

Form 51-102F3
Material Change Report

1. Name and Address of Company

Liberty Leaf Holdings Ltd.
700-838 W Hastings Street
Vancouver, BC, V6C 0A6

(the "Company")

2. Dates of Material Change(s)

December 16, 2019

3. News Release(s)

A news release was issued on December 16, 2019 and disseminated via Cision News pursuant to section 7.1 of National Instrument 51-102.

4. Summaries of Material Changes

The Company announces that its subsidiary, Just Kush Enterprises Ltd, has been issued standard cultivation, standard processing and sale for medical purposes licences from Health Canada under the *Cannabis Regulations* in respect to the company's fully constructed, state-of-the-art, cannabis cultivation facility situated on 13 acres in the Okanagan Valley, B.C.

5. Full Description of Material Changes

News Release dated December 16, 2019– See Schedule "A"

6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

7. Omitted Information

No information has been omitted.

8. Executive Officer

Mr. Will Rascan, President and CEO of the Company, is knowledgeable about the material change contained herein and may be reached at (778) 819-0244

9. Date of Report

This report is dated December 16, 2019.

SCHEDULE "A"
to the Material Change Report December 16, 2019

**LIBERTY LEAF'S SUBSIDIARY JUST KUSH ANNOUNCES RECEIPT OF
CULTIVATION, PROCESSING AND MEDICAL SALES LICENSES FROM HEALTH
CANADA AND PROVIDES CORPORATE UPDATE**

Vancouver, B.C. (December 16, 2019): – **Liberty Leaf Holdings Inc. (CSE: LIB) (OTCQB: LIBFF) (FSE: HN3P)** ("**Liberty Leaf**" or the "**Company**") announces that its subsidiary, Just Kush Enterprises Ltd. ("**Just Kush**"), has been issued standard cultivation, standard processing and sale for medical purposes licences from Health Canada under the *Cannabis Regulations* in respect to the company's fully constructed, state-of-the-art, cannabis cultivation facility situated on 13 acres in the Okanagan Valley, B.C.

This development is the culmination of a concerted effort on behalf of the company to bring legal cannabis products to market, ultimately to serve both medical cannabis customers and the recreational sector.

"We have been ready and waiting for this for a long time and are tremendously excited to finally begin working towards supplying the recreational and medicinal markets with our premium quality artisan cannabis products," said Dr. Robert Jackman, Just Kush's Quality Assurance Manager.

"Receipt of our licences from Health Canada is a pivotal milestone for the Company and a major business catalyst," said William Rascan, CEO of Liberty Leaf. "I would like to thank every member of the Liberty Leaf and Just Kush teams, including our consultants, for their commitment, diligence and effort."

Corporate Update

As of the date of this press release, Liberty Leaf has no long-term debt or convertible debt. In order to capitalize on the ongoing shifts and challenges in the cannabis marketplace, and due to changing regulatory mandates, Liberty Leaf's Board has made the decision to place greater emphasis on certain business initiatives resulting in refocused corporate efforts.

Just Kush

Just Kush plans to cultivate premium cultivars of cannabis, selected for different levels of CBD and THC in accordance with market demand. With its standard processing license, Just Kush also has the flexibility and option to purchase wholesale cannabis in the marketplace to enable processing into value added products, including edibles. Furthermore, with recent comments made by BC Solicitor General, Mike Farnsworth,

that the BC Government is working to create policy that would allow licensed growers to obtain additional provincial licensing for direct-to-customer cannabis sales at production sites, Just Kush looks forward to the opportunity to develop an onsite retail sales outlet, as regulations dictate.

www.justkush.ca

Signature By Liberty Leaf

www.SignatureByLibertyLeaf.com is an e-commerce website that offers curated cannabis accessories designed for the consuming public. As the demand for cannabis products grows, so does the demand for practical, specialty products. Recently, the Company introduced a program where it now can offer medicinal cannabis vaping equipment to veterans, which qualifies for reimbursement from Veterans Affairs Canada (VAC), through a new partnership with Medavie Blue Cross.

The Company has been paying close attention to the new recreational retail market for cannabis in Canada – and its challenges, and as part of the Company’s refocus, has chosen to postpone its bricks and mortar retail initiative.

Sire Bioscience (formerly Blox Labs Inc.)

Further to the Company’s news release dated December 12, 2017, Blox Labs Inc. has made the successful fundamental change to Sire Bioscience Inc. (CSE: SIRE) (“Sire Bioscience”), a company focussed on the investment in, production of, and sale of hemp. Its mission is to execute on brand offerings that connect with people and build top of mind awareness. The fundamental change of business formally concludes the Company’s blockchain research initiatives with Blox Labs.

Liberty Leaf holds nearly 2 million shares of Sire Bioscience and heartily congratulates the team at Sire Bioscience in its business transition.

North Road Ventures

Further to the Company’s news release dated July 4, 2016, North Road Ventures Ltd. (“NRV”) was intended to be a cannabis distribution company not engaged in cultivation. Since legalization of recreational cannabis in October 2018, most provincial regulatory bodies have given themselves the exclusivity on cannabis distribution. In line with Liberty Leaf’s strategy of optimizing its portfolio and strategically investing its capital, the Company has decided not to move forward with NRV and is exploring its options.

ESEV R&D LLC

Further to the Company’s news release dated March 2, 2017, Liberty Leaf collaborated with ESEV R&D to study the efficacy of CBD for pain management and pet related ailments. However, after careful consideration, the Company has decided not to proceed with the agreement nor with further investment in this line of research.

About Liberty Leaf Holdings Ltd.

Liberty Leaf Holdings Ltd. is a Canadian-based, public company whose focus is to build and support a diversified portfolio of cannabis-sector businesses, including cultivation, processing and value-added cannabis products within this dynamic and fast-growing sector.

For further info on the Company please visit <https://www.libleaf.com> or email info@libleaf.com.

On Behalf of the Board

Will Rascan, President & CEO
Liberty Leaf Holdings Ltd.

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