

Oregon Health Authority Lists Golden Leaf on List of Registered Processors Authorizing Extraction Operations and Sales

TORONTO, ONTARIO--(Marketwired – April 18, 2016) – Golden Leaf Holdings Ltd. ("GLH" or the "Company") (CSE:GLH), is pleased to announce that the Oregon Health Authority ("OHA") has listed Greenpoint Oregon Inc. ("Greenpoint"), the Oregon subsidiary of GLH, on their list of authorized extractors. The OHA, the regulatory body overseeing the Oregon Medical Marijuana Program ("OMMP"), has recently published a list of regulatory requirements, which includes a processor registration requirement. Greenpoint was one of the processors that submitted their application immediately upon the opening of the process.

This means that GLH's subsidiary Greenpoint can produce and sell extracts to dispensaries while the OHA is reviewing the completed application and scheduling an inspection. The listing of Greenpoint is expected to provide the Company with the opportunity to continue to leverage its differentiated brand platform of extract products to capture additional market share and consumer traction.

The OHA rule tried to address legislative concerns over public safety associated with non-commercial, unsophisticated extractors, however in doing so implemented rules that caused confusion in the market disrupting dispensaries abilities to purchase and sell oil extract and derivative products. The confusion that resulted and temporary restrictions on extract sales that existed is expected to negatively impact GLH's Q1 2016 financial results. However, the OHA's new licensing process greatly raises the bar for Oregon's marijuana industry ensuring that extract companies meet more stringent regulatory standards. With the regulations gaining clarity, GLH expects revenue growth in Q2 due to anticipated early recreational oil sales and the potential commencement of revenues derived from Washington State.

GLH has invested in infrastructure that is necessary to comply with the new extraction regulations and inspection requirements. Following inspection, the Company is expected to be well positioned to leverage its processing license to maintain its leadership in Oregon's extract industry. Due to the regulations' higher standards and associated costs, it is likely that some extraction companies in the State may face challenges remaining in full compliance.

Don Robinson, Chief Executive Officer of GLH, stated, "These types of issues will come up from time to time as we evolve as an industry. We are glad that the OHA was able to strike a balance between public safety and supporting a vibrant, emerging industry. We are keeping our focus on the long term opportunity that this movement represents and hope that our investors consider this as well. If anything it is expected that this will strengthen Golden Leaf as a dominant player in the State."

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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