an amount in cash or in Shares, at the sole discretion of the Company, with the price per Share being based on the ten (10) day volume weighted average price of the Company's Shares prior to the Event Date, as partial liquidated damages and not as a penalty, equal to (i) the product of 1.0% multiplied by the aggregate Subscription Amount paid by such Holder pursuant to the Purchase Agreement, with regard to each Event Date and the first two monthly anniversaries of each such Event Date, and (ii) the product of 1.5% multiplied by the aggregate Subscription Amount paid by such Holder pursuant to the Purchase Agreement, with regard to each monthly anniversary following the 2nd monthly anniversary of each such Event Date. The parties agree that the maximum aggregate liquidated damages payable to a Holder under this Agreement shall be 5.00% of the aggregate Subscription Amount paid by such Holder pursuant to the Purchase Agreement. If the Company fails to pay any partial liquidated damages pursuant to this Section in full within thirty days after the date payable, the Company will pay interest thereon at a rate of twelve percent (12%) per annum (or such lesser maximum amount that is permitted to be paid by applicable law) to the Holder, accruing daily from the date such partial liquidated damages are due until such amounts, plus all such interest thereon, are paid in full.

(e) If Form S-3 is not available for the registration of the resale of Registrable Securities hereunder, the Company shall (i) register the resale of the Registrable Securities on another appropriate form and (ii) agrees to register the Registrable Securities on Form S-3 as soon as reasonably practicable after such form is available, provided that the Company shall maintain the effectiveness of the Registration Statement then in effect until such time as a Registration Statement on Form S-3 covering the Registrable Securities has been declared effective by the SEC. The Initial Registration Statement shall be filed on Form S-1.

(f) Notwithstanding anything to the contrary contained herein, in no event shall the Company be permitted to name any Holder or affiliate of a Holder as an "underwriter" without the prior written consent of such Holder.

3. Registration Procedures.

In connection with the Company's registration obligations hereunder, the Company shall:

(a) Not less than five (5) Trading Days prior to the filing of each Registration Statement and not less than two (2) Trading Days prior to the filing of any related Prospectus or any amendment or supplement thereto (including any document that would be incorporated or deemed to be incorporated therein by reference), the Company shall (i) furnish to each Holder copies of all such documents proposed to be filed, which documents (other than those incorporated or deemed to be incorporated by reference) will be subject to the review of such Holders, (ii) cause its officers and directors, counsel and independent registered public accountants to respond to such inquiries as shall be necessary, in the reasonable opinion of respective counsel to each Holder, to conduct a reasonable investigation within the meaning of the Securities Act and (iii) use its commercially reasonable efforts to reflect in each such document, when so filed with the SEC, such comments as each Holder reasonably proposed. The Company shall not file a Registration Statement or any such Prospectus or any amendments or supplements thereto to which the Holders of a majority of the Registrable Securities shall reasonably object in good faith, provided that, the Company is notified of such objection in writing no later than five (5) Trading Days after the Holders have been so furnished copies of a Registration Statement or one (1) Trading Day after the Holders have been so furnished copies of any related Prospectus or amendments or supplements thereto. Each Holder agrees to furnish to the Company a completed questionnaire in the form attached to this Agreement as Annex C (a "**Selling Stockholder Questionnaire**") on a date that is not less than two (2) Trading Days prior to the Filing Date or by the end of the third (3rd) Trading Day following the date on which such Holder receives draft materials in accordance with this Section.

(b) (i) Prepare and file with the SEC such amendments, including post-effective amendments, to a Registration Statement and the Prospectus used in connection therewith as may be necessary to keep a Registration Statement continuously effective, other than with respect to the filing of a post-effective amendment on Form S-1 after the Company has filed an Annual Report on Form 10-K with the SEC, as to the applicable Registrable Securities for the Effectiveness Period and prepare and file with the SEC such additional Registration Statements in order to register for resale under the Securities Act all of the Registrable Securities, (ii) cause the related Prospectus to be amended or supplemented by any required Prospectus supplement (subject to the terms of this Agreement), and, as so supplemented or amended, to be filed pursuant to Rule 424, (iii) respond as promptly as reasonably practicable to any comments received from the SEC with respect to a Registration Statement or any amendment thereto and provide as promptly as reasonably practicable to the Holders true and complete copies of all correspondence from and to the SEC relating to a Registration Statement (provided that, the Company shall excise any information contained therein which would constitute material non-public information regarding the Company or any of its Subsidiaries), and (iv) comply in all material respects with the applicable provisions of the Securities Act and the Exchange Act with respect to the disposition of all Registrable Securities covered by a Registration Statement during the applicable period in accordance (subject to the terms of this Agreement) with the intended methods of disposition by the Holders thereof set forth in such Registration Statement as so amended or in such Prospectus as so supplemented.

(c) If during the Effectiveness Period, the number of Registrable Securities at any time exceeds 100% of the number of shares of Common Stock then registered in a Registration Statement, then the Company shall file as soon as reasonably practicable, an additional Registration Statement covering the resale by the Holders of not less than the number of such Registrable Securities.

(d) Notify the Holders of Registrable Securities to be sold (which notice shall, pursuant to clauses (iii) through (vi) hereof, be accompanied by an instruction to suspend the use of the Prospectus until the requisite changes have been made) as promptly as reasonably practicable (and, in the case of (i)(A) below, not less than one (1) Trading Day prior to such filing) and (if requested by any such Person) confirm such notice in writing no later than one (1) Trading Day following the day (i)(A) when a Prospectus or any Prospectus supplement or post-effective amendment to a Registration Statement is proposed to be filed, (B) when the SEC notifies the Company whether there will be a "review" of such Registration Statement and whenever the SEC comments in writing on such Registration Statement, and (C) with respect to a Registration Statement or any post-effective amendment, when the same has become effective, (ii) of any request by the SEC or any other federal or state governmental authority for amendments or supplements to a Registration Statement or Prospectus or for additional information, (iii) of the issuance by the SEC or any other federal or state governmental authority of any stop order suspending the effectiveness of a Registration Statement covering any or all of the Registrable Securities or the initiation or threatening of any Proceedings for that purpose, (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction, or the initiation or threatening of any Proceeding for such purpose, (v) of the occurrence of any event or passage of time that makes the financial statements included in a Registration Statement ineligible for inclusion therein or any statement made in a Registration Statement or Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue or that requires any revisions to a Registration Statement, Prospectus or other documents so that, in the case of a Registration Statement or the Prospectus, as the case may be, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading, and (vi) of the occurrence or existence of any pending corporate development with respect to the Company that the Company believes may be material and that, in the determination of the Company, makes it not in the best interest of the Company to allow continued availability of a Registration Statement or Prospectus; *provided, however*, that in no event shall any such notice contain any information which would constitute material, non-public information regarding the Company or any of its Subsidiaries.

(e) Use its best efforts to avoid and prevent the issuance of, or, if issued, to obtain the withdrawal of (i) any order stopping or suspending the effectiveness of a Registration Statement, or (ii) any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction, at the earliest practicable moment.

(f) Furnish to each Holder, without charge, at least one conformed copy of each such Registration Statement and each amendment thereto, including financial statements and schedules, all documents incorporated or deemed to be incorporated therein by reference to the extent requested by such Person, and all exhibits to the extent requested by such Person (including those previously furnished or incorporated by reference) promptly after the filing of such documents with the SEC, provided that any such item which is available on the EDGAR system (or successor thereto) need not be furnished in physical form.

