

FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: Beleave Inc (the "Issuer").

Trading Symbol: BE

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities Act*, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

General Instructions

- (a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

Please refer to the Issuer's Condensed Interim Consolidated Financial Statements for the three months ended June 30, 2017 as posted on SEDAR.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

Please refer to the Issuer's Condensed Interim Consolidated Financial Statements for the three months ended June 30, 2017 as posted on SEDAR.

- (a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
- (b) A description of the transaction(s), including those for which no amount has been recorded.
- (c) The recorded amount of the transactions classified by financial statement category.
- (d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
- (e) Contractual obligations with Related Persons, separate from other contractual obligations.
- (f) Contingencies involving Related Persons, separate from other contingencies.

2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

Please refer to the Issuer's Condensed Interim Consolidated Financial Statements for the three months ended June 30, 2017 as posted on SEDAR.

- (a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid

(b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

Please refer to the Issuer's Condensed Interim Consolidated Financial Statements for the three months ended June 30, 2017 as posted on SEDAR.

- (a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,
- (b) number and recorded value for shares issued and outstanding,
- (c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

- (d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

Name	Position
Bojan Krasic	CFO
Vasilios Panagiotakopoulos	COO
Roger Ferreira	CEO
Andrew Wnek	External Director
Gordon Harvey	External Director
Chris Murphy	External Director

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

Please refer to the Issuer's Condensed Interim Consolidated Financial Statements for the three months ended June 30, 2017 as posted on SEDAR.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated July 23, 2018.

Bojan Krasic
Name of Director or Senior Officer


Bojan Krasic (Jul 22, 2019)

Signature

CFO

Official Capacity

Issuer Details Name of Issuer Beleave Inc	For Quarter Ended June 30, 2017	Date of Report YY/MM/D 18/07/23
Issuer Address 1653 HWY 6 North		
City/Province/Postal Code Hamilton, ON L8N2Z7	Issuer Fax No. ()	Issuer Telephone No. (905) 979-2937
Contact Name Bojan Krasic	Contact Position CFO	Contact Telephone No. (905) 979-2937
Contact Email Address Bojan@beleave.com	Web Site Address www.beleave.com	

BELEAVE INC.

CONSOLIDATED FINANCIAL STATEMENTS

THREE MONTHS ENDED JUNE 30, 2017

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of Beleave Inc. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements as at and for the three months ended June 30, 2017 have not been reviewed by the Company's auditors.

BELEAVE INC.**Condensed Interim Consolidated Statements of Financial Position****(Expressed in Canadian Dollars)****(Unaudited)**

	As at June 30, 2017	As at March 31, 2017
Assets		
Current assets		
Cash and cash equivalents (Note 3)	\$ 1,390,518	\$ 2,058,929
Sales tax receivable	337,669	171,342
Prepaid expenses	6,780	10,380
Total current assets	1,734,967	2,240,651
Non-current assets		
Property, plant and equipment (Note 4)	1,954,203	1,902,114
Total non-current assets	1,954,203	1,902,114
Total Assets	\$ 3,689,170	\$ 4,142,765

Liabilities and Shareholders' Equity

Current liabilities		
Accounts payable and accrued liabilities	\$ 968,717	\$ 1,125,964
Total current liabilities	968,717	1,125,964
Shareholders' Equity		
Share capital (Note 5)	14,871,662	10,783,834
Shares to be issued (Note 5(b)(vi))	-	647,500
Reserve for share-based payments (Note 7)	3,178,571	3,148,494
Reserve for warrants (Note 6)	772,926	1,122,314
Deficit	(16,102,706)	(12,685,341)
Total Shareholders' Equity	2,720,453	3,016,801
Total Liabilities and Shareholders' Equity	\$ 3,689,170	\$ 4,142,765

Nature of operations and going concern (Note 1)**Related party transactions (Note 9)****Commitments (Note 11)****Subsequent events (Note 12)**

Approved on behalf of the Board:

"Bojan Krasic" _____, Director
 Director
 Bojan Krasic

"Roger Ferreira" _____,
 Roger Ferreira

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

BELEAVE INC.**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss****(Expressed in Canadian Dollars)****(Unaudited)**

