



NOTICE OF MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

OF

GOLDEN LEAF HOLDINGS LTD.

TO BE HELD ON JUNE 29, 2016

Dated: May 31, 2016

GOLDEN LEAF HOLDINGS LTD.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the annual and special meeting (the “**Meeting**”) of the shareholders (the “**Shareholders**”) of Golden Leaf Holdings Ltd. (“**Golden Leaf**” or the “**Corporation**”) will be held on Wednesday June 29, 2016 at 11:00 a.m. (Toronto time) at the offices of Cassels Brock & Blackwell LLP, 2100 Scotia Plaza, 40 King Street West, Toronto, Ontario, M5H 3C2, for the following purposes:

1. to receive and consider the audited consolidated financial statements of the Corporation as at and for the year ended December 31, 2015, together with the report of the auditors thereon;
2. to fix the number of directors to be elected at the Meeting at five;
3. to elect the directors of the Corporation for the ensuing year, as more particularly described under the heading “Particulars of Matters to be Acted Upon – Election of Directors” in the Corporation’s management information circular dated May 31, 2016 (the “**Circular**”);
4. to consider and, if deemed advisable, to pass, with or without variation, a special resolution authorizing the directors of the Corporation to determine the size of the board of directors of the Corporation from time to time, as more particularly described under the heading “Particulars of Matters to be Acted Upon – Discretionary Size of Board” in the Circular;
5. to appoint Grant Thornton LLP, Chartered Accountants, as auditor of the Corporation for the ensuing year and to authorize the directors to fix their remuneration; and
6. to transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

Your vote is important.

This notice is accompanied by the Circular, and either a form of proxy for registered Shareholders or a voting instruction form for non-registered Shareholders, (collectively, the “**Meeting Materials**”). Shareholders are able to request to receive copies of the Corporation’s audited consolidated financial statements and related management’s discussion and analysis (“**MD&A**”) and/or interim consolidated financial statements and related MD&A by marking the appropriate box on the enclosed financial statement request card, in the case of registered Shareholders, or return card, in the case of non-registered Shareholders. The audited consolidated financial statements of the Corporation for the year ended December 31, 2015 and related MD&A can be found under the Corporation’s profile on the System for Electronic Document Analysis and Retrieval at www.sedar.com.

Shareholders are invited to attend the Meeting in person or may be represented by proxy. Registered Shareholders who are unable to attend the Meeting in person are requested to complete, date and sign the form of proxy and send it to the Corporate Secretary of the Corporation, c/o TMX Equity Transfer Services Inc. (“**TMX Equity**”), 200 University Avenue, Suite 300, Toronto, Ontario M5H 4H1, Attention: Proxy Department, or by facsimile at 416-595-9593. Electronic voting is also available for this Meeting through www.voteproxyonline.com. Votes cast electronically are in all respects equivalent to, and will be treated in the exact same manner as, votes cast via a paper form of proxy. Further details on the electronic voting process are provided in the form of proxy. Non-registered Shareholders who receive the Meeting Materials either directly from the Corporation or through their broker or other intermediary should complete and send the voting instruction form in accordance with the instructions provided.

The board of directors of the Corporation has, by resolution, fixed the close of business on May 16, 2016 as the record date for the determination of the registered holders of common shares entitled to receive notice of, and to vote at, the Meeting and any adjournment or postponement thereof. The board of directors of the Corporation has, by resolution, fixed 11:00 a.m. (Toronto time) on June 27, 2016, or no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of any adjournment(s) or postponement(s) of the Meeting, as the time before which proxies to be used or acted upon at the Meeting or any adjournment or postponement thereof must be deposited with the Corporation’s transfer agent, TMX Equity.

DATED at Toronto, Ontario, this 31st day of May, 2016.