(g) During the Effectiveness Period, promptly deliver to each Holder and any sales or placement agents or underwriters acting on its behalf, without charge, as many copies of the Prospectus relating to the Registration Statement and any amendment or supplement thereto as such person may reasonably request. Subject to the terms of this Agreement, the Company hereby consents to the use of such Prospectus and each amendment or supplement thereto by each of the selling Holders in connection with the offering and sale of the Registrable Securities covered by such Prospectus and any amendment or supplement thereto, except after the giving of any notice pursuant to Section3(d).

(h) Prior to any resale of Registrable Securities by a Holder, register or qualify or cooperate with the selling Holders in connection with the registration or qualification (or exemption from the Registration or qualification) of such Registrable Securities for the resale by the Holder under the securities or Blue Sky laws of such jurisdictions within the United States as any Holder reasonably requests in writing, and keep each registration or qualification (or exemption therefrom) effective during the Effectiveness Period and do any and all other acts or things reasonably necessary to enable the disposition in such jurisdictions of the Registrable Securities covered by each Registration Statement, provided that the Company shall not be required to qualify generally to do business in any jurisdiction where it is not then so qualified, subject the Company to any material tax in any such jurisdiction where it is not then so subject or file a general consent to service of process in any such jurisdiction.

(i) If requested by a Holder, cooperate with such Holder to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be delivered to a transferee pursuant to a sale under an effective Registration Statement, pursuant to the resale safe harbor of Rule 144, or other exemption from registration under the Securities Act, which certificates shall be free, to the extent permitted by applicable law and the Purchase Agreement, of all restrictive legends, and to enable such Registrable Securities to be in such denominations and registered in such names as any such Holder may request.

(j) Upon the occurrence of any event contemplated by Section3(d), as promptly as reasonably practicable under the circumstances taking into account the Company's good faith assessment of any adverse consequences to the Company and its stockholders of the premature disclosure of such event, prepare a supplement or amendment, including a post-effective amendment, to a Registration Statement or a supplement to the related Prospectus or any document incorporated or deemed to be incorporated therein by reference, and file any other required document so that, as thereafter delivered, neither a Registration Statement nor such Prospectus will contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading. If the Company notifies the Holders in accordance with clauses (iii) through (vi) of Section3(d) above to suspend the use of any Prospectus until the requisite changes to such Prospectus have been made, then the Holders shall suspend use of such Prospectus. The Company will use its commercially reasonable efforts to ensure that the use of the Prospectus may be resumed as promptly as is practicable. The Company shall be entitled to exercise its right under this Section3(j) to suspend the availability of a Registration Statement and Prospectus, subject to the payment of partial liquidated damages otherwise required pursuant to 2(d), for a period not to exceed (i) 30 calendar days (which need not be consecutive days) in any calendar quarter and (ii) 60 calendar days (which need not be consecutive days) in any 12-month period.

(k) Comply with all applicable rules and regulations of the SEC under the Securities Act and the Exchange Act, including, without limitation, Rule 172 under the Securities Act, file any final Prospectus, including any supplement or amendment thereof, with the SEC pursuant to Rule 424 under the Securities Act, promptly inform the Holders in writing if, at any time during the Effectiveness Period, the Company does not satisfy the conditions specified in Rule 172 and, as a result thereof, the Holders are required to deliver a Prospectus in connection with any disposition of Registrable Securities and take such other actions as may be reasonably necessary to facilitate the registration of the Registrable Securities hereunder.

(l) From and after the date the Company becomes eligible to use Form S-3, the Company shall use its commercially reasonable efforts to maintain eligibility for use of Form S-3 (or any successor form thereto) for the registration of the resale of Registrable Securities.

(m) To the extent required by applicable law, the Company may require each selling Holder to furnish to the Company a certified statement as to the number of shares of Common Stock beneficially owned by such Holder and, if required by the SEC, the natural persons thereof that have voting and dispositive control over the shares. During any periods that the Company is unable to meet its obligations hereunder with respect to the registration of the Registrable Securities solely because any Holder fails to furnish such information within three (3) Trading Days of the Company's request, any liquidated damages that are accruing at such time as to such Holder only shall be tolled and any Event that may otherwise occur solely because of such delay shall be suspended as to such Holder only, until such information is delivered to the Company.

(n) With a view to making available to each Holder the benefits of Rule 144 and any other similar rule or regulation of the SEC that may at any time permit such Holder to sell securities of the Company to the public without registration, the Company agrees (until all of the Registrable Securities have been sold or transferred under a Registration Statement or pursuant to Rule 144) to use its commercially reasonable efforts to:

(i) make and keep public information available, as those terms are understood and defined in Rule 144;

(ii) file with the SEC in a timely manner (or obtain extensions in respect thereof and file within the applicable grace period) all reports and other documents required of the Company under the Securities Act and the Exchange Act so long as the Company remains subject to such requirements; and

(iii) furnish to such Holder, so long as such Holder owns any Registrable Securities, promptly upon written request (A) a written statement by the Company, if true, that it has complied with the reporting requirements of Rule 144, the Securities Act and the Exchange Act, (B) to the extent not publicly available through the SEC's EDGAR database, a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company with the SEC, and (C) such other information as may be reasonably requested by such Holder in connection with such Holders compliance with any rule or regulation of the SEC which permits the selling of any such securities without registration.

4. Registration Expenses. All fees and expenses incident to the performance of, or compliance with, this Agreement by the Company shall be borne by the Company whether or not any Registrable Securities are sold pursuant to a Registration Statement. The fees and expenses referred to in the foregoing sentence shall include, without limitation, (i) all registration and filing fees (including, without limitation, fees and expenses of the Company's counsel and independent registered public accountants) (A) with respect to filings made with the SEC, (B) with respect to filings required to be made with any Trading Market on which the Common Stock is then listed for trading, and (C) in compliance with applicable state securities or Blue Sky laws reasonably agreed to by the Company in writing (including, without limitation, fees and disbursements of counsel for the Company in connection with Blue Sky qualifications or exemptions of the Registrable Securities), (ii) printing expenses (including, without limitation, expenses of printing certificates for Registrable Securities), (iii) messenger, telephone and delivery expenses, (iv) fees and disbursements of counsel for the Company, (v) Securities Act liability insurance, if the Company so desires such insurance, and (vi) fees and expenses of all other Persons retained by the Company in connection with the consummation of the transactions contemplated by this Agreement. In addition, the Company shall be responsible for all of its internal expenses incurred in connection with the consummation of the transactions contemplated by this Agreement (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit and the fees and expenses incurred in connection with the listing of the Registrable Securities on a national stock exchange should the Company decide to seek such a listing of its Shares. In no event shall the Company be responsible for any broker or similar commissions of any Holder or, except to the extent provided for in the Transaction Documents, any legal fees or other costs of the Holders.

5. Indemnification and Contribution.

(a) Indemnification by the Company. The Company shall, notwithstanding any termination of this Agreement, indemnify and hold harmless each Holder, the officers, directors, members, partners, agents, brokers (including brokers who offer and sell Registrable Securities as principal as a result of a pledge or any failure to perform under a margin call of Common Stock), investment advisors and employees (and any other Persons with a functionally equivalent role of a Person holding such titles, notwithstanding a lack of such title or any other title) of each of them, each Person who controls any such Holder (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and the officers, directors, members, stockholders, partners, agents and employees (and any other Persons with a functionally equivalent role of a Person holding such titles, notwithstanding a lack of such title or any other title) of each such controlling Person, to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages, liabilities, costs (including, without limitation, reasonable attorneys' fees) and expenses (collectively, "Losses"), as incurred, arising out of or relating to (1) any untrue or alleged untrue statement of a material fact contained in a Registration Statement, any Prospectus or any form of prospectus or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading or (2) any violation or alleged violation by the Company of the Securities Act, the Exchange Act or any state securities law, or any rule or regulation thereunder, in connection with the performance of its obligations under this Agreement, except to the extent, but only to the extent, that (i) such untrue statements or omissions are based solely upon information regarding such Holder furnished in writing to the Company by such Holder expressly for use therein, or to the extent that such information relates to such Holder or such Holder's proposed method of distribution of Registrable Securities and was reviewed and expressly approved in writing by such Holder expressly for use in a Registration Statement, such Prospectus or in any amendment or supplement thereto (it being understood that the Holder has approved Annex A hereto for this purpose) or (ii) in the case of an occurrence of an event of the type specified in Section3(d)(iii)-(vi), the use by such Holder of an outdated, defective or otherwise unavailable Prospectus after the Company has notified such Holder in writing that the Prospectus is outdated, defective or otherwise unavailable for use by such Holder and prior to the receipt by such Holder of the Advice contemplated in 6(c). The Company shall notify the Holders promptly of the institution, threat or assertion of any Proceeding arising from or in connection with the transactions contemplated by this Agreement of which the Company is aware. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such indemnified person and shall survive the transfer of any Registrable Securities by any of the Holders in accordance with 6(g).

(b) Indemnification by Holders. Each Holder shall, severally and not jointly, indemnify and hold harmless the Company, its directors, officers, agents and employees, each Person who controls the Company (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, agents or employees of such controlling Persons, to the fullest extent permitted by applicable law, from and against all Losses, as incurred, to the extent arising out of or based solely upon: any untrue or alleged untrue statement of a material fact contained in any Registration Statement, any Prospectus, or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading (i) to the extent, but only to the extent, that such untrue statement or omission is contained in any information so furnished in writing by such Holder to the Company expressly for inclusion in such Registration Statement or such Prospectus or (ii) to the extent, but only to the extent, that such information relates to such Holder's information provided in the Selling Stockholder Questionnaire or the proposed method of distribution of Registrable Securities and was reviewed and expressly approved in writing by such Holder expressly for use in a Registration Statement (it being understood that the Holder has approved Annex A hereto for this purpose), such Prospectus or in any amendment or supplement thereto. In no event shall the liability of a selling Holder be greater in amount than the dollar amount of the proceeds (net of all expenses paid by such Holder in connection with any claim relating to this 5(b) and the amount of any damages such Holder has otherwise been required to pay by reason of such untrue statement or omission) received by such Holder upon the sale of the Registrable Securities included in the Registration Statement giving rise to such indemnification obligation.

(c) Conduct of Indemnification Proceedings. If any Proceeding shall be brought or asserted against any Person entitled to indemnity hereunder (an "**Indemnified Party**"), such Indemnified Party shall promptly notify the Person from whom indemnity is sought (the "*Indemnifying Party*") in writing, and the Indemnifying Party shall have the right to assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of all fees and expenses incurred in connection with defense thereof, provided that the failure of any Indemnified Party to give such notice shall not relieve the Indemnifying Party of its obligations or liabilities pursuant to this Agreement, except (and only) to the extent that it shall be finally determined by a court of competent jurisdiction (which determination is not subject to appeal or further review) that such failure shall have materially and adversely prejudiced the Indemnifying Party.

An Indemnified Party shall have the right to employ separate counsel in any such Proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Parties unless: (1) the Indemnifying Party has agreed in writing to pay such fees and expenses, (2) the Indemnifying Party shall have failed promptly to assume the defense of such Proceeding and to employ counsel reasonably satisfactory to such Indemnified Party in any such Proceeding, or (3) the named parties to any such Proceeding (including any impleaded parties) include both such Indemnified Party and the Indemnifying Party, and counsel to the Indemnified Party shall reasonably believe that a material conflict of interest is likely to exist if the same counsel were to represent such Indemnified Party and the Indemnifying Party (in which case, if such Indemnified Party notifies the Indemnifying Party in writing that it elects to employ separate counsel at the expense of the Indemnifying Party, the Indemnifying Party shall not have the right to assume the defense thereof and the reasonable fees and expenses of no more than one separate counsel shall be at the expense of the Indemnifying Party). The Indemnifying Party shall not be liable for any settlement of any such Proceeding effected without its written consent, which consent shall not be unreasonably withheld or delayed. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending Proceeding in respect of which any Indemnified Party is a party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such Proceeding on terms reasonably satisfactory to such Indemnified Person.

Subject to the terms of this Agreement, all reasonable fees and expenses of the Indemnified Party (including reasonable fees and expenses to the extent incurred in connection with investigating or preparing to defend such Proceeding in a manner not inconsistent with this Section) shall be paid to the Indemnified Party, as incurred, within ten Trading Days of written notice thereof to the Indemnifying Party, provided that the Indemnified Party shall promptly reimburse the Indemnifying Party for that portion of such fees and expenses applicable to such actions for which such Indemnified Party is finally determined by a court of competent jurisdiction (which determination is not subject to appeal or further review) not to be entitled to indemnification hereunder.

(d) Contribution. If the indemnification under 5(a) or 5(b) is unavailable to an Indemnified Party or insufficient to hold an Indemnified Party harmless for any Losses, then each Indemnifying Party shall contribute to the amount paid or payable by such Indemnified Party, in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and Indemnified Party in connection with the actions, statements or omissions that resulted in such Losses as well as any other relevant equitable considerations. The relative fault of such Indemnifying Party and Indemnified Party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission of a material fact, has been taken or made by, or relates to information supplied by, such Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action, statement or omission. The amount paid or payable by a party as a result of any Losses shall be deemed to include, subject to the limitations set forth in this Agreement, any reasonable attorneys' or other fees or expenses incurred by such party in connection with any Proceeding to the extent such party would have been indemnified for such fees or expenses if the indemnification provided for in this Section was available to such party in accordance with its terms.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this 5(d) were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to in the immediately preceding paragraph. In no event shall the contribution obligation of a Holder of Registrable Securities be greater in amount than the dollar amount of the proceeds (net of all expenses paid by such Holder in connection with any claim relating to section 5(b) and the amount of any damages such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission) received by it upon the sale of the Registrable Securities giving rise to such contribution obligation.

(e) The indemnity and contribution agreements contained in this section 5 are in addition to any liability that the Indemnifying Parties may have to the Indemnified Parties.

6. Miscellaneous.

(a) Remedies. In the event of a breach by the Company or by a Holder of any of their respective obligations under this Agreement, each Holder or the Company, as the case may be, in addition to being entitled to exercise all rights granted by law and under this Agreement, including recovery of damages, shall be entitled to specific performance of its rights under this Agreement. Each of the Company and each Holder agrees that monetary damages would not provide adequate compensation for any losses incurred by reason of a breach by it of any of the provisions of this Agreement and hereby further agrees that, in the event of any action for specific performance in respect of such breach, it shall not assert or shall waive the defense that a remedy at law would be adequate.

(b) [Reserved]

(c) Discontinued Disposition. By its acquisition of Registrable Securities, each Holder agrees that, upon receipt of a notice from the Company of the occurrence of any event of the kind described in Section3(d)(iii) through (vi), such Holder will forthwith discontinue disposition of such Registrable Securities under a Registration Statement until it is advised in writing (the "Advice") by the Company that the use of the applicable Prospectus (as it may have been supplemented or amended) may be resumed; provided that the foregoing shall not prevent the sale, transfer or other disposition of Registrable Securities by a Holder in a transaction that is exempt from, or not subject to, the registration requirements of the Securities Act, so long as such Holder does not and is not required to deliver the applicable Prospectus or Registration Statement in connection with such sale, transfer or other disposition, as the case may be. The Company will use its commercially reasonable efforts to ensure that the use of the Prospectus may be resumed as promptly as is practicable. The Company agrees and acknowledges that any periods during which the Holder is required to discontinue the disposition of the Registrable Securities hereunder shall be subject to the provisions of 2(d).

