BELEAVE INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")
OF THE CONSOLIDATED OPERATIONS AND FINANCIAL POSITION

FOR THE THREE MONTHS ENDED JUNE 30, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS ("MD&A")

The following is a discussion and analysis of the financial condition and results of operations of Beleave Inc. ("**Beleave**" or the "**Company**") and its wholly owned subsidiary First Access Medical Inc. ("**FAM**") for the three months ended June 30, 2017. This MD&A should be read in conjunction with the Company's audited financial statements and accompanying notes for the three months ended June 30, 2017. All amounts in the MD&A are in Canadian dollars, except per share amounts or as indicated otherwise. The Company's accounting policies are in accordance with IFRS.

The effective date of this MD&A is August 29, 2017.

FORWARD-LOOKING STATEMENTS

This MD&A includes certain forward-looking statements that are based upon current expectations, which involve risks and uncertainties associated with our business and the environment in which the business operates. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements, including those identified by the expressions "anticipate", "believe", "plan", "estimate", "expect", "intend" and similar expressions to the extent they relate to the Company or its management. The forward-looking statements are not historical facts, but reflect management's current expectations regarding future results or events. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including, but not limited to, risks and uncertainties related to:

- the performance of the Company’s business and operations;
- the intention to grow the business and operations of the Company;
- expected growth in the number of users of medical cannabis in Canada;
- the number of grams of medical cannabis to be used by each user;
- the impact of potential legalization of cannabis in Canada;
- future liquidity and financial capacity;
- the availability of financing opportunities, risks associated with economic conditions, dependence on management and conflicts of interest;
- treatment under government regulatory and taxation regimes and potential changes thereto in light of recent court decisions; and
- other risks described in this MD&A and described from time to time in documents filed by the Company with Canadian securities regulatory authorities.

The forward-looking statements contained herein are based on certain key expectations and assumptions, including:

- the ability of the Company to generate cash flow from operations and obtain necessary financing on acceptable terms;
- general economic, financial market, regulatory and political conditions in which the Company operates;
- consumer interest in the Company’s products;
- the timely receipt of any required regulatory approvals, included approvals from Health Canada;
- competition;

- the ability of the Company to obtain qualified staff, equipment and services in a timely and cost efficient manner; and

- the ability of the Company to conduct operations in a safe, efficient and effective manner.

With respect to the forward-looking statements contained herein, although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements, because no assurance can be given that they will prove to be correct. Consequently, all forward-looking statements made in this MD&A and other documents of the Company are qualified by such cautionary statements and there can be no assurance that the anticipated results or developments will actually be realized or, even if realized, that they will have the expected consequences to or effects on the Company. The cautionary statements contained or referred to in this section should be considered in connection with any subsequent written or oral forward-looking statements that the Company and/or persons acting on the Company's behalf may issue. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required under securities legislation.

OVERVIEW

BELEAVE'S BUSINESS

Beleave is a Canadian medical cannabis company with its common shares ("**Common Shares**") publicly traded on the Canadian Securities Exchange ("**CSE**") under the symbol "BE" and posted for trading over-the-counter under the symbol "BLEVF US".

Beleave's wholly-owned subsidiary FAM is a Licensed Producer. FAM became a Licensed Producer on May 18, 2017, when it was issued the license (the "**License**") for its purpose-built facility located near Hamilton, Ontario (the "**Facility**").

On June 28, 2017, the Company announced that it had begun cultivation activities at its Facility.

RESULTS OF OPERATIONS SETUP

Summary of Cash Flows for the three months ended June 30, 2017, and 2016.

	2017	2016
Cash Flows provided by (used in) operating activities	**$(874,821)**	$(287,727)
Cash Flows provided by financing activities	**$331,271**	$248,400
Cash Flows provided by (used in) investing activities	**$(124,861)**	$(30,008)
Cash, End of Period	**$1,390,518**	$161,358

SUMMARY OF RESULTS FOR THE THREE MONTHS ENDED JUNE 30, 2017

During the three months ended June 30, 2017, the Company's focus and operating spending has been limited as Beleave is waiting on Health Canada communication regarding further inquiries with respect to requirements to be a Licensed Producer of medical cannabis to the Canadian marketplace as regulated by MMPR. On May 18, 2017, FAM received the License from Health Canada to produce, possess, ship, deliver, transport, and destroy cannabis plants, cannabis seeds and dried cannabis. See "*Risk Factors – Reliance on License*" and "*Risk Factors – Change in Laws, Regulations and Guidelines*". As of the date of this MD&A, FAM has not yet received permission to sell medical cannabis.

