

**liberty health
sciences**

NOTICE OF MEETING
AND
MANAGEMENT INFORMATION CIRCULAR
FOR THE
ANNUAL MEETING OF SHAREHOLDERS
to be held on August 28, 2019

July 18, 2019

**LIBERTY HEALTH SCIENCES INC.
NOTICE OF ANNUAL SHAREHOLDER MEETING**

NOTICE IS HEREBY GIVEN that an annual meeting (the “**Meeting**”) of shareholders (each a “**Shareholder**” and collectively, the “**Shareholders**”) of common shares (“**Common Shares**”) of Liberty Health Sciences Inc. (“**Liberty**” or the “**Company**”) will be held on Wednesday, August 28, 2019 at 10:00 a.m. (Eastern Daylight Time) at the Company’s Liberty 360 Campus located at 18770 N. County Road 225, Gainesville, Florida, 32609 USA for the following purposes:

1. to elect directors of the Company to hold office until the close of the next annual meeting of the shareholders of the Company or until their successors shall be elected or appointed;
2. to receive the audited financial statements of the Company for the period ended February 28, 2019, together with the report of the auditor thereon;
3. to appoint the auditor of the Company, to hold office until the close of the next annual meeting of the shareholders of the Company or until a successor is appointed, and to authorize the directors of the Company to fix the remuneration of the auditor; and
4. to transact such further and other business as may be properly brought before the Meeting or any adjournment or postponement thereof.

As a Shareholder of Liberty, it is very important that you read this material carefully and then vote your Common Shares, either by proxy or in person at the Meeting. The voting procedure is explained in detail in the accompanying management information circular in respect of the Meeting to be held on August 28, 2019 (the “**Circular**”). The Board of Directors (the “**Board**”) has fixed July 16, 2019 as the record date (the “**Record Date**”) for determining the Shareholders who are entitled to receive notice of and vote at the Meeting. Only Shareholders whose names have been entered in the registers of the Company as at the close of business on the Record Date will be entitled to receive notice of and vote at the Meeting.

This Notice of Meeting, and the Circular and the audited financial statements for the period ended February 28, 2019, along with the related management discussion and analysis (the “**Financial Statements and MD&A**”) have been posted on the Company’s website at <http://www.libertyhealthsciences.com/investors/> and on Liberty’s profile on www.SEDAR.com.

All Shareholders are invited to attend the Meeting and may attend in person or may be represented by proxy. A “beneficial” or “non-registered” Shareholder will not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his/her/its broker; however, a beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity. Only Shareholders as of the Record Date are entitled to receive notice of and vote at the Meeting.

Shareholders who are unable to attend the Meeting in person are requested to complete, date and sign the enclosed form of proxy and return it in the envelope provided. To be effective, the enclosed form of proxy or voting instruction form must be mailed deposited with Odyssey Trust Company by mail or hand delivery at Proxy Department, Victoria Tower, Suite 1717, 25 Adelaide St. East, Toronto, Ontario, M5C 3A1, Canada, by facsimile at (800) 517-4553 or online at <https://odysseytrust.com/Transfer-Agent/Login>. In order to be valid and acted upon at the Meeting, the duly-completed form of proxy must be received prior to 10:00 a.m. (Toronto time) on August 26, 2019 (the “**Proxy Deadline**”), or be deposited with the Secretary of the Company before the commencement of the Meeting or of any adjournment thereof. Notwithstanding the foregoing, the Chair of the Meeting has the discretion to accept proxies received after such deadline.

If you are a non-registered holder of Common Shares and have received these materials through your broker, custodian, nominee or other intermediary, please complete and return the form of proxy or voting instruction form provided to you by your broker, custodian, nominee or other intermediary in accordance with the instructions provided therein. **Shareholders are reminded to review the circular before voting.**

Dated this 18th day of July 2019.

BY ORDER OF THE BOARD OF DIRECTORS

“Victor E. Mancebo”

Victor Mancebo
Interim Chief Executive Officer

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LIBERTY HEALTH SCIENCES INC.

MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES BY MANAGEMENT

This Circular is furnished in connection with the solicitation by the management of Liberty Health Sciences Inc. (the “Company”) of proxies to be used at the Meeting of Shareholders to be held at the time and place and for the purposes set out in the Notice of Meeting. It is expected that the solicitation will be made primarily by mail. However, officers and employees of the Company may also solicit proxies by telephone, e-mail or in person. These persons will receive no compensation for such solicitation, other than their ordinary salaries or fees. The total cost of solicitation of proxies will be borne by the Company. Pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”), arrangements have been made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy-related materials to the beneficial owners of the Common Shares. See “Appointment and Revocation of Proxies – Notice to Beneficial Holders of Shares” below. The Company will provide, without cost to such person, upon request to the Secretary of the Company, additional copies of the foregoing documents for this purpose.

GENERAL INFORMATION RESPECTING THE MEETING

This Circular does not constitute the solicitation of a proxy by any person in any jurisdiction in which such solicitation is not authorized or in which the person making such solicitation is not qualified to do so or to any person to whom it is unlawful to make such solicitation.

References in this Circular to the Meeting include any adjournment(s) or postponement(s) thereof.

In this Circular, unless otherwise indicated, all dollar amounts “\$” are expressed in Canadian dollars.

Except where otherwise indicated, the information contained herein is stated as of July 18, 2019.

Electronic copies of the Circular and the audited financial statements for the period ended February 28, 2019, along with the related management discussion and analysis (the “Financial Statements and MD&A”) may be found on the Company’s SEDAR profile at www.sedar.com and also on the Company’s website at <http://www.libertyhealthsciences.com/investors/>.

Shareholders are reminded to review this Circular before voting.

Shareholders may also obtain paper copies of the Financial Statements and MD&A free of charge by contacting Odyssey Trust Company at the same toll-free number or upon request to the Corporate Secretary of the Company.

APPOINTMENT AND REVOCATION OF PROXIES

Appointment of Proxy

A Shareholder who is unable to attend the Meeting in person is requested to complete and sign the enclosed form of proxy and to deliver it to Odyssey Trust Company: (i) by mail or hand delivery to Proxy Department, Victoria Tower, Suite 1717, 25 Adelaide St. East, Toronto, Ontario, M5C 3A1, Canada, (ii) by facsimile at (800) 517-4553, (iii) or online at <https://odysseytrust.com/Transfer-Agent/Login>. In order to be valid and acted upon at the Meeting, the form of proxy must be received no later than 10:00 a.m. (Toronto time) on August 26, 2019 or be deposited with the Secretary of the Company before the commencement of the Meeting or any adjournment thereof. The deadline for the deposit of proxies may be waived or extended by the Chair of the Meeting at his discretion, without notice.

If you are a non-registered holder of Common Shares and have received these materials through your broker, custodian, nominee or other intermediary, please complete and return the form of proxy or voting instruction form provided to you by your broker, custodian, nominee or other intermediary in accordance with the instructions provided therein.

The document appointing a proxy must be in writing and executed by the Shareholders or his attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. The appointment of proxy may also be made online at <https://odysseytrust.com/Transfer-Agent/Login>.

A Shareholder submitting a form of proxy has the right to appoint a person (who need not be a Shareholder) to represent him or her at the Meeting other than the persons designated in the form of proxy furnished by the Company. To exercise that right, the name of the Shareholder's appointee should be legibly printed in the blank space provided. In addition, the Shareholder should notify the appointee of the appointment, obtain his or her consent to act as appointee and instruct the appointee on how the Shareholder's Common Shares are to be voted.

Shareholders who are not registered shareholders should refer to "*Notice to Beneficial Holders of Common Shares*" below.

Revocation of Proxy

A Shareholder who has submitted a form of proxy as directed hereunder may revoke it at any time prior to the exercise thereof. If a person who has given a proxy personally attends the Meeting at which that proxy is to be voted, that person may revoke the proxy and vote in person. In addition to the revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or his attorney or authorized agent and deposited with Odyssey Trust Company at any time up to 10:00 a.m. (Toronto time) on August 26, 2019: (i) by mail or by hand delivery to Proxy Department, Victoria Tower, Suite 1717, 25 Adelaide St. East, Toronto, Ontario, M5C 3A1, Canada, or (ii) by facsimile at (800) 517-4553, or deposited with the Secretary of the Company before the commencement of the Meeting, or any adjournment thereof, and upon either of those deposits, the proxy will be revoked.

Notice to Beneficial Holders of Common Shares

The information set out in this section is of importance to many Shareholders, as a substantial number of Shareholders do not hold Common Shares in their own name. Shareholders who do not hold their Common Shares in their own name (referred to herein as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of shares can be recognized and acted upon at the Meeting or any adjournment(s) thereof. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder's name in the records of the Company. Those Common Shares will most likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Shares held by brokers or their nominees can be voted (for or against resolutions or withheld from voting) only upon the instructions of the Beneficial Shareholder. Without specific instructions, the broker/nominees are prohibited from voting shares for their clients. Subject to the following discussion in relation to NOBOs (as defined herein), the Company does not know for whose benefit the Common Shares registered in the name of CDS & Co., a broker or another nominee, are held.

There are two categories of Beneficial Shareholders under applicable securities regulations for purposes of dissemination to Beneficial Shareholders of proxy-related materials and other security holder materials and requests for voting instructions from such Beneficial Shareholders. Non-objecting beneficial owners ("**NOBOs**") are Beneficial Shareholders who have advised their intermediary (such as brokers or other nominees) that they do not object to their intermediary disclosing ownership information to the Company, consisting of their name, address, e-mail address, securities holdings and preferred language of communication. Canadian Securities Laws restricts the use of that information to matters strictly relating to the affairs of the Company. Objecting beneficial owners ("**OBOs**") are Beneficial Shareholders who have advised their intermediary that they object to their intermediary disclosing such ownership information to the Company.

In accordance with the requirements of NI 54-101, the Company is sending the proxy-related materials for use in connection with the Meeting (the "**Meeting Materials**") indirectly through intermediaries to both NOBOs and OBOs. NI 54-101 allows the Company, in its discretion, to obtain a list of its NOBOs from intermediaries and to use such NOBO list for the purpose of distributing the proxy materials directly to, and seeking voting instructions directly from, such NOBOs. As a result, the Company is entitled to deliver Meeting Materials to Beneficial Shareholders in two manners: (a) directly to NOBOs and indirectly through intermediaries to OBOs; or (b) indirectly to all Beneficial Shareholders through intermediaries. The Company is not sending Meeting Materials directly to the NOBOs. The Company will use and pay intermediaries and agents to send the Meeting Materials to the NOBOs, and intends to pay for intermediaries to deliver the Meeting Materials to the OBOs.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from nonregistered shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by nonregistered shareholders in order to ensure that their shares are voted at

the Meeting. Often the form of proxy supplied to a nonregistered shareholder by its broker is identical to the form of proxy provided by Liberty to the registered shareholders. However, its purpose is limited to instructing the registered shareholder how to vote on behalf of the nonregistered shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails the voting instruction forms or proxy forms to the nonregistered shareholders and asks the nonregistered shareholders to return the proxy of voting instruction forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. A nonregistered shareholder receiving a proxy or voting instruction form from Broadridge cannot use that proxy to vote shares directly at the Meeting - the proxy must be returned to Broadridge well in advance of the Meeting in order to have the shares voted.

All references to Shareholders in this Circular, instrument of proxy and Notice of Meeting are to registered Shareholders unless specifically stated otherwise.

Voting

Common Shares represented by any properly executed proxy in the accompanying form will be voted for or against, or withheld from voting, as the case may be, on any ballot that may be called for in accordance with the instructions given by the Shareholder. **In the absence of such direction, such Common Shares will be voted in favour of the matters set out herein.**

The accompanying form of proxy confers discretionary authority on the persons named in it with respect to amendments or variations to matters identified in the notice of Meeting or other matters that may properly come before the Meeting. As of the date hereof, management of the Company is not aware of any such amendments, variations or other matters which may come before the Meeting. In the event that other matters come before the Meeting, then the management designees intend to vote in accordance with the judgment of management of the Company.

Record Date and Quorum

The Company has fixed the close of business on July 16, 2019 (the "**Record Date**") as the record date. Shareholders whose names have been entered in the register of Shareholders at the close of business on the Record Date will be entitled to receive notice of, and to vote, at the Meeting or any adjournments or postponements thereof. Persons registered on the books of the Company at the close of business on the Record Date and persons who are transferees of any Common Shares acquired after such record date and who have produced properly endorsed certificates evidencing such Common Shares or who otherwise establish ownership thereof and demand, not later than 10 days before the Meeting, that their names be included in the list of Shareholders, are entitled to vote at the Meeting.

The quorum for any meeting of shareholders is one or more persons present in person or by proxy.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No person who has been a director or an officer of the Company at any time since the beginning of its last completed financial year, no proposed nominee for election as a director of the Company nor any associate of any such director, director nominee or officer has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, except as disclosed in this Circular.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The authorized share capital of the Company consists of an unlimited number of Common Shares. As at the date hereof, there are 345,290,635 Common Shares issued and outstanding. Each Common Share entitles the holder thereof to one vote on all matters to be acted upon at the Meeting. The Company has fixed the close of business on July 16, 2019 as the Record Date.

To the knowledge of the directors and officers of the Company, as at the date of this Circular, no person or corporation beneficially owns, directly or indirectly, or exercises control or direction over, 10% or more of the Common Shares.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the board of directors of the Company (the “Board”), the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting.

1. Election of Directors

The Company’s articles provide that if the Company is a public company, the Board will consist of the greater of three directors and the number most recently elected by ordinary resolution. The Board currently consists of three (3) directors.

At the Meeting, the Shareholders will be asked to consider, and, if thought fit, approve with or without variation a resolution re-electing the three current members of the Board as the directors of the Company, namely William Pfeiffer, Victor Mancebo and Jeremy Straub. It is intended that each of the directors will hold office until the next annual meeting of Shareholders or until his or her successor is elected or appointed, unless such office is earlier vacated in accordance with the provisions of the *Business Companies Act* (British Columbia) (the “BCBCA”). In order to be effective, this resolution requires the approval of not less than 50% of the votes cast by Shareholders represented at the Meeting in person or by proxy.

Shareholders have the option to (i) vote for all of the directors of the Company listed in the table below; (ii) vote for some of the directors and withhold for others; or (iii) withhold for all of the directors. **Unless otherwise instructed, proxies and voting instructions given pursuant to this solicitation by the management of the Company will be voted FOR the election of each of the proposed nominees set forth in the table below.**

Management has no reason to believe that any of the nominees will be unable to serve as a director. However, if any proposed nominee is unable to serve as a director, the individuals named in the enclosed form of proxy will be voted in favour of the remaining nominees, and may be voted in favour of a substitute nominee unless the Shareholder has specified in the proxy that the Common Shares represented thereby are to be withheld from voting in respect of the election of directors.

The following table states the name of each person nominated by management for election as directors, such person’s principal occupation or employment, period of service as a director of the Company, and the approximate number of voting securities of the Company that such person beneficially owns, or over which such person exercises direction or control:

Name and Municipality Residence	Principal Occupations For Last Five Years	Director of Liberty Since	Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly ⁽¹⁾
William Pfeiffer Tallahassee, FL, USA	<ul style="list-style-type: none"> • CEO of The Pfeiffer Law Group 	February 12, 2019	Nil
Jeremy Straub Ft. Lauderdale, FL, USA	<ul style="list-style-type: none"> • Founder and CEO of Coastal Wealth 	February 28, 2019	Nil
Victor E. Mancebo Miami, FL, USA	<ul style="list-style-type: none"> • Partner of Gelatys • Managing Director of iAgriGroup 	February 22, 2019	Nil

The following is a summary biography of each of the directors of Liberty:

William Pfeiffer
Chair of Board of Directors

William Pfeiffer is a highly experienced attorney, governmental strategist and owner of multiple businesses with a strong record of leadership and achievement in the legislative, executive and judicial branches of Florida government as well as private business. He possesses an excellent record of solving high-level, complex business, legal, legislative and regulatory issues while maintaining trusted relationships with seasoned business leaders and key decision-makers in various levels of

government. As Executive Director of the Florida Senate, Bill was actively involved in evaluating a multitude of state government programs and prioritizing Florida's US\$70 billion annual budget. As Assistant Secretary of State for the Florida Department of State, Bill directly managed the department's US\$150 million annual budget and its 1,200 employees. As an Administrative Law Judge in Florida, Bill routinely evaluated and critically assessed the detailed financial statements, proposals and projections of healthcare companies seeking authority to build large-scale CON hospital and healthcare related facilities in Florida.