(d) Piggy-Back Registrations. If, at any time during the Effectiveness Period, there is not an effective Registration Statement covering all of the Registrable Securities and the Company shall determine to prepare and file with the SEC a registration statement relating to an offering for its own account or the account of others under the Securities Act of any of its equity securities, other than on Form S-4 or Form S-8 (each as promulgated under the Securities Act) or their then equivalents relating to equity securities to be issued solely in connection with any acquisition of any entity or business or equity securities issuable in connection with the Company's stock option or other employee benefit plans, then the Company shall deliver to each Holder a written notice of such determination and, if within fifteen days after the date of the delivery of such notice, any such Holder shall so request in writing, the Company shall include in such registration statement all or any part of such Registrable Securities such Holder requests to be registered; provided, however, that the Company shall not be required to register any Registrable Securities pursuant to this Section6(d) that are eligible for resale pursuant to Rule 144 (without volume restrictions) promulgated by the SEC pursuant to the Securities Act or that are the subject of a then effective Registration Statement that is available for resales or other dispositions by such Holder.

(e) Rule 144 Reporting. With a view to making available the benefits of certain rules and regulations of the SEC that may at any time permit the resales of the Registrable Securities to the public without registration, so long as any Holder owns any shares of Common Stock, the Company agrees to use commercially reasonable efforts:

(i) make and keep "current public information" available, as those terms are understood and defined in Rule 144, at all times after the effective date of the first registration statement under the U.S. Securities Act filed by the Company for an offering of its securities to the general public;

(ii) file with the SEC in a timely manner all reports and other documents required to be filed by the Company under the U.S. Securities Act and the Exchange Act; and

(f) Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the same shall be in writing and signed by the Company and the Holders of a majority of the then outstanding Registrable Securities, provided that, if any amendment, modification or waiver disproportionately and adversely impacts a Holder (or group of Holders), the consent of such disproportionately impacted Holder (or group of Holders) shall be required. If a Registration Statement does not register all of the Registrable Securities pursuant to a waiver or amendment done in compliance with the previous sentence, then the number of Registrable Securities to be registered for each Holder shall be reduced pro rata among all Holders and each Holder shall have the right to designate which of its Registrable Securities shall be omitted from such Registration Statement. Notwithstanding the foregoing, a waiver or consent to depart from the provisions hereof with respect to a matter that relates exclusively to the rights of a Holder or some Holders and that does not directly or indirectly affect the rights of other Holders may be given only by such Holder or Holders of all of the Registrable Securities to which such waiver or consent relates; *provided, however*, that the provisions of this sentence may not be amended, modified, or supplemented except in accordance with the provisions of the first sentence of this Section6(f). No consideration shall be offered or paid to any Person to amend or consent to a waiver or modification of any provision of this Agreement unless the same consideration also is offered to all of the parties to this Agreement.

(g) Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be delivered as set forth in the Purchase Agreement and, in the case of any Holder not a party to the Purchase Agreement, to the email address set forth on its signature page to this Agreement.

(h) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties and shall inure to the benefit of each Holder. The Company may not assign (except by merger) its rights or obligations hereunder without the prior written consent of all of the Holders of the then outstanding Registrable Securities. Each Holder may assign their respective rights hereunder in the manner and to the Persons as permitted under the Purchase Agreement.

(i) No Inconsistent Agreements. Neither the Company nor any of its Subsidiaries has entered, as of the date hereof, nor shall the Company or any of its Subsidiaries, on or after the date of this Agreement, enter into any agreement with respect to its securities, that would have the effect of impairing the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof.

(j) Execution and Counterparts. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such ".pdf" signature page were an original thereof.

(k) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be determined in accordance with the provisions of the Purchase Agreement.

(l) Cumulative Remedies. The remedies provided herein are cumulative and not exclusive of any other remedies provided by law.

(m) Severability. If one or more of the terms or provisions of this Agreement is held by a court of competent jurisdiction to be void, invalid, or unenforceable in any situation in any jurisdiction, such holding shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the void, invalid, or unenforceable term or provision in any other situation or in any other jurisdiction, and the term or provision shall be considered severed from this Agreement solely for such situation and solely in such jurisdiction, unless the void, invalid, or unenforceable term or provision is of such essential importance to this Agreement that it is to be reasonably assumed that the parties hereto would not have entered into this Agreement without the void, invalid, or unenforceable term or provision. If the final judgment of such court declares that any term or provision hereof is void, invalid, or unenforceable, the parties hereto parties hereto agree to: (a) reduce the scope, duration, area, or applicability of the term or provision or to delete specific words or phrases to the minimum extent necessary to cause such term or provision as so reduced or amended to be enforceable; and (b) make a good-faith effort to replace any void, invalid, or unenforceable term or provision with a valid and enforceable term or provision such that the objectives contemplated by the parties hereto when entering this Agreement may be realized.

(n) Headings. The headings in this Agreement are for convenience only, do not constitute a part of the Agreement and shall not be deemed to limit or affect any of the provisions hereof.

(o) Independent Nature of Holders' Obligations and Rights. The obligations of each Holder hereunder are several and not joint with the obligations of any other Holder hereunder, and no Holder shall be responsible in any way for the performance of the obligations of any other Holder hereunder. Nothing contained herein or in any other agreement or document delivered at any closing, and no action taken by any Holder pursuant hereto or thereto, shall be deemed to constitute the Holders as a partnership, an association, a joint venture or any other kind of group or entity, or create a presumption that the Holders are in any way acting in concert or as a group or entity with respect to such obligations or the transactions contemplated by this Agreement or any other matters, and the Company acknowledges that the Holders are not acting in concert or as a group, and the Company shall not assert any such claim, with respect to such obligations or transactions. Each Holder shall be entitled to protect and enforce its rights, including without limitation the rights arising out of this Agreement, and it shall not be necessary for any other Holder to be joined as an additional party in any proceeding for such purpose. The use of a single agreement with respect to the obligations of the Company contained was solely in the control of the Company, not the action or decision of any Holder, and was done solely for the convenience of the Company and not because it was required or requested to do so by any Holder. It is expressly understood and agreed that each provision contained in this Agreement is between the Company and a Holder, solely, and not between the Company and the Holders collectively and not between and among Holders.

[*SIGNATURE PAGES FOLLOW*]

IN WITNESS WHEREOF, the parties have executed this Registration Rights Agreement as of the date first written above.

BODY AND MIND INC.

By: */s/ Michael Mills*
Michael Mills
Chief Executive Officer, President and Director

[*SIGNATURE PAGE OF HOLDERS FOLLOWS*]

Name of Holder: BAM I, A Series of Bengal Catalyst Fund SPV, LP

Signature of Authorized Signatory of Holder: /s/ Joshua Rosen

Name of Authorized Signatory: Joshua Rosen

Title of Authorized Signatory: Manager of Bengal Impact Partners, LLC, the general partner of BAM I, A Series of Bengal Catalyst Fund SPV, LP

Name of Holder: Mindset Value Fund LP

Signature of Authorized Signatory of Holder: /s/ Aaron Edelheit

Name of Authorized Signatory: Aaron Edelheit

Title of Authorized Signatory: CEO of Mindset Capital, the general partner of Mindset Value Fund LP

Name of Holder: Mindset Value Wellness Fund LP

Signature of Authorized Signatory of Holder: /s/ Aaron Edelheit

Name of Authorized Signatory: Aaron Edelheit

Title of Authorized Signatory: CEO of Mindset Capital, the general partner of Mindset Value Wellness Fund LP

Annex A

Plan of Distribution

Each Selling Stockholder (the "**Selling Stockholders**") of the securities and any of their pledgees, assignees and successors-in-interest may, subject to the expiration of the Canadian hold period pursuant to National Instrument 45-102 – *Resale of Securities* of the Canadian Securities Administrators, from time to time, sell any or all of their securities covered hereby on the principal Trading Market or any other stock exchange, market or trading facility on which the securities are traded or in private transactions. These sales may be at fixed or negotiated prices. The Company will not receive any of the proceeds from the sale by the Selling Stockholders of the securities. A Selling Stockholder may use any one or more of the following methods when selling securities:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the securities as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- privately negotiated transactions;
- settlement of short sales;
- in transactions through broker-dealers that agree with the Selling Stockholders to sell a specified number of such securities at a stipulated price per security;
- through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise;
- a combination of any such methods of sale; or
- any other method permitted pursuant to applicable law.

