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Liberty Leaf Signs LOI to Acquire 27.5% of GR8 Track, Inc., a Licensed California Medical Cannabis Producer

Deal Confirms Liberty Leaf's Position as an Accelerator in the Cannabis Sector

Vancouver, B.C. –February 2, 2017: – **Liberty Leaf Holdings Ltd. (CSE: LIB and FSE: HN3P)** (the “**Company**” or “**Liberty Leaf**”) announced today that it has entered into a letter of intent (“**LOI**”) to purchase a 27.5% interest in GR8 Track, Inc. (“**GR8**”), a private California corporation licensed to produce cannabis for medical use.

“This LOI which includes a loan provision to be repaid in full and an equity purchase component, furthers our November 2016 Memorandum of Understanding with CBG, a licensed cannabis cultivator that is part of the GR8 Track group,” said William Rascan, President and CEO of Liberty Leaf Holdings Ltd. “It also confirms our intention to become a major accelerator of legal-cannabis-based business ventures. Our strategy is to provide capital, management expertise, liquidity and marketing and branding services to accelerate the growth of the companies that we invest in. In turn, that will add value to the diverse portfolio of companies held by our umbrella corporation.”

Liberty Leaf will continue pursuing diversity through investments in companies in the cannabis sector with high-growth potential in areas such as genetic research, clinics, retail sales, oils and other edibles, marijuana enhancement and cannabinoid-based health products.

“GR8 Track has thrived as a result of its value-added experience as a pioneer in cannabis production in California for several years. We have an established brand and are the recognized providers of quality cannabis products for several well-established medical marijuana dispensaries in the Sacramento area” said GR8 Director, Dr. Leonard Wong.

GR8 Track, Inc.: Grown better

GR8’s production facilities employ proven and cost-effective production methodologies. GR8 leads the industry by example in keeping to the best botanical development procedures. Its experience-proven techniques, equipment and facility oversight contribute to the production of high-grade cannabis.

GR8’s human resources are a significant asset, bringing decades of industry insight together in one team. The team, which facilitates everything from running production to marketing, sales and brand

growth, receives guidance from internal experts who provide important real-time and report-driven feedback.

Cultivation: Production Perfected

GR8 Track's permitted 22,000 square feet of blooming plant canopy enable production to meet all the needs of its dispensary partners. When all dispensary distribution has been fulfilled, GR8 has established additional connections with cannabis product creators and enhancers, who provide a wide variety of other medical cannabis choices to patients in the GR8 dispensary network. The current production facility is profitable, generating over US \$12 million in revenue in 2016.

Clones: Clipping to Win

Genetic selection is the single most important decision for cannabis producers. Currently, GR8 produces 32,000 cloned plants per month, with the sales generating approximately US \$2.5 million in revenue annually. With current developments both within the company and the cannabis industry, GR8 anticipates to be able to produce and sell 200,000 or more clones a month (equal to approximately US \$16.8 million in revenue annually) without impinging on supplies and sales strategies for dispensary patients.

A Cornerstone Investment

"We have been reviewing numerous opportunities in the legal cannabis space and have great confidence in the capabilities of GR8's experienced management team and state-of-the art operations," said Will Rascan. "This transaction has the potential to be a cornerstone building block in Liberty Leaf's goal of acquiring, building and supporting a highly-diversified portfolio of cannabis-sector businesses. Lastly, this coveted transaction will launch Liberty with near-term revenues, bringing cash-flow to our treasury to further our California initiatives."

The Transaction

Under the LOI terms, Liberty Leaf can purchase such amount of shares representing a 27.5% interest in GR8 by issuing US \$1,500,000 worth of Liberty Leaf common shares, with US \$600,000 issuable upon the execution of a definitive agreement and US \$900,000 issuable over a series of certain milestones achieved by GR8.

In addition, Liberty Leaf shall be required to loan GR8 an aggregate US \$1,500,000, repayable within two years of Liberty Leaf completing the final milestone share issuance. This is to be used towards previously disclosed capital expenditures for the GR8 business, including without limitation GR8 tenant improvements, equipment, licensing and engineering, or as otherwise directed by Liberty Leaf.

The definitive agreement is subject to a final 60 day due diligence period and Liberty Leaf completing a minimum financing of CDN \$500,000 gross proceeds. All shares issued pursuant to the LOI shall have a 4 month and 1 day hold period.

About Liberty Leaf

Liberty Leaf Holdings Ltd. (CSE: LIB and FSE: HN3P) is a new Canadian-based, public company whose focus is to build and support a diversified portfolio of cannabis-sector businesses, including growing and cultivation, value-added CBD/THC products, biotech research and supply chain products within this dynamic and fast-growing sector.

For further information on Liberty Leaf, please visit www.libleaf.com or email will@libleaf.com.

On Behalf of the Board

Will Rascan, President & CEO

Liberty Leaf Holdings Ltd.

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Cautionary and forward-looking statement

This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. These statements relate to future events or future performance. All statements other than statements of historical fact may be forward-looking statements or information. Forward-looking statements and information are often, but not always, identified by the use of words such as "appear," "seek," "anticipate," "plan," "continue," "estimate," "approximate," "expect," "may," "will," "project," "predict," "potential," "targeting," "intend," "could," "might," "should," "believe," "would" and similar expressions.

Forward-looking statements and information are provided for the purpose of providing information about the current expectations and plans of management of the Company relating to the future. Readers are cautioned that reliance on such statements and information may not be appropriate for other purposes, such as making investment decisions. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risks associated with the marijuana industry in general such as operational risks in growing; competition; incorrect assessment of the value and potential benefits of various transactions; ability to access sufficient capital from internal and external sources; failure to obtain required regulatory and other approvals and changes in legislation, including but not limited to tax laws and government regulations. Accordingly, readers should not place undue reliance on the forward-looking statements, timelines and information contained in this news release. Readers are cautioned that the foregoing list of factors is not exhaustive. The forward-looking statements and information contained in this news release are made as of the date hereof and no undertaking is given to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws or the Canadian Securities Exchange. The forward-looking statements or information contained in this news release are expressly qualified by this cautionary statement. The Canadian Securities Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved of the contents of this press release.