

Form 51-102F3
Material Change Report

1. Name and Address of Company

Liberty Leaf Holdings Ltd.
700-838 W Hastings Street
Vancouver, BC, V6C 0A6

(the “Company”)

2. Dates of Material Change(s)

December 7, 2017

3. News Release(s)

A news release was issued on December 7, 2017 and disseminated via Cision/CNW pursuant to section 7.1 of National Instrument 51-102.

4. Summaries of Material Changes

Liberty Leaf Acquires the Majority Interest in Just Kush – a Late-Stage ACMPR Applicant *and* a Company in Control of a Current MMAR-Licensed Facility

5. Full Description of Material Changes

News Release dated December 7, 2017– See Schedule “A”

6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

7. Omitted Information

No information has been omitted.

8. Executive Officer

Mr. Will Rascan, President and CEO of the Company, is knowledgeable about the material change contained herein and may be reached at (778) 819-0244

9. Date of Report

This report is dated December 7, 2017.

SCHEDULE “A”
to the Material Change Report dated December 7, 2017

**Liberty Leaf Acquires the Majority Interest
in Just Kush – a Late-Stage ACMPR Applicant and
a Company in Control of a Current MMAR-Licensed Facility**

The acquisition puts two ACMPR licences in play, strengthening Liberty Leaf’s strategic position as a forward-thinking, vertically-integrated cannabis company

Vancouver, BC – December 7 2017: Liberty Leaf Holdings Ltd. (**CSE: LIB, OTCQB: LIBFF and FSE: HN3P**) (the “**Company**” or “**Liberty Leaf**”) announced today it has acquired a majority interest in **Just Kush Enterprises**, a company in the final stages of obtaining an Access to Cannabis for Medical Purposes Regulations (ACMPR) licence. As well, Just Kush owns complete control over a current Medical Marijuana Access Regulations (MMAR)-licensed production facility.

This acquisition complements Liberty Leaf’s purchase last year of North Road Ventures, a company focussed on the value-added side of the cannabis product processing business, sales and complementary distribution. Since North Road also has a late-stage ACMPR licence application, Liberty Leaf potentially has two licences to produce and distribute cannabis products for both medicinal and recreational use across Canada when cannabis is expected to be legalized in July 2018.

Acquiring Just Kush Fits Liberty Leaf’s Diversified-Portfolio Strategy

“Acquiring an operation like Just Kush has always been a part of our strategy to build a diversified portfolio in the cannabis sector,” says Liberty Leaf CEO, William Rascan. “Our goal is to cover all the bases – from researching and cultivating cannabis strains, to producing, packaging and distributing dried product and extracts. Just Kush aligns perfectly with our plan to operate an integrated, end-to-end cannabis production and supply-chain business.”

As noted, another key reason Just Kush is a valuable acquisition is that it already controls an active facility – a five-room, indoor grow operation on a 13-acre land base. The facility is currently cultivating medicinal cannabis under its MMAR licence.

The Just Kush-controlled facility also has a Health Canada-mandated, level-seven security vault that permits storing up to \$1.25 million worth of product at any one time.

High Level of Expertise Adds up to the Perfect Fit with Liberty Leaf

“With over eight years’ experience growing and supplying medical marijuana to Compassion Clubs and their patients, and over 40 years’ combined experience in breeding and growing cannabis, the Just Kush team brings a high level of expertise in cultivation to Liberty Leaf. They are a great fit for us,” says Rascan.

Robert Jackman, PhD, Quality Assurance Manager of Just Kush, explains: “We are like a craft brewery, producing specialty blends that are prized for their consistent quality.”

“Liberty Leaf is the perfect partner for us. It has both the management expertise and financial resources to help us immediately expand our rare 13-acre land-base operation,

build our brand and market our products to medicinal and recreational buyers” added Mr. Jackman.

Terms of the deal

Under the terms of the share purchase agreement (the “SPA”), Liberty Leaf may acquire such amount of shares representing a 60% interest in Just Kush by paying \$150,000 CDN and issuing an aggregate 6,000,000 common shares in the capital of the Company upon closing, of which 3,000,000 shall be held in escrow and released upon Just Kush obtaining certain milestones pursuant to the ACMPR application.

In consideration for organizing the SPA, the Company shall issue an arm’s length party the lesser of: a) 10% of the total issued and outstanding common shares of the Company as of the date of execution of the SPA or b) 1,000,000 common shares of the Company. All securities issued pursuant to the SPA shall bear a four month and one day hold period.

Liberty Leaf Plans Immediate Enhancement of Just Kush

The first order of business is to get Liberty Leaf’s management and legal teams working to submit an abridgement to Just Kush’s ACMPR licence application. The revision will seek to add manufacturing and distributing cannabis oils and extracts to Just Kush’s licence. The revision will also aim to increase Just Kush’s vault capacity to level eight, giving the company five times the storage of its existing vault – up to \$6.25 million worth of product at any given time.

Rascan notes: “With two licences in play, an existing grow facility with an assured supply of cannabis, and the means to distribute Canada-wide, Liberty Leaf is now well-positioned to profit from the coming legalization of cannabis.”

About Liberty Leaf

Liberty Leaf Holdings Ltd. is a new Canadian-based, public company whose focus is to build and support a diversified portfolio of cannabis-sector businesses, including cultivation, processing, value-added CBD/THC pet products, and supply-chain products within this dynamic and fast-growing sector.

Liberty Leaf also owns 100% of North Road Ventures, a late-stage applicant under Health Canada’s Access to Cannabis for Medical Purposes Regulations (ACMPR).

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

On behalf of the Board

Will Rascan

President & CEO

Liberty Leaf Holdings Ltd.

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