The Selling Stockholders may also sell securities under Rule 144 or any other exemption from registration under the Securities Act of 1933, as amended (the "**Securities Act**"), if available, rather than under this prospectus.

Broker-dealers engaged by the Selling Stockholders may arrange for other brokers-dealers to participate in sales. Broker-dealers may receive commissions or discounts from the Selling Stockholders (or, if any broker-dealer acts as agent for the purchaser of securities, from the purchaser) in amounts to be negotiated, but, except as set forth in a supplement to this Prospectus, in the case of an agency transaction not in excess of a customary brokerage commission in compliance with FINRA Rule 2121; and in the case of a principal transaction a markup or markdown in compliance with FINRA Rule 2121.

In connection with the sale of the securities or interests therein, the Selling Stockholders may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of the securities in the course of hedging the positions they assume. The Selling Stockholders may also sell securities short and deliver these securities to close out their short positions, or loan or pledge the securities to broker-dealers that in turn may sell these securities. The Selling Stockholders may also enter into option or other transactions with broker-dealers or other financial institutions or create one or more derivative securities which require the delivery to such broker-dealer or other financial institution of securities offered by this prospectus, which securities such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction).

The Selling Stockholders and any broker-dealers or agents that are involved in selling the securities may be deemed to be "underwriters" within the meaning of the Securities Act in connection with such sales. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the securities purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act. Each Selling Stockholder has informed the Company that it does not have any written or oral agreement or understanding, directly or indirectly, with any person to distribute the securities.

The Company is required to pay certain fees and expenses incurred by the Company incident to the registration of the securities. The Company has agreed to indemnify the Selling Stockholders against certain losses, claims, damages and liabilities, including liabilities under the Securities Act.

We agreed to keep this prospectus effective until the earlier of (i) the date on which the securities may be freely resold by the Selling Stockholders without registration and without regard to any volume or manner-of-sale limitations by reason of Rule 144, or (ii) all of the securities have been sold pursuant to this prospectus or Rule 144 under the Securities Act or any other rule of similar effect, under circumstances in which any legend borne by such securities relating to restrictions on transferability thereof, under the Securities Act or otherwise, is removed. The resale securities will be sold only through registered or licensed brokers or dealers if required under applicable state securities laws. In addition, in certain states, the resale securities covered hereby may not be sold unless they have been registered or qualified for sale in the applicable state or an exemption from the registration or qualification requirement is available and is complied with.

Under applicable rules and regulations under the Exchange Act, any person engaged in the distribution of the resale securities may not simultaneously engage in market making activities with respect to the securities for the applicable restricted period, as defined in Regulation M, prior to the commencement of the distribution. In addition, the Selling Stockholders will be subject to applicable provisions of the Exchange Act and the rules and regulations thereunder, including Regulation M, which may limit the timing of purchases and sales of the securities by the Selling Stockholders or any other person. We will make copies of this prospectus available to the Selling Stockholders and have informed them of the need to deliver a copy of this prospectus to each purchaser of the securities at or prior to the time of the sale (including by compliance with Rule 172 under the Securities Act).

Annex B

SELLING STOCKHOLDERS

The common stock being offered by the Selling Shareholders are those previously sold to the Selling Shareholders. For additional information regarding these shares, see "*Private Placement of Shares of Common Stock*" above. We are registering the shares in order to permit the Selling Stockholders to offer the shares for resale from time to time. Except for the ownership of these shares, the Selling Stockholders have not had any material relationship with us within the past three years.

The table below lists the Selling Stockholders and other information regarding the beneficial ownership of shares of common stock by each of the Selling Stockholders. The second column lists the number of common stock beneficially owned by each Selling Stockholder, based on its ownership of the shares of common stock, as of December ___, 2022.

The third column lists the shares of common stock being offered by this prospectus by the Selling Stockholders.

In accordance with the terms of a registration rights agreement between the Company and the Selling Stockholders, this prospectus generally covers the resale of all shares of common stock held by the Selling Stockholders. The fourth column assumes the sale of all of the shares offered by the Selling Stockholders pursuant to this prospectus.

The Selling Stockholders may sell all, some or none of their shares in this offering. See "*Plan of Distribution*."

Name of Selling Stockholder	Number of shares of Common Stock Owned Prior to Offering	Maximum Number of shares of Common Stock to be Sold Pursuant to this Prospectus	Number of shares of Common Stock Owned After Offering

Annex C

BODY AND MIND INC.

Selling Stockholder Notice and Questionnaire

The undersigned beneficial owner of common stock (the "**Registrable Securities**") of Body and Mind Inc., a Nevada corporation (the "**Company**"), understands that the Company has filed or intends to file with the Securities and Exchange Commission, a registration statement (the "**Registration Statement**") for the registration and resale under Rule 415 of the Securities Act of 1933, as amended (the "**Securities Act**"), of the Registrable Securities, in accordance with the terms of the Registration Rights Agreement (the "**Registration Rights Agreement**") to which this document is annexed. A copy of the Registration Rights Agreement is available from the Company upon request at the address set forth below. All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Registration Rights Agreement.

Certain legal consequences arise from being named as a selling stockholder in the Registration Statement and the related prospectus. Accordingly, holders and beneficial owners of Registrable Securities are advised to consult their own securities law counsel regarding the consequences of being named or not being named as a selling stockholder in the Registration Statement and the related prospectus.

NOTICE

The undersigned beneficial owner (the "**Selling Stockholder**") of Registrable Securities hereby elects to include the Registrable Securities owned by it in the Registration Statement.

The undersigned hereby provides the following information to the Company and represents and warrants that such information is accurate:

QUESTIONNAIRE

1. Name.

(a) Full Legal Name of Selling Stockholder

_____

(b) Full Legal Name of Registered Holder (if not the same as (a) above) through which Registrable Securities are held:

_____

(c) Full Legal Name of Natural Control Person (which means a natural person who directly or indirectly alone or with others has power to vote or dispose of the securities covered by this Questionnaire):

_____

2. Address for Notices to Selling Stockholder:

_____

_____

_____

Telephone: _____

Fax: _____

Contact Person: _____

3. Broker-Dealer Status:

(a) Are you a broker-dealer?

Yes ☐ No ☐

(b) If "yes" to , Section 3(a) if you receive your Registrable Securities as compensation for investment banking services to the Company?

Yes ☐ No ☐

Note: If "no" to Section 3(b), the SEC's staff has indicated that you should be identified as an underwriter in the Registration Statement.

(c) Are you an affiliate of a broker-dealer?

Yes ☐ No ☐

(d) If you are an affiliate of a broker-dealer, do you certify that you purchased the Registrable Securities in the ordinary course of business, and at the time of the purchase of the Registrable Securities to be resold, you had no agreements or understandings, directly or indirectly, with any person to distribute the Registrable Securities?