Jeremy Straub
Director

Jeremy Straub is the Founder and Chief Executive Officer of Coastal Wealth, an asset management firm headquartered in Fort Lauderdale, Florida, and also owns a portfolio of other complementary companies such as Coastal Wealth Property Casualty and Coastal Wealth Benefits Solutions. Prior to Coastal Wealth, Mr. Straub spent 15 years at a Fortune 500 financial company as an executive, and after launching Coastal Wealth in 2016, he quickly grew the business into the 14-office, 300-person team that it is today. In his executive roles, he has led M&A deals, regulatory audits and acquisitions. Mr. Straub earned his Bachelor of Arts degree from Moravian College in Bethlehem, Pennsylvania, and holds multiple security and supervisory licenses in the field of finance.

Victor E. Mancebo
Interim Chief Executive Officer and Director

Victor E. Mancebo has over 15 years of diverse operational experience, launching and leading several national and regional companies in the United States. Mr. Mancebo has amassed executive leadership roles in Banking, Education, Logistics, Technology, Food Safety, Manufacturing, Agriculture, and Retail. Mr. Mancebo led companies such as CompUSA, Smart4Retail, Chemstar, EnviroStar, and Palettas to name a few. In his roles, Mr. Mancebo has led due diligence activities and actively participated in regulatory and financial audits. Mr. Mancebo brings ample knowledge, keen insight, and a visionary approach in operations strategy, accompanied with a boundless passion for efficiency and process improvement. Most notably, Mr. Mancebo has held Chief Operations Officer and Managing Director roles for several private reputable companies.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of Liberty, no director or executive officer of Liberty, or shareholder holding a sufficient number of securities of Liberty to affect materially the control of the Company:

- (a) is, as at the date hereof, or has been, within the ten (10) years before the date hereof, a director or executive officer of any corporation that, while that person was acting in such capacity:
 - (i) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than thirty (30) consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than thirty (30) consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (iii) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

- (b) has, within the ten (10) years before the date hereof, become bankrupt, made a proposal under any legislation relating to the bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer or shareholder.

To the knowledge of Liberty, no director or executive officer of Liberty, or a shareholder holding sufficient number of securities of Liberty to affect materially the control of Liberty, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

2. Appointment of Auditors

MNP LLP, Chartered Accountants (“MNP”) are the independent registered certified auditors of the Company. MNP was first appointed as auditor of the Company on October 3, 2016 and reappointed most recently on August 16, 2018. Management of the Company intends to nominate MNP for reappointment as auditors of the Company.

Information about the fees paid to the auditors of the Company may be found in our most recent Annual Information Form under the heading “Audit Committee Information – External Auditor Service Fees”, which is available under the Company’s profile on SEDAR at www.sedar.com.

At the Meeting, Shareholders will be asked to consider and, if thought advisable, to pass an ordinary resolution to re-appoint MNP to serve as auditors of the Company until the next annual meeting of Shareholders and to authorize the directors of the Company to fix their remuneration as such. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

Unless the Shareholder has specifically instructed that his or her Common Shares are to be withheld from voting in connection with the appointment of MNP, the persons named in the accompanying proxy intend to vote FOR the re-appointment of MNP as the auditors of the Company to hold office until the next annual meeting of Shareholders or until a successor is appointed, and to authorize the Board to fix their remuneration.

3. Other Matters

Management of the Company knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting accompanying this Circular. However, if any other matter properly comes before the Meeting, valid forms of proxy will be voted on such matter in accordance with the best judgment of the persons voting the proxy.

STATEMENT OF EXECUTIVE COMPENSATION

Overview

The purpose of this Statement of Executive Compensation is to provide information about the Company’s executive compensation philosophy, objectives, and processes and to discuss compensation decisions relating to the Company’s named executive officers. For the purposes of this Circular, a named executive officer (“NEO”) of the Company means each of the following individuals:

- (a) a chief executive officer (“CEO”) of the Company;
- (b) a chief financial officer (“CFO”) of the Company;
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000; and

- (d) each individual who would be an NEO under paragraph (c) above but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

The Company's NEOs for the period ended February 28, 2019 are Victor E. Mancebo, interim Chief Executive Officer ("CEO"), George Scorsis, former Chief Executive Officer, and Rene Gulliver, former Chief Financial Officer.

The Compensation and Governance Committee (the "**CG Committee**"), in consultation with the CEO is responsible for reviewing, establishing and overseeing the compensation policies of the Company and compensation of the NEOs. Historically, the CEO has made recommendations to the CG Committee with respect to the compensation of the NEOs, and the CG Committee reviews such recommendations with a view to determining whether to recommend to the Board any changes to the compensation for such senior executives. Moreover, the CG Committee reviews, on an annual basis, the compensation of the CEO and makes recommendations to the Board in respect thereto.

Objectives of Compensation Program

The Company's executive compensation practices are based on a pay-for-performance philosophy that is designed to attract, motivate and retain high performing senior executives, encourage and reward superior performance, and align our executives' interests with those of the Company's shareholders by:

- Providing the opportunity for total direct compensation (base salary plus short-term target annual incentive plus target annual long-term equity-based incentive) that is competitive with the compensation received by senior executives employed at a reference group of comparable publicly-traded companies;
- Ensuring that a significant proportion of executive compensation is linked to the Company's financial and operational performance through the Company's variable compensation plan as well as effective risk management;
- Providing senior executives with long-term equity-based incentive plans, such as stock options, which also help to ensure that senior executives meet or exceed minimum share ownership requirements; and
- Exercising informed judgement in regard to the nature and criticality of the senior executive's role, as well as applying performance and market context to the comparator peer group data with input from the CEO to ensure the entirety of a senior executive's contribution is recognized.

In order to implement our compensation philosophy and achieve our objectives, we have adopted a number of governing compensation practices, including:

- Annual incentive awards subject to achievement of pre-established performance goals tied to financial objectives;
- Significant proportion of senior executives' total annual target compensation is considered to be "at-risk"; and
- Significant proportion of senior executives' total annual target compensation is in the form of stock options as part of the long-term incentive plan.

Compensation and Governance Committee

In order to assist the Board in fulfilling its oversight responsibilities with respect to compensation and governance matters, the Board has established the CG Committee. For more information on the CG Committee see "*Corporate Governance – Board Committees – CG committee*" on page 18 of this Circular.

The primary role of the CG Committee is to carry out the Board's overall responsibility for executive compensation at the Company. Under its mandate, the CG Committee is responsible for monitoring senior executives' performance assessment, succession planning and overall compensation. The CG Committee is consulted in regard to the appointment of senior executives, including the terms and conditions of their appointment and termination, and reviews the evaluation of the performance of the Company's senior executives, and may make recommendations in respect thereto including recommending their compensation. The CG Committee also oversees the existence of appropriate policies and compensation structures so that the Company can attract, motivate and retain senior executives who exhibit high standards of integrity, competence and performance. Finally, the CG Committee is responsible for developing a compensation philosophy and objectives that reward the creation of shareholder value while reflecting an appropriate balance between the short-term and longer-term performance of the Company.

Liberty's compensation practices are designed to attract, motivate and retain high performing senior executives, encourage and reward superior performance and align our senior executives' interests with those of the Company's shareholders. We believe that the actual compensation our executives receive should have a direct connection to their contribution to the Company's financial performance and overall long-term success. Accordingly, our compensation program strongly links executive compensation to the actual performance of the company and aligns compensation with shareholder value by combining short and long-term cash and equity incentives. Our senior executives' short-term incentive plan ("STIP") payout is conditional upon the attainment of or exceeding certain Company financial metrics, in particular annual targets related to gross sales, EBITDA and gross profit as set forth in the budget. The Board also seeks to set company performance goals that reach across all business areas and include achievements in finance/business development and corporate development.

