

GOLDEN LEAF HOLDINGS LTD.

**EARLY WARNING REPORT FILED PURSUANT TO
NATIONAL INSTRUMENT 62-103**

A. Name and Address of the Offeror

Peter Saladino (the “Offeror”)
6067 Atlas Place SW
Seattle, WA 98136

B. The designation and number or principal amount of securities and the offeror’s securityholding percentage in the class of securities of which the offeror acquired ownership or control in the transaction or occurrence giving rise to the obligation to file the news release, and whether it was ownership or control that was acquired in those circumstances

On March 15, 2016, the Offeror acquired ownership of 30,769,777 common shares (the “GLH Shares”) of Golden Leaf Holdings Ltd. (“GLH”), representing approximately 32.5% of the issued and outstanding GLH Shares, and 250,000 common share purchase warrants of GLH (the “Warrants”). Each Warrant entitles the holder to purchase one GLH Share at a price of US\$0.39 until March 15, 2018.

Collectively, the GLH Shares and Warrants acquired by the Offeror represent approximately 32.7% of the issued and outstanding GLH Shares, assuming the exercise of the Warrants.

C. The designation and number or principal amount of securities and the offeror’s securityholding percentage in the class of securities immediately after the transaction or occurrence giving rise to obligation to file the news release

The Offeror holds 30,769,777 GLH Shares, representing approximately 32.5% of the 94,540,673 issued and outstanding GLH Shares, and 250,000 Warrants. Collectively, the Offeror has beneficial ownership of 31,019,777 GLH Shares, assuming the exercise of the Warrants, representing 32.7% of the issued and outstanding GLH Shares on a partially diluted basis.

D. The designation and number or principal amount of securities and the percentage of outstanding securities of the class of securities referred to in paragraph C over which:

- (a) **the offeror, either alone or together with any joint actors, has ownership and control,**

See paragraph C above.

- (b) **the offeror, either alone or together with any joint actors, has ownership but control is held by other persons or companies other than the offeror or any joint actor, and**

Not applicable.

- (c) **the offeror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Not applicable.

E. The name of the market in which the transaction or occurrence that gave rise to the news release took place

Not applicable. The transaction referred to in paragraph B above took place by way of a private agreement.

E.1 The value, in Canadian dollars, of any consideration offered per security if the offeror acquired ownership of a security in the transaction or occurrence giving rise to the obligation to file a news release

The GLH Shares referred to in paragraph B above were acquired from GLH as payment of a portion of the Purchase Price (as defined below) payable to the Offeror under the Agreement (as defined below) equal to C\$16,620,000 (the amount in Canadian dollars equivalent to USD\$12,000,000, based on Bloomberg's exchange rate of USD\$1.00 = C\$1.3850 on February 12, 2016), based on the closing price of the GLH Shares on the Canadian Securities Exchange on February 12, 2016, being C\$0.54 (approximately USD\$0.39, based on Bloomberg's exchange rate of USD\$1.00 = C\$1.3850 on February 12, 2016).

F. The purpose of the offeror and any joint actors in effecting the transaction or occurrence that gave rise to the news release, including any future intention to acquire ownership of, or control over, additional securities of the reporting issuer

The GLH Shares referred to in paragraph B above were acquired from GLH as payment of a portion of the Purchase Price payable to the Offeror in connection with the Strategic Partnership (as defined below). The Offeror may from time to time acquire additional securities of GLH dispose of some or all of the existing or additional securities he holds or will hold, or may continue to hold his current position.

G. The general nature and the material terms of any agreement, other than lending arrangements, with respect to securities of the reporting issuer entered into by the offeror, or any joint actor, and the issuer of the securities or any other entity in connection with the transaction or occurrence giving rise to the news release, including agreements with respect to the acquisition, holding, disposition or voting of any of the securities

On January 20, 2016, the Offeror entered into an agreement (the "**Agreement**") with GLH, GL Management, Inc., a wholly-owned subsidiary of GLH (the "**Buyer**"), BMF Washington LLC ("**BMF**") and Liberty Reach LLC in connection with implementation of a strategic partnership (the "**Strategic Partnership**").

The Agreement includes the acquisition of certain assets and the provision of certain goods and services to BMF in furtherance of creating the Strategic Partnership. As consideration in connection with the Agreement, the Buyer agreed to pay a total of US\$15,000,000 (the "**Purchase Price**") together with the issuance of 300,000 Warrants. USD\$12,000,000 of the Purchase Price is payable in GLH Shares, based on the closing price of the GLH Shares on February 12, 2016, being C\$0.54 (approximately USD\$0.39, based on Bloomberg's exchange rate of USD\$1.00 = C\$1.3850 on February 12, 2016).

Each Warrant entitles the holder to purchase one GLH Share at a price of US\$0.39 until March 15, 2018.

The Agreement does not contain any other provisions governing the acquisition, holding, disposition or voting of any such GLH Shares and Warrants.

H. The names of any joint actors in connection with the disclosure required by this report

Not applicable.

I. In the case of a transaction or occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, the nature and value, in Canadian dollars of the consideration paid by the offeror

The GLH Shares referred to in paragraph B above were acquired from GLH in lieu of cash consideration of C\$16,620,000 (the amount in Canadian dollars equivalent to USD\$12,000,000, based on Bloomberg's exchange rate of USD\$1.00 = C\$1.3850 on February 12, 2016), based on a price per share of C\$0.54 (approximately USD\$0.39, based on Bloomberg's exchange rate of USD\$1.00 = C\$1.3850 on February 12, 2016).

J. If applicable, a description of any change in any material fact set out in a previous report by the offeror under the early warning requirements or Part 4 in respect of the reporting issuer's securities

Not applicable.

K. If applicable, a description of the exemption from securities legislation being relied on by the offeror and the facts that support that reliance

The exemption relied on for the acquisition of the GLH Shares and Warrants is Section 2.12 of National Instrument 45-106 – *Prospectus Exemptions*.

DATED as of the 15th day of March, 2016

(signed) "Peter Saladino"