BY ORDER OF THE BOARD

“Donald M. Robinson”

Donald M. Robinson
Chief Executive Officer and Director

MANAGEMENT INFORMATION CIRCULAR

This management information circular (the “**Circular**”) has been prepared in connection with the solicitation of proxies by or on behalf of the management of Golden Leaf Holdings Ltd. (“**Golden Leaf**” or the “**Corporation**”) for use at the annual meeting (the “**Meeting**”) of holders (collectively, the “**Shareholders**”, or individually, a “**Shareholder**”) of common shares of Golden Leaf (the “**Common Shares**”) to be held on Wednesday, June 29, 2016, at the time and place and for the purposes set forth in the accompanying notice of Meeting (the “**Notice**”) and any adjournment or postponement thereof. References in this Circular to the Meeting include any adjournment or postponement thereof.

Unless otherwise stated, the information contained in this Circular is given as of May 31, 2016. Unless otherwise indicated herein, references to “\$” or “Canadian dollars” are to Canadian dollars, and references to “US\$” or “U.S. dollars” are to United States dollars.

GENERAL PROXY MATTERS

Solicitation of Proxies

The enclosed proxy is being solicited by the management of the Corporation for use at the Meeting. Proxies may be solicited by mail, telephone, email, facsimile or other electronic means. Proxies may be solicited personally by directors or regular employees of the Corporation. These persons will receive no compensation for such solicitation other than their regular fees or salaries. The cost of solicitation of proxies will be paid by the Corporation.

The board of directors of the Corporation (the “**Board**”) has, by resolution, fixed the close of business on May 16, 2016 (the “**Record Date**”) as the record date for the determination of the registered holders of Common Shares entitled to notice of, and to vote at, the Meeting and any adjournment(s) or postponement(s) thereof. Shareholders of record at the close of business on the Record Date will be entitled to vote in person or by proxy at the Meeting or at any adjournment or postponement thereof (subject, in the case of voting by proxy, to the timely deposit of a properly completed, signed and dated proxy with Computershare as specified herein and in the Notice).

The Board has, by resolution, fixed 11:00 a.m. (Toronto time) on June 27, 2016, or no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of any adjournment(s) or postponement(s) of the Meeting, as the time before which proxies to be used or acted upon at the Meeting or any adjournment(s) or postponement(s) thereof must be deposited with the Corporation’s transfer agent, TMX Equity Transfer Services Inc. (“**TMX Equity**”) at 200 University Avenue, Suite 300, Toronto, Ontario M5H 4H1, Attention: Proxy Department, or by facsimile at 416-595-9593. Electronic voting is also available for this Meeting through www.voteproxyonline.com. Votes cast electronically are in all respects equivalent to, and will be treated in the exact same manner as, votes cast via a paper form of proxy. Further details on the electronic voting process are provided in the form of proxy. The Chairman of the Meeting may extend or waive the proxy deadline without notice.

These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

By choosing to send these materials to you directly, the issuer (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Shareholders will also receive access to a supplementary mailing list return card to be used to request inclusion on the Corporation’s supplementary mailing list for its annual and interim financial statements.

Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy are officers and/or directors of the Corporation. **A Shareholder desiring to appoint some other person or entity to represent him, her or it at the Meeting may do so by inserting such person or entity’s name in the blank space provided in that**

form of proxy or by completing another proper form of proxy and, in either case, depositing the completed proxy at the office of the Corporation's transfer agent, TMX Equity, as indicated on the envelope accompanying the form of proxy not later than the time specified in the Notice.

In addition to revocation in any other manner permitted by law, a Shareholder may revoke a proxy given pursuant to this solicitation by depositing an instrument in writing (including another proxy bearing a later date) executed by the Shareholder or by an attorney authorized in writing to TMX Equity Transfer Services Inc. at 200 University Avenue, Suite 300, Toronto, Ontario M5H 4H1 at any time up to and including the last business day preceding the day of the Meeting.

Voting of Proxies

The persons named in the form of proxy will vote the Common Shares in respect of which they are appointed in accordance with the direction of the Shareholders appointing them. **In the absence of such direction, such Common Shares will be voted in favour of the passing of all the matters and resolutions described below. The form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice and with respect to other matters which may properly come before the Meeting.** As at the date hereof, management knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters that are not now known to management should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.