As of the date hereof, the CG Committee is comprised of three directors, William Pfeiffer and Jeremy Straub (the "**Independent Directors**"), as well as Victor E. Mancebo. Messrs. Pfeiffer and Straub are considered independent within the meaning of NI 52-110. The CG Committee members have all had executive or senior roles in corporations or professional firms where they were required to make or were involved in decisions and determinations related to executive compensation, and the Board believes that the CG Committee collectively has the knowledge, experience and background required to fulfill its mandate. For more detail please refer to their respective biographies under "Particulars of Matters to be Acted Upon – 1. Election of Directors" in this Circular.

Executive Compensation Components

The Company's executive compensation program is comprised of fixed and variable components. The variable components include equity and non-equity incentive plans. Each compensation component has a different function, but all elements are designed to work in concert to maximize Company and individual performance and provide financial incentives to senior executives based on the level of achievement of specific operational and financial objectives.

The compensation of the NEOs includes three major elements: (a) base salary, (b) short-term incentive plan consisting of an annual, discretionary cash bonus, and (c) long-term equity incentives, consisting of stock options granted under the Option Plan and any other equity plan that may be approved by the Board. These three principal elements of compensation are described in more detail below.

Base Salary

The Compensation Committee and the Board approve the salary ranges for the NEOs. The base salary review for each NEO is based on assessment of factors such as current competitive market conditions, compensation levels and practices of similarly situated companies and particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual. The Company may consider comparative data for the Company's peer group, which are accumulated from a number of external sources including independent consultants. The Company's policy for determining salary for executive officers will be consistent with the administration of salaries for all other employees.

Annual Cash Bonus

The Company's short-term incentive plan aims to enhance the link between pay and performance by:

- Aligning the financial interests and motivations of the Company's senior executives and employees with the annual financial performance and returns of the Company;
- Motivating senior executives and employees to work towards common annual performance objectives; and
- Providing total cash compensation that is at or higher than the median of the Reference Group in cases where superior financial performance and returns in excess of target objectives are attained.

Annual bonuses are awarded based on qualitative and quantitative performance standards, and will reward performance of the named executive officer individually. The determination of a NEO's performance may vary from year to year depending on economic conditions and conditions in the medical marijuana industry, and may be based on measures such as stock price performance, the meeting of financial targets against budget, the meeting of operational objectives and balance sheet performance.

Option-Based Compensation

Options may be granted to directors, management, employees and certain service providers as long-term incentives to align the individual's interests with those of the Company. Options are awarded to directors and employees, including NEOs, at the Board's discretion, on the recommendation of the CG Committee. Decisions with respect to options granted are based upon the individual's level of responsibility and their contribution towards the Company's goals and objectives, and additionally may be awarded in recognition of the achievement of a particular goal or extraordinary service. The CG Committee considers outstanding options granted under the Stock Option Plan and held by management in determining whether to make any new grants of options, and the quantum or terms of any options grant.

Stock Option Plan

The Stock Option Plan is the Company's only securities-based compensation plan. The Stock Option Plan is a rolling plan with the Company authorized to issue that number of options which is 10% of the issued and outstanding share capital at the date of the grant of shares, less the aggregate number of shares reserved for issuance or issuable under any Share Compensation Arrangement (as defined in the Stock Option Plan). It was last approved by Shareholders on July 20, 2017. The following is a summary of the material terms of the Stock Option Plan:

Maximum Term of Options. As currently provided, the term of any options granted under the Plan is fixed by the Board and may not exceed 10 years from the date of grant. The options are non-assignable and non-transferable.

Exercise Price. The exercise price of options granted under the plan is determined by the Board, provided that the exercise price is not less than the price permitted by the CSE.

Amendment. The terms of an option may not be amended once issued under CSE requirements. If an option is cancelled prior to the expiry date, the Company shall not grant new options to the same person until thirty days have elapsed from the date of cancellation.

Vesting. Vesting, if any, and other terms and conditions relating to such options shall be determined by the Board of the Company or the CG Committee from time to time and in accordance with CSE requirements.

Termination. As currently provided, any options granted pursuant to the plan will terminate generally within ninety days of the option holder ceasing to act as a director, officer, employee, management company or consultant of the Company or any of its affiliates, and within generally thirty days of the option holder ceasing to act as an employee engaged in investor relations activities, unless such cessation is on account of death. If such cessation is on account of death, the options terminate on the first anniversary of such cessation. If such cessation is on account of cause, or terminated by regulatory sanction or by reason of judicial order, the options terminate immediately. Options that have been cancelled or that have expired without having been exercised shall continue to be issuable under the plan. The plan also provides for adjustments to outstanding options in the event of any consolidation, subdivision or exchange of the Company's shares.

Administration. The Stock Option Plan is administered by the Board or, if the Board so elects, by a committee, which committee shall consist of at least two board members, appointed by the Board.

Board Discretion. The Stock Option Plan provides that, generally, the number of Company shares subject to each option, the exercise price, the expiry time, the extent to which such option is exercisable, including vesting schedules, and other terms and conditions relating to such options shall be determined by the Board of the Company or the CG Committee and in accordance with CSE requirements.

Director and NEO Compensation, Excluding Compensation Securities

The following table provides a summary of the compensation earned by the NEOs and directors for services rendered in all capacities during the fiscal period ended February 28, 2019.

Table of compensation excluding compensation securities							
Name and Principal Position	Fiscal period	Salary, consulting fee, retainer or commission	Bonus	Committee or meeting fees	Value of perquisites	All other compensation	Total compensation
Victor E. Mancebo ⁽¹⁾ <i>Interim Chief Executive Officer and Director</i>	2019	\$97,526	-	-	-	\$26,338 ⁽¹⁵⁾	\$123,864
	2018	-	-	-	-	-	-
George Scorsis ⁽²⁾ <i>Former Chief Executive Officer and Director</i>	2019	\$295,246	\$50,500	-	\$20,621 ⁽¹⁴⁾	\$4,911 ⁽¹⁶⁾	\$371,278
	2018	\$193,977	\$30,000	-	\$9,263 ⁽¹⁴⁾	\$20,000 ⁽¹⁵⁾	\$253,240
Rene Gulliver ⁽³⁾ <i>Former Chief Financial Officer</i>	2019	\$283,939	\$45,500	-	\$13,542 ⁽¹⁴⁾	-	\$342,981
	2018	\$212,154	\$25,000	-	\$10,200 ⁽¹⁴⁾	\$20,000 ⁽¹⁵⁾	\$267,354
William Pfeiffer ⁽⁴⁾ <i>Director and Chair</i>	2019	\$2,309	-	\$288 ⁽¹²⁾	-	-	\$2,597
	2018	-	-	-	-	-	-
Jeremy Straub ⁽⁵⁾ <i>Director</i>	2019	-	-	-	-	-	-
	2018	-	-	-	-	-	-
Ian McKinnon ⁽⁶⁾ <i>Former Director and Chair</i>	2019	-	-	-	\$1,728 ⁽¹⁴⁾	-	\$1,728
	2018	-	-	-	-	-	-
John Hick ⁽⁷⁾ <i>Former Director</i>	2019	-	-	-	\$2,370 ⁽¹⁴⁾	-	\$2,370
	2018	-	-	-	-	-	-
Vic Neufeld ⁽⁸⁾ <i>Former Director and Chair</i>	2019	-	-	-	-	-	-
	2018	-	-	-	-	-	-
John Cervini ⁽⁹⁾ <i>Former Director</i>	2019	-	-	-	-	-	-
	2018	-	-	-	-	-	-
Michael Galloro ⁽¹⁰⁾ <i>Former Director</i>	2019	\$5,917	-	\$740 ⁽¹³⁾	\$1,942 ⁽¹⁴⁾	-	\$8,599
	2018	-	-	-	-	-	-
Aaron Serruya ⁽¹¹⁾ <i>Former Director</i>	2019	\$5,917	-	-	\$428 ⁽¹⁴⁾	-	\$6,345
	2018	-	-	-	-	-	-

