

Form 51-102F3
Material Change Report

1. Name and Address of Company

Liberty Leaf Holdings Ltd.
1240-789 West Pender Street
Vancouver, BC, V6C 1H2

(the “Company”)

2. Dates of Material Change(s)

January 31, 2017

3. News Release(s)

A news release was issued on February 2, 2017 and disseminated via The Newswire pursuant to section 7.1 of National Instrument 51-102.

4. Summaries of Material Changes

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

5. Full Description of Material Changes

News Release dated February 2, 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 (604) 683-3995.

9. Date of Report

This report is dated February 2, 2017.

SCHEDULE “A”
to the Material Change Report dated February 2, 2017

**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.

Phone: (604) 683-3995