Three Months Ended June 30,	2017	2016
Expenses		
Marketing and promotion	\$ 125,056	\$ 169,621
Professional services	84,004	28,956
Office expenses	204,573	50,290
Research and development	3,348	4,000
Share-based compensation (Notes 5(b)(vi), 7 and 9)	2,784,077	322,545
Rent and facilities (Note 9)	35,535	103,563
Gain on debt settlement (Note 5(b)(vi))	(22,500)	-
Management and consulting fees (Note 9)	130,500	72,886
Depreciation	72,772	-
Net loss and comprehensive loss for the period	\$ (3,417,365)	\$ (751,861)
Loss per share - basic and diluted (Note 8)	\$ (0.12)	\$ (0.04)
Weighted average number of shares outstanding - basic and diluted (Note 8)	29,639,075	17,022,454

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

BELEAVE INC.**Condensed Interim Consolidated Statement of Changes in Shareholders' Equity****(Expressed in Canadian Dollars)****(Unaudited)**

	Share Capital				Reserve for	Reserve for	Deficit	Total
	Shares to be issued	Units to be issued	Number of common shares	Amount	Warrants	share-based payments		
Balance, March 31, 2016	\$ -	\$ 216,801	14,983,980	\$ 1,943,035	\$ 1,196,050	\$ 1,252,200	\$ (4,133,308)	\$ 474,778
Equity financing (Note 5(b)(i)(ii))	-	(216,801)	1,557,668	251,251	216,049	-	-	250,499
Costs of issue (Note 5(b)(i)(ii))	-	-	-	(1,126)	(973)	-	-	(2,099)
Shares issued for debt settlement (Note 5(b)(iii))	-	-	597,914	181,798	-	-	-	181,798
Bonus shares (Note 5(b)(iv))	-	-	300,000	90,000	-	-	-	90,000
Expiry of warrants	-	-	-	-	(30,600)	-	30,600	-
Cancellation of options	-	-	-	-	-	(247,150)	247,150	-
Share-based compensation (Note 7)	-	-	-	-	-	322,545	-	322,545
Net loss and comprehensive loss for the period	-	-	-	-	-	-	(751,861)	(751,861)
Balance, June 30, 2016	\$ -	\$ -	17,439,562	\$ 2,464,958	\$ 1,380,526	\$ 1,327,595	\$ (4,607,419)	\$ 565,660
Balance, March 31, 2017	\$ 647,500	\$ -	28,685,522	\$ 10,783,834	\$ 1,122,314	\$ 3,148,494	\$ (12,685,341)	\$ 3,016,801
Shares issued for exercise of warrants	-	-	650,042	331,271	-	-	-	331,271
Shares issued for debt settlement (Note 5(b)(v))	-	-	62,625	147,169	-	-	-	147,169
Bonus shares (Note 5(b)(vi))	(647,500)	-	1,950,000	3,260,000	-	-	-	2,612,500
Reclassification of fair value of warrants exercised	-	-	-	349,388	(349,388)	-	-	-
Share-based compensation (Note 7(ii))	-	-	-	-	-	30,077	-	30,077
Net loss and comprehensive loss for the year	-	-	-	-	-	-	(3,417,365)	(3,417,365)
Balance, June 30, 2017	\$ -	\$ -	31,348,189	\$ 14,871,662	\$ 772,926	\$ 3,178,571	\$ (16,102,706)	\$ 2,720,453

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

BELEAVE INC.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

Three Months Ended June 30,	2017	2016
Cash (used in) provided by:		
Operating Activities		
Net loss for the period	\$ (3,417,365)	\$ (751,861)
Add items not affecting cash:		
Depreciation	72,772	-
Loss on debt settlement (Note 5(b)(vi))	(22,500)	-
Share-based compensation (Notes 5(b)(vi), 7 and 9)	2,784,077	322,545
	(583,016)	(429,316)
Net changes in non-cash working capital items:		
Sales tax receivable	(166,327)	-
Prepaid expenses	3,600	(3,968)
Accounts payable and accrued liabilities	(129,078)	145,557
Net cash used in operating activities	(874,821)	(287,727)
Investing Activities		
Purchase of property, plant and equipment (Note 4)	(124,861)	(30,008)
Net cash used in investing activities	(124,861)	(30,008)
Financing Activities		
Proceeds from issuance of units (Note 5)	-	250,499
Cost of issue	-	(2,099)
Proceeds from exercise of warrants	331,271	-
Net cash provided by financing activities	331,271	248,400
Net decrease in cash and cash equivalents during the period	(668,411)	(69,335)
Cash and cash equivalents, beginning of period	2,058,929	230,694
Cash and cash equivalents, end of period	\$ 1,390,518	\$ 161,359

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

BELEAVE INC.**Notes to the Condensed Interim Consolidated Financial Statements****Three Months Ended June 30, 2017****(Expressed in Canadian Dollars)****(Unaudited)**

1. Nature of operations and going concern

Beleave Inc. (formerly known as Stream Ventures Inc. ("Stream")) ("Beleave" or the "Company") was incorporated under the Business Corporations Act (Ontario) on May 26, 2000, and had no operations and was seeking new business opportunities.

First Access Medical Inc. ("FAM") was incorporated on July 8, 2013 under the Canada Business Corporation Act. FAM is in the application process and has submitted its application to Health Canada (Healthy Environments and Consumer Safety Branch) on January 31, 2014 to become a "Licensed Producer" under the Marihuana for Medical Purposes Regulations (the "MMPR").

On December 22, 2015, the Company entered into an acquisition agreement with FAM pursuant to which the Company acquired from the FAM shareholders all of the issued and outstanding shares of FAM in exchange for an equal number of common shares in the Company (the "Transaction"). Upon completion of the Transaction FAM became a wholly-owned subsidiary of the Company and Stream changed its name to Beleave Inc. on December 16, 2015. The common shares of Beleave are listed on the Canadian Securities Exchange (the "Exchange") under the trading symbol "BE". The Company registered office and its main facility in development is located at 1653 Hwy 6 North, Hamilton, Ontario.

As at the date of the preparation of the unaudited condensed interim consolidated financial statements, the main activities of the Company are conducted to comply with MMPR and preparation of facilities.

These unaudited condensed interim consolidated financial statements have been prepared on the going concern basis, which assumes that the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

During the three months ended June 30, 2017, the Company had not yet achieved profitable operations, incurred a net loss of \$3,417,365 (three months ended June 30, 2016 - loss of \$751,861) and, as of that date, the Company has an accumulated deficit of \$16,102,706 (March 31, 2017 - \$12,685,341). The Company will require additional financing in order to conduct its planned business operations, meet its ongoing levels of corporate overhead and discharge its liabilities and commitments as they come due, all of which casts substantial doubt upon the Company's ability to continue as a going concern.

Management's view is that the success of the Company is dependent upon financing the remaining portion of its capital requirements and, obtaining approval from Health Canada in order to sell and distribute medicinal cannabis in Canada and achieving profitable operations.

The unaudited condensed interim consolidated financial statements do not reflect adjustments that would be necessary if the going concern basis was not appropriate. Consequently, adjustments would then be necessary to the carrying value of assets and liabilities, the reported revenues and expenses and their classifications. Such adjustments if required, could be material.

BELEAVE INC.**Notes to the Condensed Interim Consolidated Financial Statements****Three Months Ended June 30, 2017****(Expressed in Canadian Dollars)****(Unaudited)**

2. Basis of presentation*(a) Statement of compliance*

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC. The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of August 28, 2017, the date the Board of Directors approved the statements.

The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent audited consolidated financial statements as at and for the year ended March 31, 2017.

(b) Recent accounting pronouncements

(i) IFRS 9, Financial Instruments ("IFRS 9") was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39, Financial Instruments – Recognition and Measurement ("IAS 39") for debt instruments with a new mixed measurement model having only two categories; amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments, and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent not clearly representing a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in comprehensive income indefinitely.

Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income. IFRS 9 will be effective for accounting periods beginning on January 1, 2018. The Company is in the process of assessing the impact of this pronouncement. The Company is evaluating the potential impact of this new standard on the unaudited condensed interim consolidated financial statements.

(ii) IFRS 15 - Revenue from Contracts with Customers ("IFRS 15") establishes principles for reporting the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contract with a customer, regardless of type of revenue transaction or the industry. IFRS 15 will also apply to the recognition and measurement of gains and losses on sale of certain non-financial assets that are not an output of the entity's ordinary activities. IFRS 15 will be effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is evaluating the potential impact of this new standard on the unaudited condensed interim consolidated financial statements.

BELEAVE INC.**Notes to the Condensed Interim Consolidated Financial Statements****Three Months Ended June 30, 2017****(Expressed in Canadian Dollars)****(Unaudited)**

2. Basis of presentation (continued)*(b) Recent accounting pronouncements (continued)*

(iii) IFRS 16 - Leases ("IFRS 16") was issued on January 13, 2016 to require lessees to recognize assets and liabilities for most leases. For lessors, there is little change to the existing accounting in IAS17 - Leases. The IAS issued its standard as part of a joint project with the Financial Accounting Standards Board ("FASB"). The FASB has not yet issued its new standard, but it is also expected to require lessees to recognize most leases on their statement of financial position.

The new standard will be effective for annual periods beginning on or after January 1, 2019. Early application is permitted, provided the new revenue standard, IFRS 15 - Revenue from Contracts with Customers, has been applied or is applied at the same date as IFRS 16. The Company is still in the process of assessing the impact of this pronouncement.

Various other accounting pronouncements that have no material impact to the Company are not included above. The Company has not early adopted these standards.

3. Cash and cash equivalents

	June 30, 2017	March 31, 2017
Cash at bank and in hand	\$ 1,390,518	\$ 2,058,929

4. Property, plant and equipment

	Production	IT and related	Leasehold	Total
<u>Cost</u>				
At March 31, 2017	\$ 148,272	\$ 588,520	\$ 1,165,322	\$ 1,902,114
Additions	-	1,595	123,266	124,861
At June 30, 2017	\$ 148,272	\$ 590,115	\$ 1,288,588	\$ 2,026,975
<u>Accumulated depreciation</u>				
At March 31, 2017	\$ -	\$ -	\$ -	\$ -
Depreciation expense	7,414	48,349	17,009	72,772
At June 30, 2017	\$ 7,414	\$ 48,349	\$ 17,009	\$ 72,772
<u>Carrying value</u>				
At March 31, 2017	\$ 148,272	\$ 588,520	\$ 1,165,322	\$ 1,902,114
At June 30, 2017	\$ 140,858	\$ 541,766	\$ 1,271,579	\$ 1,954,203

BELEAVE INC.**Notes to the Condensed Interim Consolidated Financial Statements****Three Months Ended June 30, 2017****(Expressed in Canadian Dollars)****(Unaudited)****5. Share capital****(a) Authorized:**

The Company is authorized to issue an unlimited number of common shares with no par value.

(b) Issued common shares:

	Number of shares	Amount
Balance, March 31, 2016	14,983,980	\$ 1,943,035
Shares issued on private placement, net of issue costs (i)(ii)	1,557,668	250,125
Shares issued for debt settlement (iii)	597,914	181,798
Bonus shares issued (iv)	300,000	90,000
Balance, June 30, 2016	17,439,562	\$ 2,464,958
Balance, March 31, 2017	28,685,522	\$ 10,783,834
Shares issued for exercise of warrants (Note 6)	650,042	331,271
Reclassification of fair value of warrants exercised	-	349,388
Shares issued for debt settlement (v)	62,625	147,169
Bonus shares issued (vi)	1,950,000	3,260,000
Balance, June 30, 2017	31,348,189	\$ 14,871,662

(i) On April 12, 2016, the Company closed the first tranche of a private placement financing for gross proceeds of \$439,301. Upon closing the financing, Beleave issued 1,464,336 units at a price of \$0.30 per unit. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable for one common share at a price of \$0.50 for a period of two years from closing. A director of the Company has also participated in the financing. Based on the Black-Scholes pricing model, these warrants had an allocated fair value of \$155,220 (Assumptions used were as follows: expected volatility – 120.3%, risk-free interest rate – 0.58%, expected dividend yield – 0% and expected life of 2 years). \$216,801 of these proceeds were received prior to the March 31, 2016 year end.