Notes:

- (1) Mr. Mancebo was appointed as Interim Chief Executive Officer on February 22, 2019. Prior to this, he served as President of the Company's Florida operations from July 18, 2018 to February 22, 2019. In total, Mr. Mancebo served for seven months in the fiscal 2019 year. Reported compensation figures include both roles. Compensation for Mr. Mancebo was paid in US Dollars. For the purposes of presentation, amounts have been converted at an exchange rate of 1.3169 CAD:USD.
- (2) Mr. Scorsis was appointed as Chief Executive Officer on July 24, 2017 and resigned effective February 22, 2019.
- (3) Mr. Gulliver was appointed as Chief Financial Officer on July 20, 2017 and resigned effective April 14, 2019.
- (4) Mr. Pfeiffer was appointed as Director on February 12, 2019, serving for under one month in the fiscal 2019 year. Compensation for Mr. Pfeiffer was paid in US Dollars. For the purposes of presentation, amounts have been converted at an exchange rate of 1.3169 CAD:USD.
- (5) Mr. Straub was appointed as Director on February 28, 2019.
- (6) Mr. McKinnon was appointed as Director on January 21, 2019 and resigned effective February 11, 2019, serving for under one month in the fiscal 2019 year.
- (7) Mr. Hick was appointed as Director on January 21, 2019 and resigned effective February 7, 2019, serving for under one month in the fiscal 2019 year.
- (8) Mr. Neufeld was appointed as Director on July 20, 2017 and resigned effective January 18, 2019, serving for eleven months in the fiscal 2019 year.
- (9) Mr. Cervini was appointed as Director on July 20, 2017 and resigned effective January 18, 2019, serving for eleven months in the fiscal 2019 year.
- (10) Mr. Galloro was appointed as Director on July 24, 2017 and resigned effective February 28, 2019, serving for twelve months in the fiscal 2019 year. Compensation for Mr. Galloro was paid in US Dollars. For the purposes of presentation, amounts have been converted at an exchange rate of 1.3169 CAD:USD.
- (11) Mr. Serruya was appointed as Director on July 20, 2017 and resigned effective February 28, 2019, serving for twelve months in the fiscal 2019 year. Compensation for Mr. Serruya was paid in US Dollars. For the purposes of presentation, amounts have been converted at an exchange rate of 1.3169 CAD:USD.
- (12) Fees paid in respect of appointment as the Chair of the Board.

- (13) Fees paid in respect of appointment as the Chair of the Audit Committee.
- (14) Compensation reflects payments made in respect of immigration counsel for Canadian directors and officers. For Mr. Scorsis and Mr. Gulliver, a car allowance of \$12,423 each was also included.
- (15) One-time discretionary payment awarded by Board.
- (16) Termination payments paid within the 2019 fiscal year.

Compensation Securities Table

The following table discloses the particulars of the option-based awards outstanding to NEOs and directors of the Company as at the date of this Circular, including awards granted before the most recently completed financial year.

Name and Position	Number of securities underlying unexercised options and percentage of class ⁽¹⁾	Date of issue or grant	Option Exercise Price	Closing price of underlying security on date of grant	Closing price of underlying security at year end	Option Expiration Date
Victor E. Mancebo <i>Interim Chief Executive Officer and Director</i>	200,000 (0.06%)	Jan. 24, 2019	\$0.96	\$0.96	\$1.08	Jan. 1, 2024
	250,000 (0.07%)	May 3, 2019	\$0.79	\$0.79	\$1.08	May 3, 2024
George Scorsis <i>Former Chief Executive Officer and Director</i>	450,000 (0.13%)	Jul. 25, 2017	\$0.624	\$0.624	\$1.08	Feb. 22, 2020
	1,700,000 (0.49%)	Dec. 3, 2017	\$1.62	\$1.62	\$1.08	Feb. 22, 2020
	100,000 (0.03%)	Jul. 4, 2018	\$0.92	\$0.92	\$1.08	Feb. 22, 2020
Rene Gulliver <i>Former Chief Financial Officer</i>	300,000 (0.09%)	July 25, 2017	\$0.624	\$0.624	\$1.08	Feb. 22, 2020
	1,000,000 (0.29%)	Dec. 3, 2017	\$1.62	\$1.62	\$1.08	Feb. 22, 2020
	50,000 (0.01%)	Jul. 4, 2018	\$0.92	\$0.92	\$1.08	Feb. 22, 2020
William Pfeiffer <i>Director and Chair</i>	900,000 (0.26%)	Mar. 1, 2019	\$1.09	\$1.09	\$1.08	Feb. 28, 2024
Jeremy Straub <i>Director</i>	Nil	Nil	Nil	Nil	Nil	Nil
Ian McKinnon <i>Former Director</i>	400,000 (0.12%)	Jan. 24, 2019	\$0.96	\$0.96	\$1.08	Feb. 10, 2020
John Hick <i>Former Director</i>	400,000 (0.12%)	Jan. 24, 2019	\$0.96	\$0.96	\$1.08	Feb. 6, 2020
Vic Neufeld <i>Former Director and Chair</i>	350,000 (0.10%)	Jul. 25, 2017	\$0.624	\$0.624	\$1.08	Jan. 17, 2020
	1,500,000 (0.43%)	Dec. 3, 2017	\$1.62	\$1.62	\$1.08	Jan. 17, 2020
John Cervini <i>Former Director</i>	200,000 (0.06%)	Jul. 25, 2017	\$0.624	\$0.624	\$1.08	Jan. 17, 2020
	1,000,000 (0.29%)	Dec. 3, 2017	\$1.62	\$1.62	\$1.08	Jan. 17, 2020
Michael Galloro <i>Former Director</i>	100,000 (0.03%)	Oct. 20, 2017	\$1.07	\$1.07	\$1.08	Feb. 27, 2020
	1,000,000 (0.29%)	Dec. 4, 2017	\$1.62	\$1.62	\$1.08	Feb. 27, 2020
Aaron Serruya <i>Former Director</i>	100,000 (0.03%)	Jul. 25, 2017	\$0.624	\$0.624	\$1.08	Feb. 27, 2020
	1,000,000 (0.29%)	Dec. 4, 2017	\$1.62	\$1.62	\$1.08	Feb. 27, 2020

Notes:

- (1) Percentage based on 345,290,635 Common Shares issued and outstanding as at the date of this Circular.

Exercise of Stock Options by NEOs and Directors

The following table sets forth information concerning the exercise of options by NEOs and directors during the fiscal year ended February 28, 2019.

Name and Position	Number of underlying securities exercised (#)	Exercise Price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Victor E. Mancebo <i>Interim Chief Executive Officer and Director</i>	N/A	N/A	N/A	N/A	N/A	N/A
George Scorsis <i>Former Chief Executive Officer and Director</i>	N/A	N/A	N/A	N/A	N/A	N/A
Rene Gulliver <i>Former Chief Financial Officer</i>	N/A	N/A	N/A	N/A	N/A	N/A
William Pfeiffer <i>Director and Chair</i>	N/A	N/A	N/A	N/A	N/A	N/A
Jeremy Straub <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A
Ian McKinnon <i>Former Director and Chair</i>	N/A	N/A	N/A	N/A	N/A	N/A
John Hick <i>Former Director</i>	N/A	N/A	N/A	N/A	N/A	N/A
Vic Neufeld <i>Former Director and Chair</i>	N/A	N/A	N/A	N/A	N/A	N/A
John Cervini <i>Former Director</i>	N/A	N/A	N/A	N/A	N/A	N/A
Michael Galloro <i>Former Director</i>	N/A	N/A	N/A	N/A	N/A	N/A
Aaron Serruya <i>Former Director</i>	N/A	N/A	N/A	N/A	N/A	N/A

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth information in respect of the Company's equity compensation plans under which equity securities of the Company are authorized for issuance, aggregated in accordance with all equity plans previously approved by the Shareholders and all equity plans not approved by Shareholders as at February 28, 2019:

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (#)	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (\$)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (#)
Equity compensation plans approved by securityholders ⁽¹⁾	13,268,327	1.30	21,260,737 ⁽²⁾
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
Total	13,268,327	1.30	21,260,737⁽²⁾

Notes:

- (1) The Company's only equity compensation plan is the Stock Option Plan, a "rolling" stock option plan. The number of Common Shares that may be reserved for issuance pursuant to the Stock Option Plan is limited to 10% of the issued and outstanding Common Shares on the date of any grant of options thereunder.
- (2) Based on a total of 345,290,635 Common Shares issued and outstanding as the date of this Circular.

Employment Agreements

The following is a description of material provisions of the employment agreements of executive officers of the Company. For purposes of the employment agreements referred to herein, a "change of control" means: (i) the sale by the Company of all or substantially all of its assets; (ii) any consolidation, merger, reorganization, restructuring, amalgamation or other transaction involving the Company that results in 50% or more of the aggregate voting power being acquired by another entity, provided that no change of control event shall be deemed to have occurred if upon completion of any such transaction individuals who were members of the Board immediately prior to the effective date of such transaction constitute a majority of the Board of the resulting issuer following such effective date; (iii) the passing of a resolution by the Board or shareholders of the Company to substantially liquidate the assets of the Company or wind up the Company's business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Company in circumstances where the business of the Company is continued and the shareholdings remain substantially the same following the re-arrangement); or (iv) the circumstance in which individuals who were members of the Board immediately prior to a meeting of the shareholders of the Company involving a contest for the election of directors no longer constitute a majority of the Board following such election.

Victor E. Mancebo (Interim Chief Executive Officer)

The Company has entered into an employment agreement with Mr. Mancebo. Under the terms of this agreement, Mr. Mancebo is entitled to a base annual salary of US\$115,000 (with subsequent raises to US\$165,000 during the fiscal 2019 year), and is eligible for a cash performance bonus based on the achievement of performance objectives as may be established from time to time. Mr. Mancebo also received 200,000 options on January 24, 2019 and 250,000 options on May 3, 2019, subject to regular vesting conditions. If the Company terminates his employment without cause, it is obligated to pay Mr. Mancebo six months' salary.

George Scorsis (Former Chief Executive Officer)

The Company had entered into an employment agreement with Mr. Scorsis. Under the terms of this agreement, Mr. Scorsis was entitled to a base annual salary of \$250,000 (raised to \$275,000 in August 2018), and was eligible for a cash performance bonus of up to 30% of his base salary based on the achievement of performance objectives as may be established from time to time by the Board of the Company. In the fiscal year ended February 28, 2019, Mr. Scorsis also received 100,000 options on July 4, 2018, subject to regular vesting conditions.

On February 22, 2019, the employment agreement with Mr. Scorsis was terminated. Under the terms of his termination agreement, the Company is obligated to pay Mr. Scorsis five months of base salary and a continuation of benefits for the same term, in addition to up to \$15,000 in legal or other consulting fees associated with immigration law needs. Furthermore, all options held by Mr. Scorsis were subject to accelerated vesting and were fully vested as of February 22, 2019.

Rene Gulliver (Former Chief Financial Officer)

The Company had entered into an employment agreement with Mr. Gulliver. Under the terms of this agreement, Mr. Gulliver was entitled to a base annual salary of \$175,000 for the first six months and \$250,000 per annum thereafter, and is eligible for a cash performance bonus of up to 25% of his base salary based on the achievement of performance objectives as may be established from time to time by the Board of the Company. In the fiscal year ended February 28, 2019, Mr. Gulliver also received 50,000 options on July 4, 2018, subject to regular vesting conditions.

On February 22, 2019, the employment agreement with Mr. Gulliver was terminated. Under the terms of his termination agreement, the Company is obligated to pay Mr. Gulliver five months of base salary and a continuation of benefits for the same term beginning on April 14, 2019, the effective date of his resignation, in addition to up to \$30,000 in legal or other consulting fees associated with immigration law needs. Furthermore, all options held by Mr. Gulliver were subject to accelerated vesting and were fully vested as of February 22, 2019.

Pension Plan Benefits, Termination and Change of Control Benefits

The Company has no pension or retirement plan. The Company has not provided compensation, monetary or otherwise to any person who now acts as a NEO of the Company, in connection with or related to the retirement, termination or resignation of such person and the Company has provided no compensation to such persons as a result of a change of control of the Company, its subsidiaries or affiliates. Other than described above, the Company is not party to any compensation plan or arrangement with NEOs resulting from the resignation, retirement or the termination of employment of any person.

Compensation Risk Considerations

The Compensation Committee is responsible for considering, establishing and reviewing executive compensation programs, and whether the programs encourage unnecessary or excessive risk taking. The Company anticipates the programs will be balanced and will not motivate unnecessary or excessive risk taking. The Company does not currently have a policy that restricts directors or NEOs from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity. However, to the knowledge of the Company, as of the date of hereof, no director or NEO of the Company has participated in the purchase of such financial instruments.

Base salaries are fixed in amount and do not encourage risk taking. While annual incentive awards will focus on the achievement of short-term or annual goals and short-term goals may encourage the taking of short-term risks at the expense of long-term results, the Company's annual incentive award program will represent a small percentage of employees' compensation opportunities.

Stock option awards are important to further align employees' interests with those of Shareholders. The ultimate value of the awards is tied to the price of the Common Shares and since awards are expected to be staggered and subject to long-term vesting schedules, they will help ensure that NEOs have significant value tied in long-term stock price performance.

Compensation of Directors

The Company's director compensation program is designed (i) to attract and retain highly qualified individuals to serve on the Board and its committees, (ii) to align the interests of the directors with the long-term interests of the Company's shareholders, and (iii) to provide appropriate compensation having regard to the risks and responsibilities related to being an effective director.

The compensation of the directors, which is only paid to Independent Directors, includes: (a) annual retainer and committee fees, as applicable; and (b) stock option grants under the Stock Option Plan. Beginning on January 18, 2019, each Independent Director is paid an annual retainer of \$40,000, with an additional \$5,000 retainer payable to the Chair and to Committee Chairs.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

None of the current or proposed directors or officers of the Company, nor any affiliate or associate of the current or proposed directors or officers of the Company, is or was indebted to the Company (or to another entity which is the subject of a guarantee support agreement, letter of credit, or other similar arrangement or undertaking provided by the Company) entered into in connection with a Purchase of securities or otherwise per item 10.1 of National Instrument 51-102F5 – *Information Circular*, at any time since its incorporation.

CORPORATE GOVERNANCE

National Policy 58-201 – *Corporate Governance Guidelines* (“**NP 58-201**”) of the Canadian Securities Administrators sets out a series of guidelines for effective corporate governance (the “**Guidelines**”). The Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) requires the disclosure by each listed corporation of its approach to corporate governance with reference to the Guidelines as it is recognized that the unique characteristics of individual corporations will result in varying degrees of compliance.

The Board and management believe that sound and effective corporate governance is essential to Liberty's performance. Liberty has adopted certain practices and procedures to ensure that effective corporate governance practices are followed and that the Board functions independently of management. In addition, the CG Committee reviews the Company's corporate governance practices and procedures on a regular basis to ensure that they address significant issues of corporate governance. To comply with these various standards and achieve best practices, the Company has adopted comprehensive corporate governance policies and procedures. The Company's key policies and documents include the following:

- Mandate of the Board
- Charters of the Board Committees
 - Audit Committee
 - CG Committee

- Code of Conduct and Ethics
- Whistleblower Policy
- Corporate Disclosure Policy
- Insider Trading Policy
- Delegation of Authority Policy

The following sections set out a description of Liberty corporate governance practices as approved by the Board and in accordance with the requirements set forth in NI 58-101.

Board of Directors

Independence

NI 58-101 defines an “independent director” as a director who has no direct or indirect material relationship with the Company. A “material relationship” is in turn defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with such member’s independent judgment.

The Board is currently comprised of three members, two of whom the Board has determined to be “independent directors” within the meaning of NI 58-101. William Pfeiffer and Jeremy Straub are considered independent directors within the meaning of NI 58-101 since they are each independent of management and free from any material relationship with the Company. The basis for this determination is that, since the date of incorporation of the Company, none of the independent directors have worked for the Company, received remuneration from the Company or had material contracts with or material interests in the Company which could interfere with their ability to act with a view to the best interests of the Company. Victor E. Mancebo is not considered an independent director because he is also an officer of the Company.

The Board functions independently of management. To enhance its ability to act independent of management, the Board may in the future meet in the absence of members of management or may excuse such persons from all or a portion of any meeting where an actual or potential conflict of interest arises or where the Board otherwise determines is appropriate.

Common board memberships

The Board has not adopted a policy limiting the number of directors who sit on the board of another public company but believes disclosure of common board memberships is important, See: “*Statement of Corporate Governance Practices - Other Public Company Directorships Held*”.

Meetings of independent directors

Our Board believes that given its size and structure, it is able to facilitate independent judgment in carrying out its responsibilities. However, to further enhance such independent judgment, the Independent Directors may meet in the absence of senior executive officers or any non-independent directors.

Meetings

During the fiscal year ended February 28, 2019, the Board and the committees met as follows

	Meetings held
Board	8
Audit Committee	2
CG Committee	0

Attendance

The attendance record of each director is set out below:

Director	Board meetings attended	Audit committee meetings attended	CG committee meetings attended
William Pfeiffer	N/A	N/A	N/A
Jeremy Straub	N/A	N/A	N/A
Victor Mancebo	N/A	N/A	N/A
Ian McKinnon	2	N/A	N/A
John Hick	N/A	N/A	N/A
Vic Neufeld	6	1	N/A
George Scorsis	7	N/A	N/A
John Cervini	5	N/A	N/A
Michael Galloro	8	2	N/A
Aaron Serruya	8	2	N/A

Chairman of the Board

Mr. Pfeiffer serves as Chairman of the Board (the “**Chairman**”), and is considered independent. The primary functions of the Chairman are to facilitate the operations and deliberations of the Board and the satisfaction of the Board’s responsibilities under its mandate. The Chair’s key responsibilities include duties relating to setting Board meeting agendas, chairing Board and Shareholder meetings, director development, providing input on potential director candidates and communicating with Shareholders and regulators.

Other public company directorships held

The following table sets out the directors and officers of the Company that are, or have been within the last five years, directors, officers or promoters of other reporting issuers:

Name of director, officer or promoter	Name and jurisdiction of reporting issuer	Name of exchange	Position	Period
William Pfeiffer	Nil	Nil	Nil	Nil
Jeremy Straub	Nil	Nil	Nil	Nil
Victor E. Mancebo	Nil	Nil	Nil	Nil

Board Tenure

Liberty has not adopted a policy which imposes term limits for directors. We believe that it is crucial that directors understand our industry and our business and this requires a certain length of tenure on the Board. Long-term directors accumulate extensive company knowledge while new directors bring new experience and perspectives to the Board. It is important to achieve an appropriate balance of both to ensure an effective Board.

Orientation and Continuing Education

While the Company currently has no formal orientation and education program for new Board members, it is expected that sufficient information (such as recent financial statements and various other operating and budget reports) will be provided to all new Board members to ensure that new directors are familiarized with the Company’s business and the procedures of the Board. In addition, new directors will be encouraged to visit and meet with management on a regular basis. The Company will also encourage continuing education of its directors and officers where appropriate in order to ensure that they have the necessary skills and knowledge to meet their respective obligations to the Company. The Board’s continuing education will also consist of correspondence with the Company’s legal counsel to remain up to date with developments in relevant corporate and securities law matters.

Nomination of Directors

Responsibility for identifying new candidates to join the Board belongs to the Board as a whole. The Board encourages all directors to participate in the process of identifying and recruiting new candidates. The CG Committee has the responsibility of making recommendations to the Board with respect to the new nominees and for assessing directors on an on-going basis. While there

are no specific criteria for Board membership, the Company will seek to attract and retain directors with business knowledge and a particular expertise in mineral exploration and development or other areas of specialized knowledge (such as finance) which will assist in guiding the officers of the Company. The members of the CG Committee are currently William Pfeiffer, Jeremy Straub and Victor E. Mancebo. Mr. Pfeiffer and Mr. Straub are independent directors within the meaning of NI 58-101.

Ethical Business Conduct

The fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest will ensure that the Board operates independently of management and in the best interests of the Company.

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, as some of the directors and proposed directors of the Company also serve as directors and officers of other companies engaged in similar business activities, directors must comply with the conflict of interest provisions of the BCBCA, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest.

Any interested director will be required to declare the nature and extent of his or her interest, and will not be entitled to vote at meetings of directors at which matters that give rise to such a conflict of interest are considered.

Board Committees

The Board has two committees, the Audit Committee and the CG Committee (each alternatively a "**Committee**" and collectively, the "**Committees**").

The CG Committee shall review with the Board on an annual basis the current composition of the Board with a view to ensuring that the members of the Board have the independence, expertise, experience, personal qualities and ability to make the necessary time commitment to Liberty in light of the opportunities and risks facing Liberty.

The CG Committee shall propose to the Board nominees they believe to be qualified to be directors and, in doing so, shall consider both the opportunities and risks facing Liberty and the independence, expertise, experience, personal qualities and ability to make the necessary time commitment of a proposed nominee in order to add value to Liberty.

Audit Committee

The Audit Committee is responsible for monitoring the Company's accounting and financial reporting practices and procedures, the adequacy of internal accounting controls and procedures, the quality and integrity of financial statements and for directing the auditors' examination of specific areas. The members of the Audit Committee are Jeremy Straub, William Pfeiffer and Victor E. Mancebo. Mr. Straub and Mr. Pfeiffer are "independent" directors as defined in National Instrument 52-110 – *Audit Committees ("NI 52-110")*. Each member of the Audit Committee is considered to be "financially literate" within the meaning of NI 52-110, which includes the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the Company's financial statements. The full text of the charter of the Audit Committee (the "**Audit Committee Charter**") is attached as Appendix "A". The relevant education and experience of each of the members of the Audit Committee is described in their respective biographies under "Particulars of Matters to be Acted Upon – 1. Election of Directors" in this Circular.

Since the commencement of the Company's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

The Audit Committee is required to pre-approve all audit and non-audit services not prohibited by law to be provided by the independent auditors of the Company.

The Audit Committee has the primary function of fulfilling its responsibilities in relation to reviewing the integrity of Liberty's financial statements, financial disclosures and internal controls over financial reporting; monitoring the system of internal control; monitoring Liberty's compliance with legal and regulatory requirements, selecting the external auditor for shareholder approval; reviewing the qualifications, independence and performance of the external auditor; and reviewing the qualifications, independence and performance of Liberty's internal auditors, if any. The Audit Committee has specific responsibilities relating to Liberty's financial reports; the external auditor; the internal audit function, if any; internal controls; regulatory reports and returns; legal or compliance matters that have a material impact on Liberty; and Liberty's

whistleblowing procedures. In fulfilling its responsibilities, the Audit Committee meets regularly with the internal and external auditor and key management members.

The following table sets forth, by category, the fees (including estimates, but excluding disbursements) for all services rendered by the Company's external auditors, MNP LLP, for the period ending February 28, 2019.

