

Golden Leaf Announces Closing of C\$35 Million Subscription Receipt Financing

TORONTO, ONTARIO--(Marketwired – June 2, 2017) – Golden Leaf Holdings Ltd. (“GLH” or the “Company”) (CSE:GLH) (OTCQB:GLDFF), a leading cannabis oil solutions company built around recognized brands, is pleased to announce the closing of its previously announced best efforts private placement offering (the “Offering”) of subscription receipts (the “Subscription Receipts”). Pursuant to the Offering, the Company has sold 125,892,857 Subscription Receipts, at a price of C\$0.28 per Subscription Receipt (the “Issue Price”), for aggregate gross proceeds of C\$35,249,999.96 million.

Canaccord Genuity Corp. acted as the lead agent for a syndicate of agents (the “Agents”) including Echelon Wealth Partners Inc. and Mackie Research Capital Corporation. AC Group Financial Inc. acted as an advisor to the Company in connection with the Offering and the four previously announced acquisitions being undertaken by the Company.

The Subscription Receipts were issued pursuant to a subscription receipt agreement (the “Subscription Receipt Agreement”) among the Company, Canaccord Genuity Corp. and TSX Trust Company, as subscription receipt agent. Pursuant to the Subscription Receipt Agreement, the gross proceeds from the Offering (less 50% of the Agents’ cash commission and all of the Agents’ estimated expenses) (the “Escrowed Funds”) have been placed in escrow pending satisfaction of certain escrow release conditions (the “Escrow Release Conditions”), which include (i) signing of the definitive agreement (the “Definitive Agreement”) regarding the acquisition of Chalice LLC (the “Acquisition”); (ii) all conditions precedent to the completion of the Acquisition shall have been satisfied; (iii) the Common Shares issuable pursuant to the Offering being listed on the Canadian Securities Exchange; (iv) the receipt of all necessary regulatory, shareholder and third-party approvals, if any, in connection with the Acquisition; and (iv) the Company shall not be in breach or default of any of its covenants or obligations under the Subscription Receipt Agreement or the agency agreement entered into with the Agents in connection with the Offering (the “Agency Agreement”). Upon satisfaction of the Escrow Release Conditions, the Escrowed Funds, together with any interest earned thereon, will be released to the Company and each Subscription Receipt shall be automatically exchanged, without any further consideration or action by the holder thereof, for one common share in the capital of the Company (each, a “Common Share”) and one-half of one common share purchase warrant (each whole common share purchase warrant, a “Warrant”). Each Warrant will be exercisable to acquire one common share of the Company (each, a “Warrant Share”) at a price of \$0.37 per Warrant Share, until June 2, 2019, subject to adjustment in certain events.

The net proceeds from the Offering are anticipated to be used to satisfy the cash component of the purchase price for the Acquisition, as well as to fund the Company's other recently announced acquisitions and for existing operations. If the Escrow Release Conditions have not been satisfied by September 30, 2017 (the "Escrow Deadline"), the Subscription Receipts will be deemed to be cancelled and holders of Subscription Receipts will receive a cash amount equal to the offering price of the Subscription Receipts. Any shortfall will be funded by the Company.

As consideration for the services provided by the Agents in connection with the Offering, the Agents received a cash commission of C\$2,467,500, 50% of which was paid on closing of the Offering and the other 50% of which will be payable upon satisfaction of the Escrow Release Conditions. As additional consideration, the Agents were granted 8,812,500 compensation warrants (the "Compensation Warrants"). Each Compensation Warrant entitles the holder thereof to acquire one Common Share and one-half of one Warrant at the Issue Price until June 2, 2019. In the event that the Escrow Release Conditions are not satisfied or waived by the Escrow Deadline, (i) the balance of the unpaid commission will not be paid, and (ii) the Compensation Warrants shall automatically terminate.

All securities issued pursuant to the Offering are subject to a statutory hold period of four months and one day, expiring on October 3, 2017.

Pursuant to the terms of the Agency Agreement, the Company is also proposing to issue and sell, on a brokered, private placement basis, in one or more closings (the "Unit Offering"), up to C\$5,000,000 of units of the Company (the "Units"), each Unit to be comprised of one Common Share and one-half of one Warrant. The first closing under the Unit Offering is expected to occur in the next few weeks. The net proceeds of the Unit Offering will also be used to fund the Company's other recently announced acquisitions and for existing operations. The Unit Offering is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and stock exchange approvals.

About Golden Leaf Holdings:

Golden Leaf Holdings Ltd. is one of the largest cannabis oil and solution providers in North America. It's a leading cannabis products company in Oregon built around recognized brands. GLH leverages a strong management team with cannabis and food industry experience to complement its expertise in extracting, refining and selling cannabis oil.

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Disclaimer: This press release contains "forward-looking information" within the meaning of applicable securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the Company's future business operation, expectations of gross sales, the opinions or beliefs of management and future business goals, statements regarding the timing and completion of the proposed Acquisition and the Unit Offering, the use of the net proceeds of the Offering, the satisfaction of the Escrow Release Condition and management's expectations with respect to the Offering and the Acquisition. Generally, forward looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to general business, economic and competitive uncertainties, regulatory risks including risks related to the expected timing of the Company's participation in the Adult Use market, market risks, risks inherent in manufacturing operations and other risks of the cannabis industry. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ

materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward looking information. Forward-looking information is provided herein for the purpose of presenting information about management's current expectations relating to the future and readers are cautioned that such information may not be appropriate for other purpose. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws. This Release does not constitute an offer of securities for sale in the United States, and such securities may not be offered or sold in the United States absent registration or an exemption from registration.