Yes ☐ No ☐

Note: If "no" to 3(d), the SEC's staff has indicated that you should be identified as an underwriter in the Registration Statement.

4. Beneficial Ownership of Securities of the Company Owned by the Selling Stockholder.

Except as set forth below in this Item 4, the undersigned is not the beneficial or registered owner of any securities of the Company other than the securities issuable pursuant to the Purchase Agreement.

(a) Type and Amount of other securities beneficially owned by the Selling Stockholder:

_____

_____

5. Relationships with the Company:

Except as set forth below, neither the undersigned nor any of its affiliates, officers, directors or principal equity holders (owners of 5% of more of the equity securities of the undersigned) has held any position or office or has had any other material relationship with the Company (or its predecessors or affiliates) during the past three years.

State any exceptions here:

_____

_____

The undersigned agrees to promptly notify the Company of any material inaccuracies or changes in the information provided herein that may occur subsequent to the date hereof at any time while the Registration Statement remains effective; provided, that the undersigned shall not be required to notify the Company of any changes to the number of securities held or owned by the undersigned or its affiliates.

By signing below, the undersigned consents to the disclosure of the information contained herein in its answers to Items 1 through 5 and the inclusion of such information in the Registration Statement and the related prospectus and any amendments or supplements thereto. The undersigned understands that such information will be relied upon by the Company in connection with the preparation or amendment of the Registration Statement and the related prospectus and any amendments or supplements thereto.

IN WITNESS WHEREOF the undersigned, by authority duly given, has caused this Notice and Questionnaire to be executed and delivered either in person or by its duly authorized agent.

Date:_____

Beneficial Owner:_____

By:_____
Name:
Title:

PLEASE EMAIL A .PDF COPY OF THE COMPLETED AND EXECUTED NOTICE AND QUESTIONNAIRE TO:

Body and Mind Inc.
Attention: Michael Mills
Email: mmills@bodyandmind.com

EXHIBIT 10.6

Execution Version

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT (as amended, restated, supplemented or otherwise modified from time to time, this "**Agreement**") is made as of December 19, 2022 by and among SPV to be managed by Bengal Impact Partners, LLC, Mindset Value Fund and Mindset Value Wellness Fund (the " **Junior Creditors**"), Body & Mind Inc., a Nevada corporation (the "**Company**") in favor of FG Agency Lending LLC, as agent (in such capacity, " **Agent**") for the lenders from time to time party to the Loan Agreement described below (Agent and such lenders, together with all other holders of the Obligations, are hereinafter referred to individually as a "**Senior Creditor**" and collectively as the "**Senior Creditors**").

RECITALS

A. The Company, DEP Nevada, Inc., a Nevada corporation ("**Holdings**"), Nevada Medical Group, LLC, NMG OH 1, LLC, NMG OH P1, LLC, NMG Long Beach, LLC, NMG MI C1, Inc., NMG MI P1, Inc., NMG MI 1, Inc., NMG CA C1, LLC, NMG CA P1, LLC, NMG CA 1, LLC and NMG Cathedral City, LLC (the "**Guarantors**", collectively with the Company and Holdings, the "**Obligors**"), the lenders party thereto, and the Agent have entered into that certain Loan Agreement, dated July 19, 2021 (as amended, restated, supplemented or otherwise modified from time to time, the "**Loan Agreement**"; capitalized terms used and not otherwise defined herein have the meanings assigned thereto in the Loan Agreement), pursuant to which, among other things, the Senior Creditors agreed, subject to the terms and conditions set forth therein, to make certain loans and other financial accommodations to the Company and certain of its affiliates (the "**Senior Debt**").

B. Junior Creditor and the Company are parties to that certain Securities Purchase Agreement, dated as of November [ ], 2022 (as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof, the "**SPA**"), pursuant to which the Junior Creditor has made certain unsecured loans to the Company and the Company has agreed to make certain payments to the Junior Creditor (collectively the "**Payments**", and the obligation to make such payments, the "**Subordinated Debt**").

C. As one of the ongoing conditions required by the Senior Creditors under the Loan Agreement, the Senior Creditors have required the execution and delivery of this Agreement.

D. Junior Creditor acknowledges that the loan or advance of monies or other extensions of any financial accommodation or credit to the Obligors by the Senior Creditor are of value to Junior Creditor.

NOW THEREFORE, for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereto hereby agree as follows:

1. Subordination; Third Party Beneficiaries. Junior Creditor agrees that Payments owed by any Obligor are hereby subordinated to all amounts now or hereafter owing to the Senior Creditors in connection with the Obligations (as defined in the Loan Agreement) until the date of payment in full in cash (if applicable) of all of the obligations of the Obligors under the Loan Agreement (other than any obligations that are inchoate or contingent in nature as to which claims have not been asserted) and termination of the commitments to extend further credit thereunder (such date, the "**Termination Date**"). Notwithstanding the foregoing agreement to subordinate, it is understand that the Company may reimburse Junior Creditor for its legal and/or other transaction expenses incurred in connection with the SPA and related agreement (the "**Exempt Payments**"). The Senior Creditors have made extensions of credit available to the Obligors in reliance on these provisions and such provisions are for the benefit of such Senior Creditors, who are intended as third-party beneficiaries hereof. Any fees or other amounts owed that are not paid when scheduled to be paid in accordance with the SPA shall remain an obligation of the Company, unimpaired by this Agreement and following the Termination Date, shall no longer be subject to the restrictions set forth in this Agreement. Any payments (whether in cash, securities or other property) made by any Obligor with respect to the obligations under the SPA received by Junior Creditor in violation of the above provisions shall be held in trust for the Senior Creditors and Junior Creditor will forthwith turn over any such payments in the form received, properly endorsed or assigned, to the Agent to be applied to the Obligations. Until the Termination Date, the Junior Creditor will not ask, demand, accelerate, sue for, take or receive from the Company or any other Obligor, by setoff, redemption or exercise of any put or call option or in any other manner, the whole or any part of the Subordinated Debt, or any monies that may now or hereafter be owing in respect of the Subordinated Debt (whether such amounts represent principal or interest, or obligations that are due or not due, direct or indirect, absolute or contingent). The Company and Junior Creditor shall not amend or modify this Agreement or the SPA without obtaining the prior written consent of the Agent. This Agreement shall terminate upon the Termination Date.

2. Senior Secured Interest. Junior Creditor warrants and represents that the Subordinated Debt is unsecured and agrees that until the Termination Date: (i) Junior Creditor will not accept any security therefor from any Person and (ii) in the event that Junior Creditor does obtain any such security for the Subordinated Debt in violation of the foregoing, at the request of the Senior Creditors, Junior Creditor shall promptly execute and deliver to the Senior Creditors, and hereby authorizes each of the Senior Creditors to prepare and record, such termination statements and releases as such Senior Creditor shall reasonably request or require to release Junior Creditor's security interest in or lien against such property. Further, if contrary to the preceding sentence, a Junior Creditor receives any liens in any Collateral (as defined in the Security Agreement) to secure any of the Subordinated Debt in breach of the preceding sentence, then notwithstanding the order or time of attachment, or the order, time or manner of perfection, or the order or time of filing or recordation of any document or instrument, or other method of perfecting a lien in favor of any Person in any Collateral, Junior Creditor hereby agrees that such lien in the Collateral is subject and subordinate to the lien of the Senior Creditors in the Collateral to secure the Senior Debt. Junior Creditor hereby further agrees that Junior Creditor shall have no right to possession of any of the Collateral or to foreclose upon any of the Collateral, whether by judicial action or otherwise, prior to the Termination Date. Junior Creditor agrees that it will not initiate or participate in any action to contest the validity, perfection, priority or enforceability of the Senior Debt or of the liens of the Agent or any Senior Creditor in the Collateral and that the terms of this Agreement shall govern the relationship between the Senior Creditors and the Junior Creditor even if part or all of the Senior Debt or the liens of the Agent or any Senior Creditor securing payment and performance thereof is avoided, disallowed, set aside or otherwise invalidated in any judicial proceeding or otherwise.

