

Liberty Leaf to Acquire Nova Mentis Biotech Corp.

Liberty Leaf Augments Portfolio with Entrance into the Emerging Psilocybin Therapy Market

Vancouver, British Columbia – June 22, 2020 – Liberty Leaf Holdings Ltd. (CSE: LIB) (FSE: HN3P) (OTCPK: LIBFF) (“LIB” or the “Company”) is pleased to announce that it has entered into an agreement (the “Agreement”) with Nova Mentis Biotech Corp. (“NOVA”), pursuant to which LIB will acquire, by way of share exchange, 100 per cent of all of the issued and outstanding securities of NOVA (the “Transaction”).

Highlights of the Transaction:

- LIB gains NOVA’s current net cash balance of approximately \$1.2M CDN;
- Adds synergistic accompaniment to LIB’s operating and licensed cannabis assets within the health and wellness sector;
- Bolsters roster of personnel who possess experience within scientific and R&D community; and
- Provides opportunity for intellectual property creation as NOVA advances its research mandate.

NOVA is a research and development driven company that is focused on investigating the anti-inflammatory effects of psilocybin in underexplored metabolic indications such as obesity and diabetes. NOVA is of the view that its target indications represent vast and growing segments of the population. For example, in the United States, more than 10.5% of the population has Diabetes, which represents approximately 34.2 million people. Diabetes treatment can bare significant economic burden to patients with the average out of pocket monthly cost being estimated at \$360 USD. According to a report by Fortune Business Insights, the global diabetes drug market size was valued at USD \$48 Billion in 2018 and is projected to reach USD \$78 Billion by 2026. Increasing societal prevalence of sedentary lifestyles coupled with vast access to inexpensive and nutritionally void food options are likely to contribute to further incidence of obesity and diabetes in the future. According to the National Center for Health Statistics, 39.8% of the US population aged 20 and over were considered obese in 2016, with an additional 31.8% being considered overweight. Obese individuals have a significantly higher incidence of depression (close to 30%) compared to the general population. Bidirectionally, according to the CDC, about 43% of depressed people are obese.

The strong therapeutic potential of psilocybin has emerged for a wide range of disorders, primarily mental health related. NOVA is focusing on a cohort group that has been very difficult to treat, both acutely and also in a sustainable way. This group of individuals have an overlap in two widespread and very important indications, obesity and depression. These comorbid conditions share inflammation as an important common mediator. NOVA’s pre-clinical scientific study thus far is focused on targeting the gut-brain axis to modulate inflammation in this context. The aim is to utilize the unique properties of psilocybin to address both physiological and behavioural factors in obesity and comorbid depression.

NOVA was founded and is led by Dr. Aylia Mohammadi. Dr. Mohammadi obtained her PhD in Biological Physics from the Donnelly Centre for Cellular & Biomolecular Research at the University of Toronto, and subsequently completed a postdoctoral fellowship at the Lunenfeld-Tanenbaum Research Institute at Mount Sinai Hospital in Toronto. Aylia is a TEDx speaker, and has presented her work at international conferences. Her graduate training was inherently multidisciplinary, integrating techniques in molecular biology, neuroscience, and genetics. For her postdoctoral research, she examined underlying molecular mechanisms of inflammatory bowel disease, giving her a strong and relevant background to guide NOVA’s scientific aims.

“Recent scientific advancement coupled with shifting opinions amongst, both the medical and general communities, at large regarding psychedelics including psilocybin make it a sector worthy of investment,” stated Will Rascan, President and CEO of LIB. “Since our shift into cannabis in 2014, and our subsequent investment in Just Kush Enterprises Ltd, - now a holder of three Health Canada Cannabis Licenses – we have focused on emerging trends and shifting public awareness of natural based compounds for health and wellness, I believe this acquisition compliments our current legal cannabis portfolio and provides stakeholders with an early entrance in a new flourishing market.”

Transaction

Pursuant to the Agreement, LIB will acquire 100 per cent of the issued and outstanding shares in the capital of NOVA in exchange for 115,000,000 common shares in the capital of the Company (the "LIB Consideration Shares") at a deemed price per share equal to \$0.05.

In connection with the Transaction, certain NOVA shareholders have agreed to a voluntary hold period pursuant to which 43,907,695 LIB Consideration Shares will be subject to trading restriction. Specifically, 21,953,847 LIB Consideration Shares will be released on the three (3) month anniversary of closing the Transaction, and 21,953,848 LIB Consideration Shares will be released on the six (6) month anniversary of closing the Transaction.

Consolidation

LIB also announces that it plans to consolidate all of the Company's issued and outstanding common shares on the basis of four (4) pre-consolidated shares for every one (1) post-consolidated share (the "Consolidation"). After giving effect to the Transaction, LIB will have 243,526,132 common shares issued and outstanding. Upon completion of the Consolidation, LIB will have 60,881,533 common shares issued and outstanding. Further, in connection with the Consolidation, the Company intends to change its name to "Nova Mentis Life Science Corp." with a corresponding symbol change to "NOVA".

The Company will issue a further news release announcing the effective date in which the Company will commence trading under the new name and symbol on a post-consolidated basis.

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 products within this dynamic and fast-growing sector.

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

On Behalf of the Board

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