

FORM 10

NOTICE OF PROPOSED SIGNIFICANT TRANSACTION (not involving an issuance or potential issuance of a listed security)¹

Name of Listed Issuer: **Liberty Health Sciences Inc.** (the "Issuer").

Trading Symbol: **LHS**

Issued and Outstanding Securities of the Issuer Prior to Transaction: **346,090,635
Common Shares, as of January 11, 2021.**

Date of News Release Fully Disclosing the Transaction: **N/A.**

1. Transaction

1. Provide details of the transaction including the date, description and location of assets, if applicable, parties to and type of agreement (eg: sale, option, license, contract for Investor Relations Activities etc.) and relationship to the Issuer. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material: ***During the nine months ended November 30, 2020, the Issuer, through its subsidiary, DFMMJ Investments LLC, purchased certain brand specific cartridges, terpenes and packaging totaling USD \$1,544,631 and paid royalties for the use of the associated intellectual property, formulas, and standard operating procedures totaling USD \$468,281 from related parties pursuant to branding contracts with Brezwald Corp. (d/b/a Clarity Brands and Papa's Herb), DomLabs Inc., Honey Corporation and L & G USA Inc. (the "Related Party Contracts"). The related parties are entities related to a Board Advisor and a significant shareholder of the Issuer and members of their immediate families. The board of directors of the Issuer (the "Board") reviewed these contracts and confirmed that in all material respects, these contracts are reasonable and contain market terms and no minimum quantity requirements. The Board is monitoring the development of the Issuer's house brands and the use of third party brands and the Issuer's financial exposure to these related counterparties on an ongoing basis.***

¹ If the transaction involved the issuance of securities, other than debt securities that are not convertible into listed securities, use Form 9.

2. Provide the following information in relation to the total consideration for the transaction (including details of all cash, non-convertible debt securities or other consideration) and any required work commitments:
- (a) Total aggregate consideration: ***The total amount of payments made by the Issuer under the Related Party Contracts to date is USD \$1,544,631 for brand specific cartridges, terpenes and packaging, and USD \$468,281 in royalties.***
 - (b) Cash: ***See above.***
 - (c) Other: ***N/A***
 - (d) commitments: ***N/A***
3. State how the purchase or sale price and the terms of any agreement were determined (e.g. arm's-length negotiation, independent committee of the Board, third party valuation etc).
- The Board conducted a review of the Related Party Contracts following their execution by management of the Issuer. The Board engaged legal counsel and an independent consultant in order to review the use of house and third party branding by the Issuer and to examine the terms of the Related Party Contracts.***
4. Provide details of any appraisal or valuation of the subject of the transaction known to management of the Issuer:
- A report summarizing the review conducted by the independent consultant was submitted to the Board on January 11, 2021 and confirmed that the terms and conditions of the Related Party Contracts were commercially reasonable and in accordance with market standards, with no minimum order requirement, and that the use of the brands have served and are supporting short term operating and marketing needs of the Issuer and were therefore bona fide. The Board is monitoring the development of the Issuer's house brands and the use of third party brands and the Issuer's financial exposure to these related counterparties on an ongoing basis.***
5. If the transaction is an acquisition, details of the steps taken by the Issuer to ensure that the vendor has good title to the assets being acquired: ***N/A***

6. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the transaction (including warrants, options, etc.): **None.**

(a) Details of any dealer, agent, broker or other person receiving compensation in connection with the transaction (name, address. If a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer): _____.

(b) Cash _____.

(c) Other _____.

7. State whether the vendor, sales agent, broker or other person receiving compensation in connection with the transaction is a Related Person or has any other relationship with the Issuer and provide details of the relationship.

Please see the discussion of related parties in item 1.1 of the Form above.

8. If applicable, indicate whether the transaction is the acquisition of an interest in property contiguous to or otherwise related to any other asset acquired in the last 12 months. **N/A**

2. **Development**

Provide details of the development. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material: **N/A**

3. Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. To the knowledge of the Issuer, at the time an agreement in principle was reached, no party to the transaction had knowledge of any undisclosed material information relating to the Issuer, other than in relation to the transaction.
3. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
4. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
5. All of the information in this Form 10 Notice of Proposed Significant Transaction is true.

Dated January 22, 2021

George Gremse

Name of Director or Senior
Officer

/George Gremse/

Signature

Director

Official Capacity