3. No Payment under SPA Until Obligations under Loan Agreement Satisfied. For the avoidance of doubt, until the Termination Date in accordance with the Loan Agreement, no Obligor shall make and Junior Creditor shall not accept or receive any Payments other than the Exempt Payments.

4. Counterparts. This Agreement may be executed in one or more counterpart originals, which, taken together, shall constitute one fully-executed instrument. Receipt by telecopy, emailed .pdf or other similar form of electronic transmission of any executed signature page to this Agreement shall constitute effective delivery of such signature page and each such signature page shall be as effective as a manually executed original counterpart thereof.

5. Applicable Law; Consent to Jurisdiction; Waivers. Junior Creditor and Company, by its acceptance hereof, agree that the governing law, jurisdiction and waiver of jury trial provisions in Sections 11.12 (Governing Law), 11.13 (Submission to Jurisdiction; Waivers), and Section 11.14 (Waiver of Defense of Illegality) of the Loan Agreement shall apply to this Agreement, mutatis mutandis, as if set forth fully herein.

[*Signature Pages Follow*]

IN WITNESS WHEREOF, each of the undersigned have caused this Agreement to be executed as of the date first above written.

JUNIOR CREDITORS:

SPV TO BE MANAGED BY BENGAL IMPACT PARTNERS, LLC

/s/ Joshua Rosen

[ ]

THE MINDSET VALUE FUND

/s/ Aaron Edelheit

[ ]

THE MINDSET VALUE WELLNESS FUND

/s/ Aaron Edelheit

[ ]

OBLIGORS

BODY AND MIND, INC.,
a Nevada corporation

By: */s/ Michael Mills*
Name: Michael Mills
Title: CEO

[Signature Page to Subordination Agreement]

DEP NEVADA, INC.

By: */s/ Stephen "Trip" Hoffman*
Name: Stephen "Trip" Hoffman
Title: Officer

NEVADA MEDICAL GROUP, LLC

By: */s/ Stephen "Trip" Hoffman*
Name:
Title:

NMG OH 1, LLC

By: */s/ Stephen "Trip" Hoffman*
Name:
Title:

NMG OH P1, LLC

By: */s/ Stephen "Trip" Hoffman*
Name:
Title:

NMG LONG BEACH, LLC

By: */s/ Stephen "Trip" Hoffman*
Name:
Title:

NMG MI C1, LLC

By: */s/ Stephen "Trip" Hoffman*
Name:
Title:

NMG MI P1, LLC

By: */s/ Stephen "Trip" Hoffman*
Name:
Title:

NMG MI 1, LLC

By: */s/ Stephen "Trip" Hoffman*
Name:
Title:

NMG CA C1, LLC

By: */s/ Stephen "Trip" Hoffman*
Name:
Title:

NMG CA P1, LLC

By: */s/ Stephen "Trip" Hoffman*
Name:
Title:

NMG CA 1, LLC

By: */s/ Stephen "Trip" Hoffman*
Name:
Title:

ACKNOWLEDGED BY:

FG AGENCY LENDING LLC

By: */s/ Peter Bio*
Name: Peter Bio
Title: Partner

EXHIBIT 99.1

NEWS RELEASE – For Immediate Dissemination

Body and Mind Inc. Closes Strategic Capital Raise and Enters New Jersey Market

LAS VEGAS, NV and VANCOUVER, B.C., CANADA (December 22, 2022) –Body and Mind Inc. (CSE: BAMM, US OTCQB: BMMJ) (the **"Company" or "BaM"**), a multi-state operator, is pleased to announce a number of developments which fund the Company's near-term projects and facilitate entry into the emerging New Jersey market, while also adding long-tenured cannabis experience and strategic insight to its board of directors. Specifically, the Company today announces:

- **Convertible Debenture Financing**: The Company has closed a convertible debenture financing for gross proceeds of US$3.0 million with funds associated with strategic investor, Bengal Impact Partners, LLC ("**Bengal Capital**"), with additional participation from Mindset Capital, LLC.
- **Entry Into New Jersey**: Simultaneously, the Company is acquiring CraftedPlants NJ, Inc. ("CPNJ"), an entity that leases a New Jersey retail location with local cannabis-use approval and is currently working on attaining final state licensure in New Jersey.
- **New Board Member**: Josh Rosen, Managing Partner of Bengal Capital, will join the board of the Company upon completion of any regulatory or exchange requirements.

"We are thrilled to have the team at Bengal Capital transition from being a supportive shareholder to a strategic partner," stated Michael Mills, CEO of Body and Mind. "The team at Bengal have a long track record of value creation in the industry and today's transactions secure the trajectory of the Company's current focus; the successful tenant improvements and start-up of two Body and Mind branded dispensaries in Illinois. The proposed dispensary locations are near major thoroughfares with ample parking in areas we believe are still largely underserved by existing Illinois cannabis retailers. Additionally, through our acquisition of CraftedPlants NJ, we are on a path to establishing a presence in New Jersey with another great location and opportunity for growth. I look forward to Bengal Capital partner Josh Rosen joining our board and the support of the entire Bengal team, and also want to thank Aaron Edelheit of Mindset Capital for his support and engagement."

Josh Rosen, Managing Partner at Bengal Capital, added "Bengal takes a long-term value creation approach and has focused on smaller, underappreciated cannabis companies – companies we call 'scrappy operators.' We focus our diligence on operating talent and our ability to help augment value drivers, and we think BaM represents a great combination of capabilities and opportunity. While the market seems to have been focused on limited license portfolios, it has also apparently short-changed companies like BaM which have solid license portfolios *and* a demonstrated ability to operate those licenses when markets get competitive. So, we were pleased to have the opportunity to work with Michael and the rest of the BaM team to help enable their Illinois retail activation and New Jersey market entry. We believe these two projects are located in attractive markets and I look forward to joining BaM's board and supporting its value creation strategy going forward."

Convertible Debenture Financing

The convertible debenture financing was in the form of securities purchase agreements (the "**Purchase Agreements**") whereby the three investors (the "**Investors**") purchased from the Company and the Company has issued and sold to the Investors (i) unsecured convertible debentures in the aggregate principal amount of US$3.0 million (the "**Debentures**") and (ii) common stock purchase warrants (the "**Warrants**") which entitle the holders to acquire up to 15,000,000 shares of common stock of the Company (each, a "**Warrant Share**").

The Debentures have a maturity date of December 19, 2027 (the "**Maturity Date**"), bear interest at a rate of 8% per annum, which shall accrue monthly, compound annually, and shall be payable on the Maturity Date. The Investors have the right at any time prior to the Maturity Date, to convert all or any portion of the principal amount and/or any interest amount, into shares of common stock of the Company at US$0.10 per share, subject to customary adjustments, and subject to a beneficial ownership limitation by each Investor and their respective affiliates of 9.99% of the then outstanding shares of common stock of the Company, provided, however, that the beneficial ownership limitation on conversion may be waived by the Investor upon providing not less than 61 days' prior notice to the Company. The Debentures are subordinate to the Company's existing senior secured lender.

The Warrants allow the holders to acquire up to 15,000,000 Warrant Shares until December 19, 2026, at an exercise price of US$0.10 per Warrant Share, subject to customary adjustments. The Warrants can be exercised on a cash basis or on a cashless (net exercise) basis. The Warrants contain the same beneficial ownership limitation as the Debentures.

Pursuant to the Purchase Agreements, the Company and the Investors entered into a registration rights agreement whereby the Company is required to prepare and file a registration statement on Form S-1 covering the resale of all of the share of the Company's common stock, including the Warrant Shares, issuable to the Investors.

Furthermore, pursuant to the Purchase Agreements, following the closing and until the later of (a) the repayment or conversion of the Debentures, and Bengal Capital (or any of its affiliates) ceasing to own at least 10% of the issued and outstanding shares of common stock on an as-converted basis in the aggregate, Bengal Capital shall be entitled to nominate one (1) director to the Company's Board and one (1) Board observer, provided that the nominee director must meet the requirements of applicable corporate, securities and other applicable laws, and the policies of the Canadian Securities Exchange.

The securities offered and sold pursuant to the Purchase Agreements have not been registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") and were offered and sold pursuant to an exemption from the registration requirements of the U.S. Securities Act provided by Rule 506(b) of Regulation D and applicable U.S. state securities laws, and such securities have been issued as "restricted securities" as such term is defined in Rule 144(a)(3) under the U.S. Securities Act. In addition, the Debentures and Warrants contain the applicable Canadian hold period as required pursuant to National Instrument 45-102 – *Resale of Securities*.

Acquisition of CraftedPlants NJ Corp.

CraftedPlants NJ, Inc. is an entity that leases a New Jersey retail location with local cannabis-use approval and is currently working on attaining final state licensure in New Jersey.

Mr. Mills commented: "We are excited to enter the New Jersey market and look forward to working towards full adult use licensure. The structure of these transactions allows us to focus our cash on business growth and ties consideration to success of licensing objectives to align the Company and CraftedPlants NJ's former owners, and serving New Jersey customers as quickly as possible."

Pursuant to an Agreement and Plan of Merger (the "**Merger Agreement**"), dated December 21, 2022, between the Company, its wholly owned subsidiary, DEP Nevada, Inc. ("**DEP**"), BaM Body and Mind Dispensary NJ Inc., a New Jersey corporation and wholly owned subsidiary of DEP (the "**Merger Sub**"), CraftedPlants NJ Corp., a New Jersey corporation (the "**Surviving Entity**"), and those certain shareholders of the Surviving Entity (the "**Sellers**"), Merger Sub merged with and into the Surviving Entity, and following the consummation of the merger, which occurred on December 21, 2022, the Surviving Entity became a wholly owned subsidiary of DEP.

Pursuant to the terms of the Merger Agreement, on the closing DEP delivered a cash payment of US$50,000 to the Sellers, with a delayed payment of US$120,000 to be paid to the Sellers upon funding of the project buildout.

Further, pursuant to the terms of the Merger Agreement, on December 21, 2022, the Company issued to the Sellers an aggregate of 16,666,667 shares of its common stock (the "**Merger Consideration Shares**") at a deemed price of CAD$0.08 per share. The Merger Consideration Shares will be held in escrow and will not be released to the Sellers until the Surviving Entity achieves certain milestones, however, the Sellers will still maintain the voting and participation rights with respect to the Merger Consideration Shares while being held in escrow. The post-closing milestones are as follows:

1. If, within two (2) years of the closing date, the Surviving Entity's application is approved and is granted pending license approval from the New Jersey Cannabis Regulatory Commission (the "CRC"), 70% of the Merger Consideration Shares will be release from escrow.

2. If, within three (3) years of the closing date, the Surviving Entity opens for business as a recreational cannabis dispensary, 30% of the Merger Consideration Shares will be released from escrow.

If either or both of the milestones are not achieved within the time periods after the closing date (the "**Milestone Dates**"), the Company shall have the option to cancel the Merger Consideration Shares attributable to the failed milestone by delivering written notice to Sellers and in the event of such cancellation, the portion of the Merger Consideration Shares attributable to the failed milestone shall be surrendered and cancelled without any further action required by the parties. Notwithstanding the foregoing, if either or both of the milestones are not achieved (or if it becomes obvious that they will not be achieved) by their respective Milestone Dates because of delays that are not caused by the Sellers, the Sellers may, before the applicable Milestone Dates, provide notice to the Company, and the applicable Milestone Date will be extended to such date as is reasonably necessary for the milestone to be achieved. The parties will work together in mutual good faith to determine the dates by when the milestones can be reasonably achieved.

The Merger Consideration Shares offered and sold pursuant to the Merger Agreement have not been registered under the U.S. Securities Act and were offered and sold pursuant to an exemption from the registration requirements of the U.S. Securities Act provided by Rule 506(b) of Regulation D and applicable U.S. state securities laws, and such securities have been issued as "restricted securities" as such term is defined in Rule 144(a)(3) under the U.S. Securities Act. In addition, the Merger Consideration Shares contain the applicable Canadian hold period as required pursuant to National Instrument 45-102 – *Resale of Securities*.

About Bengal Capital

Bengal Capital is an aligned group of people immersed in the emerging cannabis industry. Because we have been both operators and investors in cannabis, we aim to roll up our sleeves and be partners as trusted strategic advisors and capital providers. Our lessons learned keep us humble and we are balanced by an inner confidence borne from our track record and the trusted relationships we have developed along the way. Our current focus is on investing in cannabis companies with strong operating capabilities, which we feel have been overlooked by other investors. Bengal Capital manages private funds, which invest in companies operating in the cannabis industry, including its flagship cannabis investment fund, the Bengal Catalyst Fund, LP.

About Body and Mind Inc.

BaM is an operations-focused cannabis company with active retail operations in Ohio, Arkansas, Michigan and California, pending retail operations in Illinois and New Jersey, and craft cultivation and/or processing operations in Nevada, Ohio and Arkansas. We work daily to increase our market share through delighting customers while also continuing to hone our operational efficiencies to drive profits. We are primarily guided by the metric of return on investment. Currently, we believe the most significant return on investment projects in front of us are successful retail cannabis store launches in Illinois and New Jersey, which augment our existing retail footprint. We also believe that our team's core operational skillsets will create significant future shareholder value as the cannabis industry matures.

Please visit www.bodyandmind.com for more information.
Instagram: @bodyandmindBaM
Twitter: @bodyandmindBaM

For further information, please contact:

Investor Relations

Jonathan Paterson
+1 203 862 0492
Jonathan.Paterson@HarborAccessLLC.com

Company Contact:
Michael Mills
CEO
Tel: 800-361-6312
ir@bodyandmind.com

Neither the Canadian Securities Exchange nor its Market Regulator (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release.

Safe Harbor Statement

Except for the statements of historical fact contained herein, the information presented in this news release constitutes "forward-looking statements" as such term is used in applicable United States and Canadian laws. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Any other statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans, "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and should be viewed as "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks and other factors include, among others, the actual results of activities, variations in the underlying assumptions associated with the estimation of activities, the availability of capital to fund programs and the resulting dilution caused by the raising of capital through the sale of shares, accidents, labor disputes and other risks. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements contained in this news release and in any document referred to in this news release.

Certain matters discussed in this news release and oral statements made from time to time by representatives of the Company may constitute forward-looking statements. Although the Company believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that its expectations will be achieved. Forward-looking information is subject to certain risks, trends and uncertainties that could cause actual results to differ materially from those projected. Many of these factors are beyond the Company's ability to control or predict. Important factors that may cause actual results to differ materially and that could impact the Company and the statements contained in this news release can be found in the Company's filings with the Securities and Exchange Commission. The Company assumes no obligation to update or supplement any forward-looking statements whether as a result of new information, future events or otherwise. This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities.