Liberty Defense Holdings, Ltd.

Code of Business Conduct and Ethics

Approved by the Board on [--]

Introduction

This Code of Business Conduct and Ethics (this "**Code**") has been adopted by the board of directors (the "**Board**") of Liberty Defense Holdings, Ltd. (together with its affiliates and subsidiaries, the "**Company**") and summarizes the standards that must guide our actions. Although they cover a wide range of business practices and procedures, these standards cannot and do not cover every issue that may arise or every situation in which ethical decisions must be made, but rather set forth key guiding principles that represent Company policies and establish conditions for employment at and providing services to the Company.

We must strive to foster a culture of honesty and accountability. Our commitment to the highest level of ethical conduct should be reflected in all of the Company's business activities, including, but not limited to, relationships with employees, customers, suppliers, competitors, governments, regulators, the public and our shareholders. All of our directors, officers, employees, consultants and contractors (collectively, "**Representatives**") must conduct themselves according to the language and spirit of this Code and seek to avoid even the appearance of improper behavior. Even well-intentioned actions that violate the law or this Code may result in negative consequences for the Company and for the individuals involved.

One of our Company's most valuable assets is our reputation for integrity, professionalism and fairness. We should all recognize that our actions are the foundation of our reputation and adhering to this Code and applicable law is imperative.

Conflicts of Interest

Representatives have an obligation to conduct themselves in an honest and ethical manner and to act in the best interest of the Company and in good faith. Representatives should endeavor to avoid situations that present a potential or actual conflict between their personal, family or business interests and the interest of the Company, and Representatives are expected to put the interests of the Company before their own.

A "conflict of interest" occurs when a person's private interest interferes in any way, or even appears to interfere, with the interests of the Company as a whole, including those of its subsidiaries, if any, and affiliates. A conflict of interest can arise when a Representative takes an action or has an interest that may make it difficult for him or her to perform his or her work objectively and effectively. Conflicts of interest may also arise when a Representative (or a member of his or her family) receives improper personal benefits as a result of the employee's, officer's or director's position in the Company.

Although it would not be possible to describe every situation in which a conflict of interest may arise, the following are examples of situations that may constitute a conflict of interest:

- Working, in any capacity, for a competitor, customer or supplier while employed by the Company.

- Competing with the Company, directly or indirectly, for the purchase or sale of property, products, services or other interests.

- Having an interest in a transaction involving the Company, a competitor, customer or supplier (other than as a Representative of the Company and not including routine investments in publicly traded companies).

- Receiving a loan or guarantee of an obligation as a result of your position with the Company.

- Directing business to a supplier owned or managed by, or which employs, a relative or friend.

Situations involving a conflict of interest may not always be obvious or easy to resolve. You should promptly report actions that may involve a conflict of interest to the Chief Executive Officer.

In the event that an actual or apparent conflict of interest arises between the personal and professional relationship or activities of a Representative, the Representative involved is required to handle such conflict of interest in an ethical manner in accordance with the provisions of this Code.

Fair Dealing

We seek competitive advantages through superior performance, never through unethical or illegal business practices. Stealing proprietary information, possessing such without the owner's consent or inducing the disclosures of proprietary information by past or present employees of other companies is prohibited. Each Representative should endeavor to deal fairly with the Company's customers, suppliers, competitors and employees. No Representative should take unfair advantage of anyone through illegal conduct, manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.

Corporate Opportunities

Directors, officers, and employees of the Company are prohibited from taking for themselves personally opportunities that rise through the use of corporate property, information or position and from using corporate property, information or position for personal gain. Directors, officers and employees owe a duty to the Company to advance the legitimate interests of the Company when the opportunity to do so arises.

Gifts and Entertainment

Representatives shall perform their duties and arrange their personal business affairs in a manner that does not interfere with their independent exercise of judgment. Generally, Representatives shall not give or accept any gift, favor, entertainment, special accommodation or other items of value, to or from any vendors, suppliers, potential candidates, potential or actual business partners or other third parties except in strict compliance with this Code and with applicable law. No one working for the Company shall accept financial compensation of any kind, nor any special discount, loan or favor, from persons, corporations or organizations having dealings or potential dealings with the Company.

Quality of Public Disclosures

The Company has a responsibility to communicate effectively with shareholders so that they are provided with full and accurate information, in all material respects, about the Company's financial condition and results of operations. Our reports and documents filed with or submitted to the United States Securities and Exchange Commission and the Canadian Securities Administrators and our other public communications shall include full, fair, accurate, timely and understandable disclosure, and the Company has established a Disclosure Committee to assist in monitoring such disclosures, as provided in the Company's Disclosure Policy.

Compliance with Laws, Rules and Regulations

We are strongly committed to conducting our business affairs with honesty and integrity and in full compliance with all applicable laws, rules and regulations. No Representative of the Company shall commit an illegal or unethical act, or instruct others to do so, for any reason.

Compliance with This Code and Reporting of Any Illegal or Unethical Behavior

All Representatives are expected to comply with all of the provisions of this Code and all Company policies that apply to them, including the Disclosure Policy, the Whistleblower Policy and the Insider Trading Policy. The Code will be strictly enforced and violations will be dealt with immediately, including by subjecting persons who violate its provisions to corrective and/or disciplinary action such as dismissal or removal from office. Violations of the Code that involve illegal behavior will be reported to the appropriate authorities.

Situations which may involve a violation of ethics, laws, rules, regulations or this Code may not always be clear and may require the exercise of judgment or the making of difficult decisions. All employees, consultants and contractors should promptly report any concerns about a violation of ethics, laws, rules, regulations or this Code to their supervisors/managers or, in the case of accounting, internal accounting controls or auditing matters, the Audit Committee of our Board.

Any concerns about a violation of ethics, laws, rules, regulations or this Code, including with respect to accounting, internal accounting controls or auditing matters, by any senior executive officer or director should be reported promptly to the Chief Executive Officer and the Chief Executive Officer shall notify the Audit Committee of our Board. Any such concerns involving the Chief Executive Officer should be reported to the Audit Committee of our Board.

The Company has adopted a Whistleblower Policy which provides procedures for reporting any breach or suspected breach of law, this Code or any Company policies. The Whistleblower Policy is posted on the Company's website.

The Company encourages all Representatives to report any suspected violations promptly and intends to thoroughly investigate any good faith reports of violations. The Company will not tolerate any kind of retaliation for reports or complaints regarding misconduct that were made in good faith. Open communication of issues and concerns by all Representatives without fear of retribution or retaliation is vital to the successful implementation of this Code. All Representatives are required to cooperate in any internal investigations of misconduct and unethical behavior.

The Company recognizes the need for this Code to be applied equally to everyone it covers. The Chief Executive Officer of the Company will have primary authority and responsibility for the enforcement of this Code, subject to the supervision of the Audit Committee of our Board, and the Company will devote the necessary resources to enable the Chief Executive Officer to establish such procedures as may be reasonably necessary to create a culture of accountability and facilitate compliance with this Code. Questions concerning this Code should be directed to the Chief Executive Officer.

The provisions of this section are qualified in their entirety by reference to the following section.

Reporting Violations to a Governmental Agency

You have the right under U.S. federal law and Canadian law to certain protections for cooperating with or reporting legal violations to governmental agencies or entities and self-regulatory organizations. As such, nothing in this Code is intended to prohibit you from disclosing or reporting violations to, or from cooperating with, a governmental agency or entity or self-regulatory organization, such as the British Columbia Securities Commission's Whistleblower Program, and you may do so without notifying the Company. The Company may not retaliate against you for any of these activities, and nothing in this Code or otherwise requires you to waive any monetary award or other payment that you might become entitled to from a governmental agency or entity, or self- regulatory organization.

Protection of Confidential Proprietary Information

Confidential proprietary information generated by and gathered in our business is a valuable Company asset. Protecting this information plays a vital role in our continued growth and ability to compete, and all proprietary information should be maintained in strict confidence, except when disclosure is authorized by the Company or required by law.

Proprietary information includes all non-public information that might be useful to competitors or that could be harmful to the Company, its customers or its suppliers if disclosed. Intellectual property such as trade secrets, patents, trademarks and copyrights, as well as business, research and new product plans, objectives and strategies, records, databases, salary and benefits data, employee medical information, customer, employee and suppliers lists and any unpublished financial or pricing information must also be protected.

Representatives must maintain the confidentiality of information entrusted to them by the Company or that otherwise comes into their possession in the course of their employment or engagement, as applicable, except when disclosure is authorized or legally mandated. Representatives may be required to execute a standard form confidentiality agreement upon starting employment or services or from time to time during the course of employment or engagement, as applicable.

Unauthorized use or distribution of proprietary information violates Company policy and could be illegal. Such use or distribution could result in negative consequences for both the Company and the individuals involved, including potential legal and disciplinary actions. We respect the property rights of other companies and their proprietary information and require our Representatives to observe such rights.

Your obligation to protect the Company's proprietary and confidential information continues even after you leave the Company, and you must return all proprietary information in your possession upon leaving the Company.

The provisions of this section are qualified in their entirety by the section titled "Reporting Violations to a Governmental Agency" above.

Protection and Proper Use of Company Assets

Protecting Company assets against loss, theft, damage, misappropriation or other misuse is the responsibility of every Representative. Loss, theft, damage, misappropriation and misuse of Company assets directly impact our profitability. Any suspected loss, misuse or theft should be reported to a senior manager/supervisor or the Chief Executive Officer immediately. Company assets may not be used for personal gain or benefit. Company assets include all data, information (confidential or otherwise), records, products, material, facilities, inventory, "know-how", trade secrets, trademarks, copyrights and other intellectual property and equipment.

Safe, Respectful and Inclusive Workplace

We are committed to providing a collegial working environment in which all individuals are treated with dignity and respect. Each individual has the right to work in a professional atmosphere which promotes equal opportunities and prohibits discriminatory practices. Any discrimination or harassment, including on the basis of age, color, creed, disability, ethnic origin, gender, marital status, national origin, political belief, race, religion, sexual orientation, gender identity, gender expression or any other characteristics protected by law, is strictly prohibited.

We are committed to providing a safe and healthy work environment that complies with all relevant laws and regulations. Workplace violence is not tolerated. Any misuse of alcohol or legal drugs (prescribed or un-prescribed), or the use of any illegal drugs, may jeopardize job safety and/or performance, and is prohibited in the workplace. No Representative shall enter the workplace under the influence of alcohol or such drugs that may impair safety and/or performance.

Social Media

While business should only be conducted through approved channels, we understand that social media is used as a source of information and as a form of communicating with friends, family and workplace contacts.

When you are using social media and identify yourself as a Company employee, officer or director or mention the Company incidentally, please remember the following:

- Never disclose confidential information about the Company or its business, customers or suppliers.
- Make clear that any views expressed are your own and not those of the Company.
- Be respectful of your colleagues and all persons associated with the Company, including customers and suppliers.

Waivers and Amendments

Any waiver (including any implicit waiver) of the provisions in this Code for executive officers or directors is required to be approved by the Audit Committee of our Board and will be publicly disclosed in accordance with applicable Canadian and U.S. securities laws and stock exchange rules.

Review

The Audit Committee of our Board shall review this Code periodically and recommend any changes to our Board, as appropriate.