	Period Ended February 28, 2019	Period Ended February 28, 2018
Audit Fees ⁽¹⁾	\$186,554	\$100,000
Audit Related Fees ⁽²⁾	\$-	\$65,000
Tax Fees ⁽³⁾	\$41,436	\$15,000
All Other Fees	\$-	\$-

Notes:

- (1) Includes fees necessary to perform the annual audit and quarterly reviews of the Company's financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) Includes services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) Includes fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

Since the Company is a "venture issuer" pursuant to NI 52-110, it is exempt from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

CG Committee

The fiscal 2019 CG Committee consisted of Vic Neufeld, Michael Galloro and Aaron Serruya. Mr. Galloro and Mr. Serruya were "independent" directors as defined in NI 52-110. As at the date of the Circular, the CG Committee consists of William Pfeiffer, Jeremy Straub and Victor E. Mancebo. Mr. Pfeiffer and Mr. Straub are "independent" directors as defined in NI 52-110. The CG Committee is charged with reviewing, overseeing and evaluating the governance and nominating policies and the compensation policies of Liberty. In addition, the CG Committee is responsible for: (i) assessing the effectiveness of the Board, each of its committees and individual directors; (ii) overseeing the recruitment and selection of candidates as directors of the Company; (iii) organizing orientation and education programs for new directors and coordinating continuing director development programs; (iv) considering and approving proposals by the directors to engage outside advisers on behalf of the Board as a whole or on behalf of the independent directors; (v) reviewing and making recommendations to the Board concerning any change in the number of directors composing the Board; (vi) administering any stock option or purchase plan of the Company or any other compensation incentive programs; (vii) assessing the performance of the officers and other members of the executive management team of the Company; and (viii) reviewing and making recommendations to the Board concerning the level and nature of the compensation payable, if any, to the directors and officers of the Company

Assessments

The Board will consider the Board and committee performance from time to time, as required.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Since the Company's incorporation, no director, executive officer, or Shareholder who beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares, or any known associates or affiliates or such persons, has or has had any material interest, direct or indirect, in any transaction or in any proposed transaction that has materially affected or is reasonably expected to materially affect the Company.

MANAGEMENT CONTRACTS

There are no management functions of the Company which are to any substantial degree performed by a person or a company other than the directors or executive officers of the Company.

ADDITIONAL INFORMATION

The Company will provide to any shareholder, upon written request to the Chairman of the Company at 327-180 John Street, Toronto, Ontario M5T 1X5, a copy of:

- (a) the audited financial statements of the Company for its most recently completed financial period, together with the management's discussion and analysis of such financial results and the auditor's report thereon, and one copy of any interim financial statements subsequent to the financial statements of the Company that have been filed for any period after the end of its most recently completed financial period; and
- (b) this Circular.

Additional information relating to the Company is available on SEDAR at www.sedar.com. Financial information about the Company may be found in the Company's consolidated financial statements and management's discussion and analysis for its most recently completed financial period.

OTHER BUSINESS

The Corporation knows of no other business to come before the meeting other than the matters referred to in the accompanying Notice of Annual Shareholder Meeting.

APPROVAL

The contents of this Circular and the sending thereof to the Shareholders have been approved by the Board.

DATED this 18th day of July, 2019.

BY ORDER OF THE BOARD OF DIRECTORS

"Victor E. Mancebo"

Victor E. Mancebo
Interim Chief Executive Officer

APPENDIX "A" – AUDIT COMMITTEE CHARTER

LIBERTY HEALTH SCIENCES INC. (the "Company")

AUDIT COMMITTEE CHARTER

1. Purpose

- 1.1. The audit committee of the Company (the "**Committee**") is ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting, as well as internal controls to achieve the objectives of safeguarding of corporate assets; reliability of information; and compliance with policies and laws. Within this mandate, the Committee's role is to:
 - (a) support the Board of Directors in meeting its responsibilities to shareholders; (b) enhance the independence of the external auditor;
 - (c) facilitate effective communications between management and the external auditor and provide a link between the external auditor and the Board of Directors; and
 - (d) increase the credibility and objectivity of the Company's financial reports and public disclosure.
- 1.2. The Committee will make recommendations to the Board of Directors regarding items relating to financial and regulatory reporting and the system of internal controls following the execution of the Committee's responsibilities as described herein.
- 1.3. The Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board of Directors from time to time prescribe.

2. Membership

- 2.1. Each member of the Committee must be a director of the Company.
- 2.2. The Committee will consist of at least three members, the majority of whom are neither officers nor employees nor control persons of the Company or any of its associates or affiliates in accordance with applicable corporate and securities laws and applicable stock exchange rules and policies.
- 2.3. Board of Directors, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board of Directors may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
- 2.4. Unless the Board of Directors shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
- 2.5. The Committee's composition shall meet all independence, legal and regulatory requirements.

3. Authority

- 3.1. In addition to all authority required to carry out the duties and responsibilities included in this charter, the Committee has specific authority to:

- (a) engage, and set and pay the compensation for, independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities;
 - (b) communicate directly with management and any internal auditor, and with the external auditor without management involvement, including for non-audit services; and
 - (c) approve interim and annual financial statements and MD&A for recommendation of the same to the Board of Directors.
- 3.2. The Committee shall have access to such officers and employees of the Company and to the Company's external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.

4. Duties and Responsibilities

4.1. The overall duties and responsibilities of the Committee shall be as follows:

- (a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly consolidated financial statements and related financial disclosure;
- (b) to establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;
- (c) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
- (d) to report regularly to the Board on the fulfillment of its duties and responsibilities.

4.2. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:

- (a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
- (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
- (c) to review the audit plan of the external auditors prior to the commencement of the audit;
- (d) to review with the external auditors, upon completion of their audit:
 - (i) contents of their report;
 - (ii) scope and quality of the audit work performed;
 - (iii) adequacy of the Company's financial and auditing personnel;
 - (iv) co-operation received from the Company's personnel during the audit;
 - (v) internal resources used;
 - (vi) significant transactions outside of the normal business of the Company;
 - (vii) significant proposed adjustments and recommendations for improving internal

accounting controls, accounting principles or management systems; and

(viii) the non-audit services provided by the external auditors;

(e) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles; and

(f) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.

4.3. The duties and responsibilities of the Committee as they relate to the Company's internal auditors are to:

(a) periodically review the internal audit function with respect to the organization, staffing and effectiveness of the internal audit department;

(b) review and approve the internal audit plan; and

(c) review significant internal audit findings and recommendations, and management's response thereto.

4.4. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:

(a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;

(b) review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;

(c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and

(d) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.

4.5. The Committee is also charged with the responsibility to:

(a) review the Company's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;

(b) review and approve the financial sections of:

(i) the annual report to shareholders;

(ii) the annual information form;

(iii) annual and interim management's discussion and analysis; (iv)

prospectuses;

(v) news releases discussing financial results of the Company; and

(vi) other public reports of a financial nature requiring approval by the Board, and report to the Board with respect thereto;

- (c) review regulatory filings and decisions as they relate to the Company's consolidated financial statements;
- (d) review the appropriateness of the policies and procedures used in the preparation of the Company's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
- (e) review and report on the integrity of the Company's consolidated financial statements; (f) review the minutes of any Committee meeting of subsidiary companies;
- (g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements;
- (h) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information;
- (i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board following each annual general meeting of shareholders; and
- (j) evaluate, annually, the adequacy of this Charter and recommend any proposed changes to the Board.

5. Meetings

- 5.1. The quorum for a meeting of the Committee is a majority of the members of the Committee who are not officers or employees of the Company or of an affiliate of the Company, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak to and hear each other.
- 5.2. The members of the Committee may determine their own procedures.
- 5.3. The Committee may establish its own schedule that it will provide to the Board of Directors in advance.
- 5.4. The external auditor is entitled to receive reasonable notice of every meeting of the Committee and to attend and be heard thereat.
- 5.5. A member of the Committee or the external auditor may call a meeting of the Committee.
- 5.6. The Committee will meet separately with the President and separately with the Chief Financial Officer of the Company at least annually to review the financial affairs of the Company.
- 5.7. The Committee will meet with the external auditor of the Company at least once each year, at such

time(s) as it deems appropriate, to review the external auditor's examination and report.

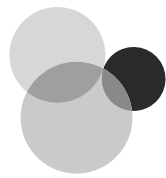
- 5.8. The chair of the Committee must convene a meeting of the Committee at the request of the external auditor, to consider any matter that the auditor believes should be brought to the attention of the Board of Directors or the shareholders.

6. Reports

- 6.1. The Committee will record its recommendations to the Board in written form which will be incorporated as a part of the minutes of the Board of Directors' meeting at which those recommendations are presented.

7. Minutes

- 7.1. The Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board of Directors.



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