

## FORM 7

### **MONTHLY PROGRESS REPORT**

**For November 2020**

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

Trading Symbol: **LHS**

Number of Outstanding Listed Securities: **346,090,635 common shares**

Date: **December 7, 2020**

#### **Report on Business**

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

*On November 2, 2020, the Company announced the opening of its 27th dispensary in St. Augustine Florida, the first Liberty store to open in St. Johns County. The dispensary is conveniently located at 2198 A1A South St., Augustine Beach, FL 32080, adjacent to one of Florida's most expansive and popular beaches, St. Augustine Beach. Spanning 5,676 square feet, as one of Liberty's largest retail locations, the store consists of a spacious display and retail space, two large waiting areas, one private consultation room and convenient drive-through access, servicing a surrounding population of more than 100,000 residents and visitors.*

2. Provide a general overview and discussion of the activities of management.

*In Florida, in addition to initiating production expansion activities at its Liberty 360° Innovation Campus in Gainesville, management continues to seek and open potential dispensary sites.*

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

*None to report in the month of November.*

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

*None to report in the month of November.*

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

***None to report in the month of November.***

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

***None to report in the month of November.***

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

***None to report in the month of November.***

8. Describe the acquisition of new customers or loss of customers.

***The Company continues to grow its number of patients as the overall Florida market increases in terms of registered patients and as the Company expands its footprint in the state. The Florida market has also reacted positively to Liberty's whole flower products and continues to assist to expand Liberty's customer base.***

***New Florida Department of Health (OMMU) lab regulations were implemented and the company endured minor setbacks causing revenue to temporarily decrease. The company anticipates with the new adjustments on production, that revenue levels will continue to increase.***

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

***None to report in the month of November.***

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

***The Company continues to add personnel in the areas of patient care and processing in the Florida operations and dispensaries with the expected opening of additional dispensaries over the next 30-60 days.***

***There were no significant terminations or lay-offs in the month of November.***

11. Report on any labour disputes and resolutions of those disputes if applicable.  
***None to report in the month of November.***
12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.  
***The company announced on November 19, 2020 that it has signed a memorandum of understanding regarding settlement of the securities class action that was commenced against it in the United States in 2019. The Company has agreed that \$1.8 million US will be paid to settle all claims. The settlement is made without any admission or finding of liability and is subject to court approval. There is no assurance that the settlement agreement will receive court approval.***
13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.  
***On November 22nd, the company restructured its outstanding 12% Senior Secured Convertible Debentures, an aggregate remaining principal amount of US \$6 million. Debentureholders holding an aggregate principal amount of approximately US \$3.1 million have accepted the Extension Option. The balance, or approximately US \$2.9 million aggregate principal amount of the Debentures, was repaid at maturity plus accrued interest. Certain investors have agreed to subscribe approximately US \$1.25 million aggregate principal amount of the Company New Debentures.***  
***The Debentures have the following amendments:***  
***(i) the applicable per share conversion price at which the Debentures may be converted by the holders, in whole or in part, into common shares of the Company, will be CDN \$0.85;***  
***(ii) the interest rate will be 13% per annum;***  
***(iii) the redemption price, being the price at which the Debentures may be redeemed for cash, will be reduced to 100% (expressed as a percentage of the principal amount to be redeemed) plus accrued and unpaid interest as of the date of any such redemption; and***  
***(iv) the maturity date of the Debentures will be November 22, 2021.***
14. Provide details of any securities issued and options or warrants granted.  
***On November 22nd, the company restructured its outstanding 12% Senior Secured Convertible Debentures, an aggregate remaining principal amount of US \$6 million. Debentureholders holding an aggregate principal amount of approximately US \$3.1 million have accepted the Extension Option. The balance, or approximately US \$2.9 million aggregate principal amount of the Debentures, was repaid at maturity plus accrued interest. Certain investors have agreed to subscribe approximately US \$1.25 million aggregate principal amount of the Company New Debentures.***  
***The Debentures have the following amendments:***  
***(i) the applicable per share conversion price at which the Debentures may be converted by the holders, in whole or in part, into common shares of the Company, will be CDN \$0.85;***

*(ii) the interest rate will be 13% per annum;*

*(iii) the redemption price, being the price at which the Debentures may be redeemed for cash, will be reduced to 100% (expressed as a percentage of the principal amount to be redeemed) plus accrued and unpaid interest as of the date of any such redemption; and*

*(iv) the maturity date of the Debentures will be November 22, 2021.*

15. Provide details of any loans to or by Related Persons.

*None to report in the month of November.*

16. Provide details of any changes in directors, officers, or committee members.

*None to report in the month of November.*

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

*On November 3, 2020, Arizona, New Jersey, South Dakota and Montana all passed legislation permitting the possession of marijuana by adults, which means 15 states have legalized recreational marijuana or voted to legalize it. South Dakota and Mississippi passed initiatives to allow medical marijuana, which means 36 states permit the legal distribution of medical marijuana, according to a tally by NORML, a nonprofit marijuana public advocacy group.*

*A bill to federally legalize marijuana will receive a full floor vote in the U.S. House of Representatives next week, a top Democratic leader in the chamber announced on Friday, November 27, 2020.*

*House Majority Leader Steny Hoyer (D-MD) said the chamber will take up the Marijuana Opportunity, Reinvestment and Expungement (MORE) Act some time between Wednesday and Friday.*

## 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 best of the undersigned's knowledge and belief, as of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that, to the best of the undersigned's knowledge and belief, the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).
4. To the best of the undersigned's knowledge and belief, all of the information in this Form 7 Monthly Progress Report is true.

Dated December 7, 2020.

Sheri Cholodofsky  
Name of Director or Senior Officer

"Sheri Cholodofsky"  
Signature

CFO  
Official Capacity

<b>Issuer Details</b> Name of Issuer <b>Liberty Health Sciences Inc.</b>	For Month End  <b>November 30, 2020</b>	Date of Report YY/MM/DD  <b>20/12/07</b>
Issuer Address <b>78 Gwendolen Crescent</b>		
City/Province/Postal Code <b>Toronto, ON, Canada M2N 2L7</b>	Issuer Fax No.	Issuer Telephone No.
Contact Name <b>Sheri Cholodofsky</b>	Contact Position CFO	Contact Telephone 833 254 4877
Contact Email Address <a href="mailto:ir@libertyhealthsciences.com">ir@libertyhealthsciences.com</a>	Web Site Address <b><a href="https://libertyhealthsciences.com/">https://libertyhealthsciences.com/</a></b>	