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Reasons to 'Beleave':

New medical marijuana company nears a major milestone

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POSTMEDIA CONTENT WORKS

Real estate developer Bill Panagiotakopoulos has always been a step ahead. "When it comes to business ventures, I go where most people are hesitant to go, and I get there early," he says. "I'm interested in forward-looking projects."

Passionate about new technologies, Panagiotakopoulos bought seven hectares of land in Hamilton in 2005 and turned his attention to renewable energy. Within 10 years, he had built a solar farm there.

While that process was underway, he became interested in medical marijuana and did some research on the emerging market. "I said to friends and associates, 'You have to change the way you think about marijuana. Forget the old taboos. This is going to be big.'"

A custom-built, 14,500-square-foot indoor cultivation centre now sits on the property. Beleave, a Canadian biotech company focused on the production of medical marijuana, operates it. Panagiotakopoulos is the company's chief operating officer. He and other company executives hope Beleave (CNSX:BE) will become a leader in the medical marijuana space, and they're confident that will happen.

The company is on the cusp of joining the ranks of licensed medical marijuana producers in Canada, of

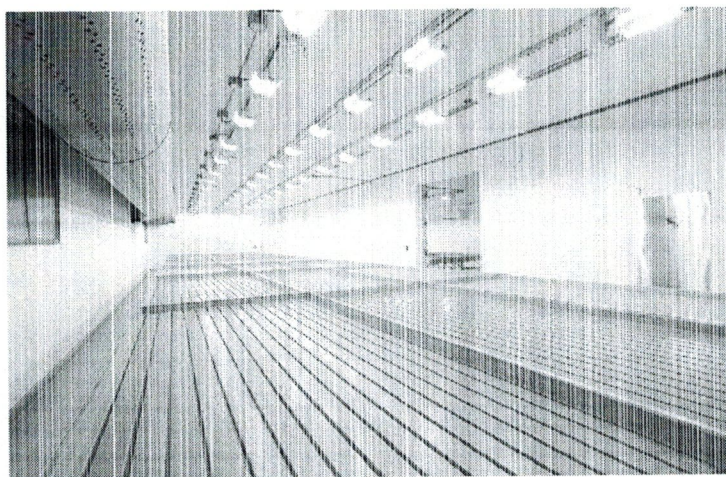
which there are now fewer than 40.

Since filing an application with the government more than three years ago, Beleave has advanced through the stages of the licensing process — which includes extensive safety and security screening — and, having completed the construction of its facility, is now preparing for the final step. Health Canada's inspection date is imminent.

In addition to state-of-the-art facilities, Beleave also boasts a leadership team of individuals with distinct and relevant areas of expertise. Company officers say that attribute, along with a commitment to research development, gives Beleave an advantage in a highly competitive field.

Beleave's chief executive officer is Dr. Roger Ferreira, a neuroimmunologist who has studied brain inflammation caused by neurodegenerative disease and stroke. Based on his research, he recognizes the role cannabis could potentially play in limiting brain inflammation.

Last March, two months after Ferreira became CEO, Beleave and Ryerson University in Toronto launched a collaborative research project aimed at developing high-quality medicinal marijuana extracts. Any research findings will be Beleave's intellectual property, and could result in the introduction of new products to the marketplace.



NICK SIMMONI PHOTOGRAPH

A flowering room at Beleave's ACMPR facility in Flamborough, Ont.

"We've focused on the research from the outset, whereas most companies don't do that until they're already cultivating on a mass scale," says Sebastian de Kloet, manager of corporate development. "But we feel that the more sound the science of a product, the more we can stand behind it. That's appealing to patients and investors alike."

Under the partnership with Ryerson, Beleave is providing funding for testing facilities but not for the scientists' salaries or the other expenses that typically come with a research project of this magnitude. It's a cost-efficient arrangement for the company. Furthermore, says chief business development officer Ned Mikasin, the structure of the relationship means that researchers are motivated by science rather than commerce, which helps to ensure the independence of their findings.

Chris Murphy, Beleave's director of distribution and operations, brings to the table skills and relationships

that the company says are invaluable in the production and eventual distribution of medical marijuana. Murphy, a regulatory and criminal lawyer, sits on the board of one of Canada's largest distributors of fresh produce, and he has ample experience in food safety, greenhouse operations and IT systems that track product from seed to sale.

Andrew Wnek and Panagiotakopoulos are among the other members of the executive team with specialized skills. Wnek, senior financial executive, has held senior roles with Canadian Tire Corp.; Panagiotakopoulos has established government projects at the municipal, provincial and federal levels.

Meanwhile, chief financial officer Bojan Krasic is an investment banker who began his career at Thomas Weisel Partners and later joined Stifel Nicolaus Canada. He has ample experience in finance structuring, valuations, exchange listings and various mergers and acquisitions. Krasic has played a pivotal role in raising capital, capital

structuring and in developing security and record keeping protocols, for Beleave.

DEMAND IS 'GROWING' AND 'MEASURABLE'

Demand for medical marijuana is growing. In March, about 54,000 patients were legally able to use medical marijuana in Canada; that number jumped to about 82,000 in four months. The market is valued at about \$200 million and, given the upward trend in use, many financial analysts expect that number to climb further.

(Legalization of recreational marijuana, which Ottawa says is imminent, could result in Canada's overall marijuana market growing 10% annually in the first five years, says Jason Zandberg, an analyst with PI Financial.)

There are several cannabis producers on Canadian equity markets these days, and those with cultivation-only licences — like the one Beleave is now in the process of acquiring — typically

have a market capitalization in the \$100 million to \$300 million dollar range. Now on the cusp of joining their ranks, Beleave's market cap is hovering around \$30 million. Krasic says that expansion of Beleave's operations is imminent but adds that directors will only spend money on facilities that can be licensed right away.

Krasic adds that Beleave is raising its profile through community outreach, which is spearheaded by Dana Gidlow, a former lieutenant-colonel in the Canadian military who also served in the Toronto Police Service for 34 years. He is now president of the Toronto Police Military Veterans Association.

The company is also affiliated with Evanov Radio Group, which owns and operates a number of radio stations across the country. Beleave has tapped the head of the company, Paul Evanov, to assist with marketing and advertising initiatives.

With an experienced team and a state-of-the-art facility in place, Beleave says it is poised to hit the ground running when it gets the green light from Health Canada. The company plans to produce about 550,000 grams of medical marijuana in its first year alone.

"You have a product, and demand for that product is growing — it's measurable," Krasic says in response to those who fear the medical marijuana market will implode, just as the dot-com bubble burst 15 years ago. "That wasn't the case with Internet startups back then. There was no way to measure that market. Besides, the Internet was brand new at the time. That is not the case with marijuana. It has been used for medicinal purposes for a very long time."

For more information, visit:
www.beleave.com