



Beleave Updates Prior Disclosure and Announces Approval of Settlement Agreement with the BCSC

Toronto, ON – June 6, 2019 – Beleave Inc. ("**Beleave**" or the "**Company**") (CSE: BE; OTCQX: BLEVF) today announces a settlement with the British Columbia Securities Commission ("**BCSC**"), and provides updates to certain prior disclosure regarding agreements entered into and shares issued by the Company during its fiscal year ended March 31, 2019. All values in this news release are in Canadian dollars.

BCSC Settlement

The Company is pleased to announce that it has entered into a settlement agreement with Staff of the BCSC in connection with certain of the Company's historical disclosures, resolving the BCSC's review of Beleave's involvement in the BCSC's investigation relating to, among other things, the use of the consultant exemption from prospectus requirements (the "**BCSC Matter**").

Under the terms of the settlement, the BCSC will not seek any orders against the Company, including financial orders. Full details of the settlement, including the settlement agreement, will be available on the BCSC website: www.bcsc.bc.ca.

The Company's Chief Executive Officer, Bill Panagiotakopoulos commented: "We have cooperated and been fully transparent with the BCSC, and are glad to have arrived at this favourable settlement. We look forward to focusing on accelerating the Company's growth in Canada and beyond."

Corporate Governance Updates

In December 2018, after learning of a notice of hearing and temporary order ("**Temporary Order**") issued by the Executive Director of the BCSC in connection with the BCSC Matter, the Company voluntarily formed a special committee comprised of the independent members of the board of directors (the "**Board**") with a broad mandate to thoroughly review the Company's transactions and historical disclosures.

Following completion of the special committee's review on or about February 14, 2019, Beleave announced changes to the composition of the Company's management team and Board. The changes were intended to increase the number of independent directors and enhance the Company's focus on corporate governance.

As previously announced, Messrs. Wnek and Krasic resigned their Board and management roles. In addition, after their work on the special committee was completed, and as previously announced, independent directors Mark Miles and Mark Heselton also resigned from the Board. The vacancies on the Board are now filled by Kevin Keagan, the Company's Chief Communications Officer, and newly appointed independent directors Jim Wasserstrom, Andrew Steane, and Amy Nederlander. Jim Wasserstrom was also appointed as chair of the Board. The biographies of these individuals, posted on the Company's website and included in the press releases announcing their appointments, disclose years of relevant industry and public sector experience. Mr. Wasserstrom, in particular, is a governance and compliance expert, having led the United Nations operation overseeing the transformation of the Republic of Kosovo's public utilities.

The Company has since taken a number of additional measures to strengthen internal controls and management, including:

- approving and implementing a detailed delegation of authority document;
- appointing a dedicated secretary of the Board, with improved board and committee management procedures;
- reviewing all consulting agreements and other contracts to assess value-for-money, which led to the cancellation of a number of contracts;
- replacing its auditor and initiating a review of its previous financial statements and disclosures;
- developing an activity tracking document and instituting regular subject-matter meetings, including regular financial meetings with a variety of senior staff;
- implementing a dual signing protocol for cheques or other payments above \$10,000;
- reviewing its organizational structure and reducing staff who were not hired according to best practices and did not meet the high standards of their positions;
- reviewing and assessing its international activities, including visiting Colombia for first-hand fact gathering;
- enhancing disclosure in monthly progress reports required by the Canadian Securities Exchange;
- implementing a secure new computer program/system that will improve financial oversight and internal control (Cannabis 365); and
- implementing a more robust investor relations approach, including social media forums.

Consulting Agreements

In the first quarter of the fiscal year ended March 31, 2019, the Company entered into consulting agreements with certain individuals (the "**Consultants**") who were subsequently named as respondents in the Temporary Order in connection with the BCSC Matter. Pursuant to the consulting agreements entered into with these individuals, Beleave agreed to pay an aggregate of \$7,500,000 to these "Consultants". The Company paid the full amount owing pursuant to the consulting agreements, but did not receive the benefit of any services in satisfaction of the payments made.

On April 24, 2018, the Company announced the offering of securities on a private placement basis for gross proceeds of \$5,000,000 (the "**April Offering**") and indicated that the proceeds from the April Offering would be used for general and administrative purposes. On April 26, 2018, the Company announced the closing of the April Offering, but did not disclose that \$3,750,000 of the \$5,000,000 in gross proceeds, all of which was raised through the "Consultants", were to satisfy the Company's obligations under the consulting agreements. On June 8, 2018, the Company announced another offering of securities on a private placement basis for gross proceeds of \$5,000,000 (the "**June Offering**") and indicated that the proceeds from June Offering would be used for general and administrative purposes. On June 11, 2018, the Company announced the closing of the June Offering, but did not disclose that \$3,750,000 of the \$5,000,000 in gross proceeds, all of which was raised through the "Consultants", were used to satisfy the Company's obligations under the consulting agreements.

Beleave has since cancelled the consulting agreements for non-performance and is taking steps to recover the funds advanced to the "Consultants", and the shares issued in connection with the Company's previously disclosed acquisition of 161141 B.C. Ltd. from certain of the "Consultants."

About Beleave

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-licensed 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 2019. Beleave has developed a network of medical cannabis clinics in Ontario and Quebec under the Medi-Green banner. Through its majority ownership of Procannmed S.A.S., Beleave is fully licensed to cultivate, produce, and extract medical cannabis in Colombia positioning it to capitalize on exports and the expanding Latin American market. The Company has partnered with Canymed GmbH to supply the German market with medical cannabis.

For further information, please contact:

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Forward-Looking Statements

This news release contains "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. These risks and uncertainties include, but are not limited to, the Company's ability to satisfy the conditions associated with its cultivation and sales license, the availability of further financing, consumer interest in its products, competition, regulation, operational and technological risks, and anticipated and unanticipated costs and delays. 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.