



LIBERTY HEALTH SCIENCES INC. ANNOUNCES PROPOSED ACQUISITION OF A 387 ACRE PARCEL OF LAND IN GAINESVILLE INCLUDING 200,000 SQUARE FEET OF GREENHOUSE AND PROCESSING FACILITIES

Toronto, ON; January 4, 2018 – Liberty Health Sciences Inc. (CSE: LHS) (OTCQX: LHSIF) (“Liberty” or the “Company”) announced today that it has entered into a binding term sheet to acquire all of the issued and outstanding shares of 242 Cannabis Canada Ltd. (the “242 Shares”), whose wholly-owned subsidiary 242 Cannabis, LLC, has agreed to purchase a 387 acre parcel of land in Gainesville, Florida (the “Property”).

The Property includes over 200,000 square feet of state-of-art greenhouses, head houses, tissue culture lab and processing facilities. The Company plans to retrofit the facilities over the coming months which will enable Liberty to expand their production capacity a year sooner than projected in order to meet the growing patient demand in Florida. Patient count continues to increase and at the end of 2017, approximately 64,000 patients had registered with the state, an almost 300% increase in total patients since June 30, 2017.

Upon completion of the retrofit, Liberty will be one of the leading medical cannabis providers in the Florida market with an expected annual capacity of 12,000 Kgs of high quality, affordable, medical cannabis. Use of the facilities as an approved cultivation facility for Liberty under its MMTC license is subject to inspections and/or approvals from the Florida Department of Health, Office of Medical Marijuana Use.

“This acquisition of nearly 400 acres of property shows Liberty’s commitment to provide patients with a consistent supply of high-quality cannabis to meet their medical needs,” said George Scorsis, Director and CEO of Liberty. “Our state of the art facilities will be equipped with the latest in industry leading lighting technology and process automation.”

The proposed acquisition will be completed through a series of transactions. The Company expects 242 Cannabis, LLC’s purchase of the Property and the subsequent purchase by the Company of the 242 Shares to close on or prior to February 9, 2018, and closing is subject to standard due diligence including title, environmental assessments and surveys as well as the satisfaction of conditions precedent in accordance with the purchase and sale contract. As consideration for the 242 Shares, the Company will issue 18,815,322 units of the Company,

with each unit being comprised of one common share of the Company and one-half common share purchase warrant, with each whole warrant exercisable at \$2.07 for a period of three years from the closing date.

Until such time that the retrofit is completed at the new facility, Liberty will continue to operate their existing 36 acre facility, also in Gainesville. Since acquiring the existing facility, Liberty has made a number of process and automation improvements and expects to complete an increase in growing capacity to 24,000 square feet in early 2018.

For more information on Liberty please visit www.libertyhealthsciences.com

About Liberty Health Sciences Inc.

Liberty Health Sciences Inc. ("Liberty") is an investor and operator in the medical cannabis market, capitalizing on new and existing opportunities in U.S. states where medical cannabis is legal. Liberty's stringent investment criteria for expansion maximizes returns to shareholders, while focusing on significant near- and mid-term opportunities. Liberty has an extensive background in highly regulated industries, with expertise in becoming a low-cost producer. Liberty leverages commercial greenhouse knowledge to deliver high-quality, clean and safe pharmaceutical grade cannabis to patients.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS: Certain information in this news release constitutes forward-looking statements under applicable securities laws. Any statements that are contained in this news release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements are often identified by terms such as "may", "should", "anticipate", "expect", "believe", "plan", "intend" or the negative of these terms and similar expressions. Forward-looking statements in this news release include, but are not limited to, expectations related to the Company's future expansion and growth strategies, the completion of 242 Cannabis, LLC's purchase of the Property and the subsequent purchase of the 242 Shares by the Company, the Company's expectations in respect of the future growth of medical cannabis as a treatment option in Florida, the planned retrofitting and equipping of the facilities at the Property and the Company's expectations regarding market position. Forward-looking statements necessarily involve known and unknown risks, including, without limitation, risks associated with general economic conditions; adverse industry events; marketing costs; loss of markets; future legislative and regulatory

developments involving medical marijuana; inability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favourable terms; the medical marijuana industry in the United States generally, income tax and regulatory matters; the ability of Liberty to implement its business strategies; competition; crop failure; currency and interest rate fluctuations and other risks.

Readers are cautioned that the foregoing list is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement.