LIBERTY DEFENSE HOLDINGS, LTD.

FORM 51-102F4

BUSINESS ACQUISITION REPORT

Item 1 Identity of Company

1.1 Name and Address of Company

Liberty Defense Holdings, Ltd. (the "**Company**")
Suite 1030, 200 Granville Street
Vancouver, British Columbia, V6R 2R3

1.2 Executive Officer

The following executive officer of the Company is knowledgeable about the Amalgamation (as defined below) and this report:

Damian Towns
Chief Financial Officer
Telephone: (604) 336-9811

Item 2 Details of Acquisition

2.1 Nature of Business Acquired

Liberty Defense Holdings, Inc. (the "**Target**") provides security solutions for concealed weapons detection in high volume foot traffic areas.

2.2 Acquisition Date

April 3, 2019.

2.3 Consideration

Pursuant to a "three cornered" amalgamation under the *Business Corporations Act* (Ontario) (the "**Amalgamation**"), the Company acquired all of the issued and outstanding common shares of the Target in exchange for an aggregate of 53,111,525 common shares of the Company, representing one Company common share for each Target common share held immediately prior to the effective date of the Amalgamation. Options and common share purchase warrants of the Target were exchanged for replacement options and warrants of the Company at the same exchange ratio as the common shares.

2.4 Effect on Financial Position

The business of the Target will be the business of the Company going forward. The acquisition of the Target constituted a "reverse take over" (as defined in National Instrument 51-102- *Continuous Disclosure Obligations*) of the Company and, accordingly, will have significant effect on the Company's financial position.

2.5 Prior Valuations

There have been no prior valuation opinions obtained within the last 12 months by the Target or the Company, which were required by securities legislation or a Canadian exchange or market to support the consideration paid.

2.6 Parties to Transaction

The Target amalgamated with 2675553 Ontario Limited, a wholly owned subsidiary of the Company. The Amalgamation did not involve an informed person, associate or affiliate of the Company.

2.7 Date of Report

August 2, 2019.

Item 3 Financial Statements and Other Information

The audited financial statements of the Target for the period from April 30, 2018 (inception) to December 31, 2018 were included in the Company's Filing Statement filed on March 29, 2019 on the Company's SEDAR profile (www.sedar.com) and are incorporated herein by reference.

The unaudited financial statements of the Target for the period ended March 30, 2019 were filed on May 30, 2019 on the Company's SEDAR profile (www.sedar.com) and are incorporated herein by reference.

The Company did not obtain the consent of the auditors for the inclusion of their auditor's report in this Report.