

Beleave Refiles Amended and Restated MD&A and Financial Statements

Toronto, Ontario--(Newsfile Corp. - April 29, 2020) - Beleave Inc. (CSE: BE) (OTC: BLEVF) ("**Beleave**" or the "**Company**"), a licensed producer of cannabis and cannabis-derived products, today announced the refiling of amended and restated unaudited condensed consolidated interim financial statements (the "**Q3 2020 FS**") and management's discussion and analysis thereof ("**Q3 2020 MD&A**", together with the Q3 2020 FS, the "**Amended Statements**"). The revisions to the Amended Statements have been made at the request of OSC staff in connection with a continuous disclosure review.

The Audit Committee of the Company, in consultation with management of the Company, has determined that the Company's previously filed Q3 2020 FS and Q3 2020 MD&A, as filed on March 02, 2020 and April 20, 2020, needed to be restated to correct for content and disclosure deficiencies. The Amended Statements replace and supersede the previously filed Q3 2020 FS and Q3 2020 MD&A and are available under the Company's profile on SEDAR at www.sedar.com.

The Amended Statements were refiled to address comments received from OSC staff and in order to improve the Company's disclosure and to clarify and provide additional disclosure regarding:

- The Company's working capital requirements and as a going concern;
- Key drivers of changes in key financial metrics related to the Company's performance for the period
- The status of the required approvals from Health Canada;
- The status of the Company's London and Hamilton facilities;
- The Company's partnerships and joint ventures;
- The Company's lease and debt obligations;
- The risks and uncertainties related to the Company;
- The Company's quarter-to-date results;
- Additional discussion on variations between quarters;
- The identification of related parties in the related party transactions;
- Adjustments made to the financial statements as at December 31, 2019 to correct, among others, the following material values assigned to:
 - Reduce inventories by \$267,279 to include period recognition, reclassification of packaging costs previously assigned to sales and marketing and other consumables previously not included;
 - Reduce the fair value of biological assets by \$41,390;
 - Include impairment to property, plant and equipment of \$1,531,407 relating to prior periods not previously included;
 - Reclassify \$2,455,016 from current and long-term liabilities to borrowings;
 - Include \$106,626 of depreciation in right-of-use assets previously omitted in the statement of cash flows;
 - Include a fair value adjustment of \$361,482 on the sale of inventories as non-cash adjustments in the statement of cash flows;
 - Adjust trade and other payments by a net amount of (\$474,241) in the statement of cash flows; and
 - Reclassify \$250,000 of changes in other current liabilities from operating activities to investing activities and reclassify \$500,000 of changes in other current liabilities from operating activities to financing activities (proceeds from borrowings) in the statement of cash flows.

Details of the changes are fully described in Note 24 to the restated Q3 2020 FS, as filed on SEDAR on April 29, 2020.

Subsequent to the quarter end, the Company issued common shares in the capital of the Company ("Common Shares") in respect of the following:

- 4,122,321 Common Shares were issued in connection with a private placement that closed in August 2019;
- 9,342,561 Common Shares were issued in connection with a private placement that closed in February 2020;
- 18,750,000 Common Shares were issued to directors & officers of the Company for compensation owing for service on the board of directors of the Company under the terms of employment contracts; and
- 3,460,207 Common Shares were issued in connection with the settlement of debt to Havecon (see "*Statement on Litigation*" below).

Statement on Litigation

In March 2018, Beleave engaged Havecon Horticultural Projects (together with its affiliates, "**Havecon**") to construct a greenhouse as part of the Company's approximately \$9 million Hamilton Phase 2 expansion project. The expansion plan included an additional 5,700 sq. ft. of indoor grow space, 55,000 sq. ft. of greenhouse space, and 29,500 sq. ft. allocated for offices, secure storage, and processing. Approximately 70% percent of the expansion (approximately \$6M) has been completed and the Company anticipates it will require an additional \$2.5M to complete the structural build and \$1.5M for security and further redesign to complete the warehouse and processing. In January 2020, a lawsuit was filed by Havecon in respect of labour and material costs for the construction of the site expansion.

The Company has reached an agreement on a payment schedule that allows for deferral of payment and the settlement of a portion of the debt through the issuance of shares. To date, the Company has issued Common Shares valued at \$100,000 as partial satisfaction of the debt owed to Havecon. The developer, Havecon Projects B.V., an affiliate of Havecon, continues to

complete construction in phases as capital becomes available through two possible asset sales. Havecon and the Company continue open dialogue and are committed to finishing the expansion project. In conjunction with the payment agreement established in January 2020, the Company anticipates completion before the end of 2020. This timeline is contingent on the closing of the pending asset sales, and so may be accelerated or delayed based on the timing of the sales. The Company will provide an update when one is available.

On March 13, 2020, J. Lohr Winery Corporation filed a trademark infringement claim in Federal Court against Seven Oaks, Beleave Kannabis Corp. and Beleave for its use of the Seven Oaks brand name. In light of the rules that prevent an alcohol company from branding any cannabis products, the Company does not believe the infringement holds merit and plans to dispute the claim.

About Beleave Inc.

Beleave is an ISO certified, Canadian cannabis company headquartered in the Greater Toronto Area that cultivates high-quality cannabis flower, oil and extracts for medical and recreational markets. Beleave is fully licenced to cultivate and sell medical and recreational cannabis and is leading the way through research partnerships with universities to develop pharma-grade extracts and derivatives.

Beleave is developing new product lines, including cannabis-infused products, oils, vape pens, and other novel cannabis delivery methods for 2020. Beleave has developed a network of medical cannabis clinics in Ontario and Quebec under the Medi-Green banner.

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Forward-Looking Statements

This news release may contain "forward-looking information" within the meaning of applicable securities law ("forward-looking statements"). The use of any of the words "plan", "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and other similar words, or statements that certain events or conditions "may" or "will" occur are intended to identify forward-looking information. These statements are only predictions. Although the Company believes that the expectations and assumptions on which the forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because the Company can give no assurance that they will prove to be correct. Since forward-looking information addresses future events and conditions, by its very nature it involves inherent risks and uncertainties. This information speaks only as of the date of this news release. Actual results could differ materially from those currently anticipated due to a number of factors and risks including various risk factors discussed in the Company's disclosure documents, which can be found under the Company's profile on www.sedar.com.



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