Following receipt of the License, Beleave is well positioned to acquire patients to support its business model and is focusing its resources as follows:

- Moving forward, Beleave's primary objective will be to: (i) obtain a sales license from Health Canada; and (ii) complete the Phase 1 expansion plan with respect to its Facility, including the buildout of a 72,000 square foot hybrid greenhouse (the "**Phase 1 Expansion**"). Hybrid greenhouses combine the benefits of outdoor growing (natural light) and indoor growing (controlled environment) to produce higher quality plants and better yields than traditional greenhouses.
- Continuing to add to an in-house expertise for the operations, production, management and professional services requirements of the business, including advisory board members from respected universities and research centers.
- Continuing open dialogue with healthcare practitioners for patient educational purpose.
- Furthering its client acquisition strategy with strategic partnerships that will continue to pursue the plans as outlined below:
    - Beleave has established a reputable team to lead the company through its ongoing research and development surrounding the clinically-appropriate uses of cannabinoids for medical purposes. The breadth of expertise of Beleave's team provide it unique access to Canada's medical community. In the short run, the way in which Beleave plans to acquire patients and generate revenue to cover operational costs, is by clinically demonstrating the safety and efficacy of its cannabis, cannabis-based medicines and ancillary products for the treatment of ailments. Specifically, Beleave is currently collaborating with scientists and physicians actively involved in medicinal cannabinoid research on projects involving the cultivation of relevant cannabis cultivars with particular cannabinoid/terpenoid profiles, and regarding the development of two proprietary cannabinoid-based products/technologies: (i) pharmaceutical-grade cannabinoid/terpenoid-based medicinal extracts; and (ii) relevant clinical trial technologies that aid in the use of these medicines by patients. This research and development platform regarding Beleave's cannabis cultivars and ancillary product/technology development will achieve 3 goals:

        1. Development of proprietary strains that will enable it to standardize treatment for patients with specific ailments.
        2. Development of ancillary products/technologies, that are themselves proprietary and revenue generating.
        3. These products promote practices surrounding cannabinoid consumption by patients that are safer and more therapeutically effective than what has been previously possible prior to this research and development (while not taking away existing customers), thus providing physicians with a greater level of confidence when clinically evaluating the efficacy of cannabinoids for the treatment of disease.

    - As such, these products will serve to increase the number of medical documents filled by physicians. A valuable role of our research and development platform will be to foster interdisciplinary and inter-institutional research on medicinal cannabinoids in Ontario and across Canada, as well as to increase related knowledge transfer on the clinical use of cannabinoids. Alongside development of pharmaceutical-grade cannabinoid/terpenoid-based medicinal extracts and relevant clinical trial technologies that aid in the use of these medicines by patients, Beleave will also engage physicians that are at the forefront of patient care and research within the field of medicinal cannabinoids in order to sponsor research and continuing education programs aimed at investigating and disseminating clinical evidence regarding the safety and efficacy of FAM products for the treatment of disease. Our aim is to develop an educational platform for patients, physicians and the community in general regarding the clinical data for safety and efficacy of our medicinal cannabinoid products. By advancing research in the field of cannabinoid based medicines, and actively educating the patient and medical community, we feel this will also be a crucial driving factor for client acquisition.

    - Given successful implementation of the aforementioned strategy Beleave projects to only need 186 patients purchasing an average of 0.75 grams per day to break even. The company can

currently support an estimated 2,000patients at its current facility, with additional space available to produce enough product to support 29,000 patients.

The following table sets forth the statement of comprehensive loss for the three months ended June 30, 2017, and 2016.

	Three Months Ended June 30,	
	2017	2016
Expenses		
Marketing and research	$ **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	**2,784,077**	322,545
Rent and facilities	**35,535**	103,563
Gain (loss) on debt settlement	**(22,500)**	-
Management and consulting fees	**130,500**	72,886
Depreciation	**72,772**	-
Net gain (loss) for the period	$ **(3,417,365)**	$ (751,861)
Gain (loss) per share – basic and diluted	$ **(0.12)**	$ (0.04)
Weighted average number of shares outstanding – basic and diluted	**29,639,075**	17,022,454

Beleave did not have any material purchases or expenses that required conversion of foreign currency-denominated transactions.

REVENUES

The Company has no revenue to report, as it is not yet earning revenues from its principal operations.

OPERATING EXPENSES

Operating expenses for the three months ended June 30, 2017 was $3,417,365. These expenses were incurred as part of professional services to support its client acquisition strategy, general and administrative expenses, as well as research and development, and listing excluding costs for equity instruments issued to shareholders of Stream Ventures Inc. A portion of the cash expenses incurred were in form of G&A and Leases as the company paid cash for only a portion of salaries to its management team and its board of directors.

There was no income tax expense during the period.

NET LOSS

The net loss for the three months ended June 30, 2017 was $3,417,365.

LOSS PER COMMON SHARE

The table below presents the basic and diluted loss per common share for three months ended June 30, 2017.

	Three months ended June 30, 2017
Basic and diluted loss per common share:	**$0.12**
Weighted average number of common shares	**29,639,075**

Due to a net loss from continuing operations, financial instruments, including warrants and options, are anti-dilutive.

SELECTED FINANCIAL INFORMATION – SUMMARY OF QUARTERLY RESULTS

The following tables sets out selected quarterly information for the last 8 completed fiscal quarters of the Company:

	Q1	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**
Net Sales/Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Income (Loss)	(3,417,365)	(5,690,692)	(860,414)	(1,249,066)	(751,861)	(2,011,208)	(263,159)	(40,466)
Basic and diluted Earnings (Loss) per share	(0.12)	(0.15)	(0.14)	(0.07)	(0.04)	(0.15)	(0.02)	(0.00)

LIQUIDITY

The Company's objectives when managing its liquidity and capital structure are to generate sufficient cash to fund the Company's operating and organic growth requirements. Beleave secured new equity investments, by way of warrant exercises, during the three months ended June 30, 2017 as well as subsequent to June 30, 2017 (see "**Subsequent Events**"), to finance the development of the business as well as facilitating ongoing operations.

The table below sets out the cash, short-term debt and working capital at June 30, 2017.

	As at June 30, 2017
Cash	$1,390,518
Prepaid expenses	$344,449
Accounts payable	$968,717
Working capital	$766,250

At as June 30, 2017, the Company had cash available of $1,390,518. The Company consumed $874,821 in operating activities during the three months. The Company has incurred losses to date. The Company expects to generate revenue commencing in the fourth quarter of 2018 and will incur losses until revenues reach a level where operations become profitable. The Company's ability to reach profitability is dependent on successful implementation of its business strategy. While management is confident in the success and profitability of the business, there can be no assurance that Beleave will gain adequate market acceptance for its products or be able to generate sufficient gross margins to reach profitability.

Cash from Financing Activities

During the three months ended June 30, 2017, the Company received $331,271 from the exercise of outstanding warrants. There were no other financing activities for the three months ended June 30, 2017.

Cash from Investing Activities

During the three months ended June 30, 2017, the Company used $124,861 to acquire items of plant and equipment.

CAPITAL RESOURCES

To date and for the foreseeable future, the Company expects to finance its operations through the issuance of common shares until the point at which its operations are profitable and self-funding. The Company periodically evaluates the opportunity to raise additional funds through either the public or private placement of equity capital to strengthen its financial position and to provide sufficient cash reserves for growth and development of the business.

Beleave has an unlimited number of common shares authorized for issuance of which 31,348,189 common shares are issued and outstanding as at June 30, 2017. No other shares are issued and outstanding.

OFF-BALANCE SHEET ARRANGEMENTS AND CONTRACTUAL OBLIGATIONS

The Company has no off-balance sheet arrangements.

OUTLOOK

The potential size and makeup of the Canadian recreational market was analyzed in a survey conducted between March 13, 2016 and April 3, 2016 based on a sample of 5,000 adult Canadians, the results of which were published by Deloitte Touche Tohmatsu Limited and entitled "Recreational Marijuana Insight and Opportunities" (the "**Deloitte Survey**"). The Deloitte Survey found that 22% of survey respondents consumed recreational cannabis at least on an occasional basis, with 7% of survey respondents consuming on a daily basis. A further 17% showed some willingness to try cannabis if it were legal, leading the Deloitte Survey to conclude that the total potential marketplace may be close to 40% of the Canadian adult population.

According to the Deloitte Survey, the size of the Canadian recreational cannabis market could be as much as $5 billion per year, or similar to the size of the Canadian spirit market. At the upper threshold of the potential customer base, which takes into account people who are likely to consume cannabis, cannabis revenue alone could be as high as $8.7 billion, which is similar to the revenue generated by wine in Canada. The Deloitte Survey considers that, on the production side, supplying even the low-end estimate of the recreational cannabis market would require the production of over 600,000 kilograms of cannabis annually. From a comparative standpoint, according to Health Canada, the medical market produced only 8,311 kilograms of dried cannabis and 137 kilograms of cannabis oil in 2015 (or approximately 1.4% of the Deloitte Survey's projected low-end estimate of the annual production requirement for the recreational cannabis market).

According to a report of the Office of the Parliamentary Budget Officer of the Government of Canada entitled "Legalized Cannabis: Fiscal Considerations" dated November 1, 2016 (the "**PBO Report**"), between 2015 and 2016, the average price of illicit cannabis ranged from $8.32 to $9.36 per gram, with a mid-point estimate of $8.84 per gram. The PBO Report indicates that the pre-tax price of legal cannabis is projected to range between $6.67 and $8.83 per gram, with a mid-point estimate of $7.50 per gram. No assurance can be provided that the Company will be able to participate, directly or indirectly, in the Canadian recreational cannabis market, if or when such market is created through the legalization of recreational cannabis use. See "*Risk Factors – Risks Relating to the Cannabis Industry – Legalization of Recreational Cannabis*".

Beleave anticipates that the majority of the existing Licensed Producers and upcoming producers will be given a free market participation in due course; however, a number of new competitors will emerge and will launch; all vying for

market share. Although the Company anticipates a range of competitors, it believes that its management team, alongside with its industry partners will enable the Company to establish and retain a leadership position in the market.

As purveyors of a commodity product, there is initially little to differentiate our products in terms of unique features or benefits. Beleave will continue to differentiate its brand through research and educational materials through its partnerships with universities and research facilities that will allow the Company to attract new customers to the market. This strategy will position Beleave as the number one trusted brand within the industry when it comes to quality, care, and advocates of safe and carefully monitored consumption of medicinal cannabis.

TRANSACTIONS WITH RELATED PARTIES

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 included in the financial statements as follows:

Three months ended June 30,		**2017**		**2016**
Expenses:				
Rent	**$**	**18,000**	**$**	20,340

As at June 30, 2017, there was $150,500 (2016 – $150,950) 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

RISKS AND UNCERTAINTIES

Dried Cannabis is Not an Approved Drug or Medicine

Dried cannabis is not an approved drug or medicine in Canada. The Government of Canada does not endorse the use of cannabis, but the courts have required reasonable access to a legal source of cannabis when authorized by a healthcare practitioner.

Reliance on License

On May 18, 2017, FAM received its License to operate as a Licensed Producer of medical cannabis under the ACMPR. At this point in time, the License does not permit Beleave to sell medical cannabis. Beleave's ability to grow, store and sell medical cannabis in Canada is dependent on its License. Failure to comply with the requirements of the License or any failure to maintain the License would have a material adverse impact on the business, financial condition and operating results of Beleave.

The License is subject to renewal by Health Canada. Although Beleave believes it meets the requirements of the ACMPR for renewal of the License, there can be no guarantee that Health Canada will extend or renew the License or, if extended or renewed, the License will be extended or renewed on the same or similar terms. Should Health Canada not extend or renew the License or should it renew the License on different terms, the business, financial condition and results of the operation of Beleave would be materially adversely affected. Furthermore, should Health Canada not amend the License to allow for sale to the public, the business, financial condition and results of the operation of Beleave would be materially and adversely affected.

Regulatory Risks

Beleave operates in a new industry which is highly regulated and is in a market which is very competitive and evolving rapidly. Sometimes new risks emerge and management may not be able to predict all of them, or be able to predict how they may cause actual results to be different from those contained in any forward-looking statements. Beleave's ability to grow, store and sell medical cannabis in Canada is dependent on the License from Health Canada and the need to maintain the License in good standing. Failure to comply with the requirements of the License or any failure to maintain this License would have a material adverse impact on the business, financial condition and operating results of Beleave.

Beleave will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions of our operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to Beleave's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

The industry is subject to extensive controls and regulations, which may significantly affect the financial condition of market participants. The marketability of any product may be affected by numerous factors that are beyond Beleave's control and which cannot be predicted, such as changes to government regulations, including those relating to taxes and other government levies which may be imposed. Changes in government levies, including taxes, could reduce Beleave's earnings and could make future capital investments or Beleave's operations uneconomic. The industry is also subject to numerous legal challenges, which may significantly affect the financial condition of market participants and which cannot be reliably predicted.

Beleave's business as a Licensed Producer under the ACMPR represents a new industry and new market resulting from the ACMPR and its regulated regime. In addition to being subject to general business risks and to risks inherent in the nature of an early stage business, a business involving an agricultural product and a regulated consumer product, Beleave will need to continue to build brand awareness in the industry and market through significant investments in its strategy, its production capacity, quality assurance, and compliance with regulations. These activities may not promote the Beleave brand and products as effectively as intended. This new market and industry into which management is entering will have competitive conditions, consumer tastes, patient requirements and unique circumstances, and spending patterns that differ from existing markets.

Environmental Regulations and Risks

Beleave's operations are subject to environmental regulation. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect Beleave's operations.

Government approvals and permits are currently, and may in the future be required in connection with Beleave's operations. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from its proposed production of medical cannabis or from proceeding with the development of its operations as currently proposed.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Beleave may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Change in Laws, Regulations and Guidelines

Beleave's operations are subject to a variety of laws, regulations and guidelines relating to the manufacture, management, transportation, storage and disposal of medical cannabis but also including laws and regulations relating to health and safety, privacy, the conduct of operations and the protection of the environment. While to the knowledge of Beleave's management, Beleave is currently in compliance with all such laws, changes to such laws, regulations and guidelines due to matters beyond the control of Beleave may cause adverse effects to Beleave's operations and the financial condition of Beleave.

On March 21, 2014, the Federal Court of Canada issued an interim order affecting the repeal of the Marihuana Medical Access Regulations ("**MMAR**") and the application of certain portions of the Marihuana for Medical Purposes Regulations ("**MMPR**") which are inconsistent with the MMAR in response to a motion brought by four individuals in the Allard case. As a result, (i) individuals who held a license to possess cannabis under the MMAR on March 21, 2014 can continue to possess cannabis in accordance with the terms of that license except that the maximum quantity of dried cannabis authorized for possession shall be that which is specified by their license or 150 grams, whichever is less; and (ii) individuals who held, as of September 30, 2013, or were issued thereafter a valid license to produce cannabis under the MMAR can continue to produce medical cannabis in accordance with the terms of that license. Individuals covered by the injunction who wish to change the terms of their license, such as a change in address or designated producer, will be able to do so by registering with Health Canada under the new regulations.

On June 11, 2015 the Supreme Court of Canada, in Smith, held that the restriction on the use of non-dried forms of cannabis for medical cannabis users violates the right to liberty and security of individuals in a manner that is arbitrary and not in keeping with the principles of fundamental justice. As a result, the Supreme Court of Canada declared that Sections 4(1) and 5(2) of the *Controlled Drugs and Substances Act* ("**CDSA**"), which prohibits possession and trafficking of non-dried forms of cannabis, are no longer of force and effect to the extent that they prohibit a person with medical authorization from possessing cannabis derivatives for medical purposes. This ruling means that medical cannabis patients authorized to possess and use medical cannabis are no longer limited to using dried forms of cannabis and may now consume cannabis and its derivative forms for medical purposes. The effect of the Supreme Court of Canada decision on Licensed Producers was not as clear since Licensed Producers were governed and licensed under the MMPR. In order to clarify the uncertainty surrounding a legal source of supply of cannabis as a result of the Supreme Court of Canada decision, on July 8, 2015 Health Canada issued certain exemptions under the CDSA, permitting Licensed Producers to produce and sell cannabis oil and fresh cannabis buds and leaves, in addition to dried cannabis (this did not permit Licensed Producers to sell plant material that can be used to propagate cannabis).

The Federal Court decision on Allard was delivered on February 24, 2016. In the decision, the Federal Court declared the MMPR invalid as it unconstitutionally violated patients Charter protected rights to liberty and security. However, the Court suspended the operation of the declaration of invalidity for six months to permit Canada to enact a Charter-compliant regime. The government did not choose to appeal the decision to the Federal Court of Appeal. Instead, the government has introduced Charter-compliant legislation.

On August 24, 2016, the ACMPR replaced the MMPR. The ACMPR is Canada's response to the Federal Court of Canada's February 2016 decision in Allard.

Overall, the ACMPR contains four parts:

- Part 1 is similar to the framework under the MMPR. It sets out a framework for commercial production by Licensed Producers responsible for the production and distribution of quality-controlled fresh or dried cannabis or cannabis oil or starting materials (i.e., cannabis seeds and plants) in secure and sanitary conditions.
- Part 2 is similar to the former MMAR regime. It sets out provisions for individuals to produce a limited amount of cannabis for their own medical purposes or to designate someone to produce it for them.
- Parts 3 and 4 include:
    - Transitional provisions, which mainly relate to the continuation of MMPR activities by Licensed Producers;

- Consequential amendments to other regulations that referenced the MMPR (i.e., *Narcotic Control Regulations*, *New Classes of Practitioners Regulations*) to update definitions and broaden the scope of products beyond dried cannabis; and
- Provisions repealing the MMPR and setting out the coming into force of the ACMPR on August 24, 2016.

As of August 24, 2016, Health Canada will accept applications from individuals who wish to register to produce a limited amount of cannabis for their own medical purposes or to designate someone to produce cannabis for them. Individuals who were previously authorized to possess and produce cannabis under the MMAR remain authorized to do so by virtue of a Federal Court injunction order.

Under the ACMPR, Health Canada will continue to accept and process applications to become a Licensed Producer that were submitted under the former MMPR. Further, all Licenses and security clearances granted under the MMPR will continue under the ACMPR, which means that Licensed Producers can continue to register and supply clients with cannabis for medical purposes. New applicants can continue to apply for Licenses to produce under the ACMPR.

The risks to the business of Beleave represented by this or similar actions are that they might lead to court rulings or legislative changes that allow those with existing licenses to possess and/or grow medical cannabis, perhaps allow others to opt out of the regulated supply system implemented through the ACMPR by growing their own medical cannabis, or potentially even legitimize illegal areas surrounding cannabis dispensaries. This could significantly reduce the addressable market for Beleave's proposed products and could materially and adversely affect the business, financial condition and results of operations for Beleave.

While the impact of any of such changes are uncertain and are highly dependent on which specific laws, regulations or guidelines are changed and on the outcome of any such court actions, it is not expected that any such changes would have an effect on Beleave's operations that is materially different than the effect on similar-sized companies in the same business as Beleave.

In addition, the industry is subject to extensive controls and regulations, which may significantly affect the financial condition of market participants. The marketability of any product may be affected by numerous factors that are beyond Beleave's control and which cannot be predicted, such as changes to government regulations, including those relating to taxes and other government levies that may be imposed. Changes in government levies, including taxes, could reduce Beleave's earnings and could make future capital investments or Beleave's operations uneconomic.

Limited Operating History

Beleave entered the medical cannabis business in 2015. Beleave is therefore subject to many of the risks common to early-stage enterprises, including limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that Beleave will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

Reliance on a Single Facility

To date, Beleave's proposed activities and resources have been primarily focused on the Facility in Flamborough, Ontario. Beleave expects to continue the focus on the Facility for the foreseeable future. Adverse changes or developments affecting the existing Facility could have a material and adverse effect on Beleave's ability to produce medical cannabis, its business, financial condition and prospects.

Expansion of Facility

Expansion of the Facility, including the Phase 1 and Phase 2 Expansions, is subject to Health Canada regulatory approvals. While management does not anticipate significant issues receiving any necessary approvals in the future, the delay or denial of such approvals may have a material adverse impact on the business and may result in Beleave not meeting anticipated or future demand when it arises.

Reliance of Management

The success of Beleave is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. While employment agreements and incentive programs are customarily used as primary methods of retaining the services of key employees, these agreements and incentive programs cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Company's business, operating results or financial condition.

Restrictions on Sales Activities

The medical cannabis industry is in its early development stage and restrictions on sales and marketing activities imposed by Health Canada, various medical associations, other governmental or quasi-governmental bodies or voluntary industry associations may adversely affect Beleave's ability to conduct sales and marketing activities and could have a material adverse effect on Beleave's business, operating results or financial condition.

History of Net Losses

Beleave has incurred operating losses in recent periods. Beleave may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. In addition, Beleave expects to continue to increase operating expenses as it implements initiatives to continue to grow its business. If Beleave revenues do not increase to offset these expected increases in costs and operating expenses, Beleave will not be profitable.

Competition

Beleave will face intense competition from other companies, some of which can be expected to have more financial resources, industry, manufacturing and marketing experience than Beleave. Additionally, there is potential that the industry will undergo consolidation, creating larger companies that may have increased geographic scope and other economies of scale. Increased competition by larger, better-financed competitors with geographic or other structural advantages could materially and adversely affect the business, financial condition and results of operations of Beleave.

The government has only issued to date a limited number of licenses, under the ACMPR, to produce and sell medical cannabis. There are, however, several hundred applicants for licenses. The number of licenses granted could have an impact on the operations of the Company. Because of the early stage of the industry in which the Company operates, the Company expects to face additional competition from new entrants. According to Health Canada there were 52 Licensed Producers as of the date of this MD&A.

On May 25, 2017, Health Canada modified the application process for becoming a Licensed Producer in order to streamline the process for obtaining a license to cultivate medical cannabis. Because of this change, Beleave will face increased competition from additional Licensed Producers as more companies are granted licenses under the ACMPR.

If the number of users of medical cannabis in Canada increases, the demand for products will increase and the Company expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products. To remain competitive, the Company will require a continued level of investment in research and development, marketing, sales and client support. The Company may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis, which could materially and adversely affect the business, financial condition and results of operations of the Company.

Risks Inherent in an Agriculture Business

Beleave's business will involve the growing of medical cannabis, which is an agricultural product. As such, the business is subject to the risks inherent in the agricultural business, such as pests, plant diseases and similar agricultural risks. Although Beleave proposes to grow its products indoors under climate-controlled conditions, and carefully monitor the growing conditions with trained personnel, there can be no assurance that natural elements will not have a material adverse effect on the volume, quality and consistency of its products.

Vulnerability to Rising Energy Costs

Beleave's proposed medical cannabis growing operations consume considerable energy, making Beleave vulnerable to rising energy costs. Rising or volatile energy costs may adversely impact the business of Beleave and its ability to operate profitably.

Operating Risk and Insurance Coverage

Beleave has insurance to protect its assets, operations and employees. Such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which Beleave is exposed.

Management of Growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Conflicts of Interest

The Company may be subject to various potential conflicts of interest because of the fact that some of its officers and directors may be engaged in a range of business activities. In addition, the Company's executive officers and directors may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Company. In some cases, the Company's executive officers and directors may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Company's business and affairs and that could adversely affect the Company's operations. These business interests could require significant time and attention of the Company's executive officers and directors.

In addition, the Company may become involved in other transactions which conflict with the interests of its directors and the officers who may from time to time deal with persons, firms, institutions or corporations with which the Company may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Company. In addition, from time to time, these persons may be competing with the Company for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, in the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

Litigation

The Company may become party to litigation from time to time in the ordinary course of business, which could adversely affect its business. Should any litigation in which the Company becomes involved be determined against the Company, such a decision could adversely affect the Company's ability to continue operating, the market price for the Common Shares, and could use significant resources. Even if the Company is involved in litigation and wins, litigation can redirect significant Company resources. Litigation may also create a negative perception of the Company's brand.

Dividends

Any decision to declare and pay dividends in the future will be made at the discretion of the Company's board of directors (the "**Board of Directors**") and will depend on, among other things, financial results, cash requirements, contractual restrictions and other factors that the Board of Directors may deem relevant. As a result, investors may not receive any return on an investment in the Common Shares unless they sell their shares of the Company for a price greater than that which such investors paid for them.

Limited Market for Securities

There can be no assurance that an active and liquid market for the Common Shares will be maintained and an investor may find it difficult to resell any securities of Beleave.

Volatile Market Price for Common Shares

The market price for the Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control, including the following:

- actual or anticipated fluctuations in the Company's quarterly results of operations;
- recommendations by securities research analysts;
- changes in the economic performance or market valuations of companies in the industry in which the Company operates;
- addition or departure of the Company's executive officers and other key personnel;
- release or expiration of transfer restrictions on outstanding Common Shares;
- sales or perceived sales of additional Common Shares;
- operating and financial performance that vary from the expectations of management, securities analysts and investors;
- regulatory changes affecting the Company's industry generally and its business and operations;
- announcements of developments and other material events by the Company or its competitors;
- fluctuations to the costs of vital production materials and services;
- changes in global financial markets and global economies and general market conditions, such as interest rates and pharmaceutical product price volatility;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors;
- operating and share price performance of other companies that investors deem comparable to the Company or from a lack of market comparable companies; and
- news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Company's industry or target markets.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Such volatility has been particularly evident in the share price of publicly traded medical cannabis companies in Canada. Accordingly, the market price of the Common Shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the trading price of the Common Shares may be materially adversely affected.

Third Party Transportation

In order for customers of Beleave to receive their product, Beleave must rely on third party transportation services. This can cause logistical problems with and delays in patients obtaining their orders and cannot be directly controlled by Beleave. Any delay by third party transportation services may adversely affect Beleave's financial performance.

Moreover, security of the product during transportation to and from Beleave's Facility is critical due to the nature of the product. A breach of security during transport could have material adverse effects on Beleave's business, financials and prospects. Any such breach could affect Beleave's ability to continue operating under its licenses or the prospect of renewing its licenses.

Risks Related to Medical Cannabis Industry

Legislative or Regulatory Reform

The Company's operations will be subject to a variety of laws, regulations, guidelines and policies relating to the manufacture, import, export, management, packaging/labeling, advertising, sale, transportation, storage and disposal of medical cannabis but also including laws and regulations relating to drugs, controlled substances, health and safety, the conduct of operations and the protection of the environment. Due to matters beyond the control of the Company, these laws, regulations, guidelines and policies may cause adverse effects to its operations. The commercial medical cannabis industry is a new industry and the Company anticipates that such regulations will be subject to change as the Federal Government monitors Licensed Producers in action.

Legalization of Recreational Cannabis

There can be no assurance that Bill C-45 will be passed into law, or passed into law substantially in the form in which it was introduced. Further, even if Bill C-45 is passed into law, the importation, exportation, production, testing, packaging, labelling, sending, delivery, transportation, sale, possession or disposal of cannabis or any class of cannabis will remain subject to extensive regulatory oversight. Such extensive controls and regulations may significantly affect the financial condition of market participants, and prevent the realization of such market participants of any benefits from an expanded market for recreational cannabis products.

Unfavorable Publicity or Consumer Perception

Management of the Company believes the medical cannabis industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the medical cannabis produced. Consumer perception of the Company's proposed products may be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of medical cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the medical cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for the Company's proposed products and the business, results of operations, financial condition and cash flows of the Company. The Company's dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the Company, the demand for the Company's proposed products, and the business, results of operations, financial condition and cash flows of the Company. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of medical cannabis in general, or the Company's proposed products specifically, or associating the consumption of medical cannabis with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products appropriately or as directed.

Product Liability

If licensed as a distributor of products designed to be ingested or inhaled, the Company faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of the Company's products would involve the risk of injury and loss to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of the Company's products alone or in combination with other medications or substances could occur. The Company may be subject to various product liability claims, including, among others, that the Company's products caused injury, illness or loss, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A

product liability claim or regulatory action against the Company could result in increased costs, could adversely affect the Company's reputation with its clients and consumers generally, and could have a material adverse effect on the results of operations and financial condition of the Company. There can be no assurances that the Company will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to protect against potential product liability claims could prevent or inhibit the commercialization of the Company's potential products.

Product Recalls

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of the Company's proposed products are recalled due to an alleged product defect or for any other reason, the Company could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Company may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although the Company intends to have detailed procedures in place for testing its products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of the Company's significant brands were subject to recall, the image of that brand and the Company could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for the Company's products and could have a material adverse effect on the results of operations and financial condition of the Company. Additionally, product recalls may lead to increased scrutiny of the Company's operations by Health Canada or other regulatory agencies, requiring further management attention and potential legal fees and other expenses.

Competition

The Company will face intense competition from other companies, some of which have longer operating histories and more financial resources and manufacturing and marketing experience than the Company. Increased competition by larger and better-financed competitors could materially and adversely affect the proposed business, financial condition and results of operations of the Company. In addition, the government has only issued to date a small number of licenses under the ACMPR to produce and sell medical cannabis.

There are, however, several hundred applicants for licenses. The number of licenses granted could have an impact on the operations of the Company. Further, on May 25, 2017, Health Canada modified the application process for becoming a Licensed Producer in order to streamline the process for obtaining a license to cultivate medical cannabis. Because of this change, Beleave will face increased competition from additional Licensed Producers as more companies are granted licenses under the ACMPR. Because of the early stage of the industry in which the Company operates, the Company expects to face additional competition from new entrants. If the number of users of medical cannabis in Canada increases, the demand for products will increase and the Company expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products. To remain competitive, the Company will require a continued high level of investment in research and development, marketing, sales and client support. The Company may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis. This could materially and adversely affect the business, financial condition and results of operations of the Company.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenue and expenses and the related disclosures of contingent assets and liabilities. Significant estimates in the accompanying financial statements relate to accruals and provisions, stock-based compensation. Actual results could differ from these estimates.

SUBSEQUENT EVENTS

1. Subsequent to June 30, 2017, 325,000 warrants were exercised for cash proceeds of $212,500.

ADDITIONAL INFORMATION

This MD&A was prepared as of August 29, 2017. The Company regularly discloses additional information by filing press releases and quarterly financial statements on SEDAR (www.sedar.com). More information about the Company can be also found on SEDAR (www.sedar.com).