(ii) On June 9, 2016, the Company closed a second tranche of a private placement financing for gross proceeds of \$28,000. Upon closing the financing, Beleave issued 93,332 units at a price of \$0.30 per unit. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable for one common share at a price of \$0.50 for a period of two years from closing. Based on the Black-Scholes pricing model, these warrants had an allocated fair value of \$9,613 (Assumptions used were as follows: expected volatility – 113.7%, risk-free interest rate – 0.52%, expected dividend yield – 0% and expected life of 2 years).

(iii) The Company completed a shares-for-debt transaction during the three months ended June 30, 2016 with related parties and other parties of the Company whereby the Company issued common shares for the settlement of the amounts owing to such creditors. Pursuant to the debt settlement, the Company settled \$181,798 of existing debt through the issuance of 597,914 shares. Included in the debt settlement was 242,950 common shares issued to its officers in lieu of cash for consulting fees in the amount of \$72,885.

(iv) The Company has agreed to issue common shares to employees and consultants of the Company based on certain milestones being achieved in the MMPR licensing process. During the three months ended June 30, 2016, the Company issued 300,000 shares valued at \$90,000.

(v) The Company completed a shares-for-debt transaction during the three months ended June 30, 2017 with related parties and other parties of the Company whereby the Company issued common shares for the settlement of the amounts owing to such creditors. Pursuant to the debt settlement, the Company settled \$147,169 of existing debt through the issuance of 62,625 shares to its officers in lieu of cash for consulting fees.

BELEAVE INC.**Notes to the Condensed Interim Consolidated Financial Statements****Three Months Ended June 30, 2017****(Expressed in Canadian Dollars)****(Unaudited)**

5. Share capital (continued)**(b) Issued common shares (continued):**

(vi) The Company has agreed to issue common shares to employees and consultants of the Company based on certain milestones being achieved in the MMPR licensing process. During the three months ended June 30, 2017, the Company issued 1,950,000 shares valued at \$3,260,000 including issuance of 250,000 shares valued at \$625,000 in settlement of shares to be issued as at March 31, 2017 of \$647,500, resulting a gain of debt settlement of \$22,500 .

6. Warrants

As of June 30, 2017 and 2016, the Company has the following warrants outstanding with the corresponding average exercise prices:

	Number of warrants	Weighted average exercise price
Balance at March 31, 2016	4,416,667	\$ 0.50
Warrants from private placement (Note 5(b)(i)(ii))	1,557,668	0.50
Expired	(180,000)	0.50
Balance at June 30, 2016	5,794,335	\$ 0.50
Balance at March 31, 2017	5,364,625	\$ 0.52
Warrants exercised	(650,042)	0.51
Balance at June 30, 2017	4,714,583	\$ 0.52

The following table reflects the actual warrants issued and outstanding as of June 30, 2017:

Expiry date	Exercise price (\$)	Number of warrants
April 2017	0.50	35,000
June 2017	0.50	150,000
April 2018	0.50	843,335
June 2018	0.50	73,332
September 2018	0.50	3,271,250
October 2018	0.75	341,666
		4,714,583

BELEAVE INC.**Notes to the Condensed Interim Consolidated Financial Statements****Three Months Ended June 30, 2017****(Expressed in Canadian Dollars)****(Unaudited)**

7. Share-based compensation and stock options

The Company has a stock option plan (the "Plan") which allows, at the discretion of the Board of Directors, eligible directors, employees, consultants or affiliates to be granted incentive stock options exercisable to purchase common shares.

The plan was amended at the Annual General meeting held on November 18, 2016, which increased the maximum number authorised for issuance to 4,288,437. The options can be granted for a maximum term of ten years.

The Board shall establish a vesting period or periods at the time each option is granted to eligible persons, provided that options granted to eligible persons providing investor relations services are required to vest in stages over 12 months with no more than one quarter of the options vesting in any three-month period.

The following table shows the continuity of options:

	Number of options	Weighted average exercise price
Balance, March 31, 2016	2,730,000	\$ 0.50
Granted (i)	790,000	0.50
Cancelled	(560,000)	0.50
Balance, June 30, 2016	2,960,000	\$ 0.50
Balance, March 31, 2017 and June 30, 2017	4,280,000	\$ 0.89

BELEAVE INC.**Notes to the Condensed Interim Consolidated Financial Statements****Three Months Ended June 30, 2017****(Expressed in Canadian Dollars)****(Unaudited)**

7. Share-based compensation and stock options (continued)

- (i) On June 27, 2016 the Company approved the grant of 790,000 options to various parties to purchase common shares with an exercise price of \$0.50. 480,000 of these options expire in 5 years and 310,000 options expire in two years. Based on the Black-Scholes pricing model, 480,000 of the options had an estimated fair value of \$228,336 which vested immediately and 310,000 had an estimated fair value of \$94,209 which vested immediately.
- (ii) On January 11, 2017, the Company granted 1,320,000 options exercisable at \$1.75 per common share to various consultants and members of the board of directors. These options expire in 5 years. Based on the Black-Scholes pricing model, 1,220,000 of the options had an estimated fair value of \$1,531,588 which vested immediately and 100,000 of these options had an estimated fair value of \$125,440 which vest 25% on grant date with quarterly increase of 25%. The estimated fair value expensed during the three months ended June 30, 2017 was \$30,077.

The following table reflects the actual stock options issued and outstanding as of June 30, 2017:

Expiry date	Exercise price (\$)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)
June 27, 2018	0.50	0.99	310,000	310,000
March 28, 2020	0.50	2.75	1,000,000	1,000,000
December 22, 2020	0.50	3.48	1,080,000	1,080,000
September 17, 2021	0.50	4.22	90,000	90,000
June 27, 2021	0.50	3.99	480,000	480,000
January 11, 2022	1.75	4.54	1,320,000	1,270,000
		3.53	4,280,000	4,230,000

8. Net loss per common shares

The calculation of basic and diluted loss per share for the three months ended June 30, 2017 was based on the loss attributable to common shareholders of \$3,417,365 (three months ended June 30, 2016 - loss of \$751,861) and the weighted average number of common shares outstanding of 29,639,075 (three months ended June 30, 2016 - 17,022,454).

BELEAVE INC.**Notes to the Condensed Interim Consolidated Financial Statements****Three Months Ended June 30, 2017****(Expressed in Canadian Dollars)****(Unaudited)**

9. Related party transactions

The Company transacts with related parties in the normal course of business. These transactions are measured at their exchange amounts.

Companies owned and/or controlled by certain directors of the Company provided services or sale of items of property and equipment which are included in the financial statements as follows:

Three Months ended June 30,	2017	2016
Expenses:		
Rent	\$ 18,000	\$ 20,340
Consulting	-	72,886

See Note 5(b)(iii)(v) for shares-for-debt transaction with officers.

As at June 30, 2017, there was \$106,288 (March 31, 2017 - \$150,500) outstanding payables to related parties.

Key management compensation is comprised of the following:

Three Months Ended June 30,	2017	2016
Short term benefits	\$ 66,000	\$ -
Share-based compensation	\$ 2,745,577	\$ 208,446

10. Segmented information

The Company operates in only one business segment, namely as a licensed producer of marihuana for medical purposes. All of the Company's assets are located in Canada.

11. Commitments

On July 1, 2015 the Company signed a long term net lease agreement with a related party for a term of 8.5 years and the option to extend the lease for 5 years, twice. For the first 3.5 years, the net rent payable is \$14,875 monthly until December 2018, with 5% annual increase from January 1st, 2019 and each subsequent year.

The Company has agreed to issue common shares to employees and consultants of the Company based on certain milestones being achieved in the MMPR licensing process.

The total number of shares to be issued over the remaining milestones of the agreement is 3,000,000 shares.

12. Subsequent events

(i) Subsequent to June 30, 2017, 325,000 warrants were exercised for cash proceeds of \$212,500.