A proxy will not be valid unless it is signed by the registered Shareholder, or by the registered Shareholder's attorney with proof that they are authorized to sign. If you represent a registered Shareholder that is a corporation, your proxy should have the seal of the corporation, if applicable, and must be executed by an officer or an attorney, authorized in writing. If you execute a proxy as an attorney for an individual registered Shareholder, or as an officer or attorney of a registered Shareholder that is a corporation, you must include the original or notarized copy of the written authorization for the officer or attorney with your proxy form.

Non-Registered Holders

Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares beneficially owned by a holder who is not a registered Shareholder (a **"Non-Registered Shareholder"**) are registered either: (i) in the name of an intermediary with whom the Non-Registered Shareholder deals in respect of the Common Shares such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered Registered Retirement Savings Plans, Registered Retirement Income Funds, Registered Education Savings Plans and similar plans (an **"Intermediary"**); or (ii) in the name of a clearing agency (such as CDS & Co., of which the Intermediary is a participant).

In accordance with applicable securities law requirements, the Corporation will distribute copies of the Notice, the Circular, a Voting Instruction Form (as defined below) and the supplemental mailing list return card (collectively, the **"Mailed Materials"**) to the clearing agencies and Intermediaries for distribution to Non-Registered Shareholders. Objecting Non-Registered Shareholders have objected to their Intermediary disclosing ownership information about themselves to the Corporation. The Corporation does not intend to pay for Intermediaries to deliver the Mailed Materials to objecting Non-Registered Shareholders, and accordingly an objecting Non-Registered Shareholder will not receive the Mailed Materials unless the Intermediary of the objecting Non-Registered Shareholder assumes the cost of delivery.

If you are a non-objecting Beneficial Shareholder, and the Corporation or its agent has sent the Mailed Materials directly to you, your name and address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding the Common Shares on your behalf. The Corporation has elected to send the Mailed Materials directly to non-objecting Non-Registered Shareholders through the services of TMX Equity.

Non-Registered Shareholders will be given, in substitution for the proxy otherwise contained in the proxy-related materials, a request for voting instructions (the **"Voting Instruction Form"**) which, when properly

completed and, if applicable, signed by the Non-Registered Shareholder and returned to the Intermediary or the Corporation, as applicable, will constitute voting instructions which the Intermediary or the Corporation, as applicable, must follow. The purpose of this procedure is to permit Non-Registered Shareholders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Shareholder who receives the Voting Instruction Form wish to vote at the Meeting in person (or have another person attend the vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should so indicate in the place provided for that purpose in the Voting Instruction Form and a form of legal proxy will be sent to the Non-Registered Shareholder. Every Intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Non-Registered Shareholders in order to ensure that their Common Shares are voted at the Meeting. If you have any questions respecting the voting of Common Shares held through a broker or other Intermediary, please contact the broker or other Intermediary for assistance.

Quorum

A quorum of Shareholders is required to transact business at the Meeting. Pursuant to the by-laws of the Corporation, the quorum requirement for the Meeting will be satisfied and the Meeting will be properly constituted where there are at least two persons, present in person or represented by proxy, at the Meeting, each of whom is entitled to vote at the Meeting and who hold in the aggregate at least 5% of the issued and outstanding Common Shares entitled to be voted at the Meeting.

Voting Securities and Principal Holders Thereof

The authorized share capital of the Corporation consists of an unlimited number of Common Shares without par value. As of May 31, 2016, the Corporation had 95,468,196 Common Shares issued and outstanding. Each Common Share entitles the holder thereof to one vote on all matters to be acted upon at the Meeting.

To the knowledge of the directors and executive officers of the Corporation, as at May 31, 2016, no person or company beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to the Common Shares except for Peter Saladino, a director of the Corporation, who holds an aggregate of 30,769,777 Common Shares and 250,000 Common Share purchase warrants, representing approximately 32.2% of the issued and outstanding Common Shares on a non-diluted basis and approximately 32.4% of the issued and outstanding Common Shares, assuming exercise of all of the warrants held by Mr. Saladino.

Interest of Certain Persons or Companies in Matters to be Acted Upon

No (a) director or executive officer of the Corporation who has held such position at any time since January 1, 2015; (b) proposed nominee for election as a director of the Corporation; or (c) associate or affiliate of a person in (a) or (b) has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors.

Overview of the Business and Corporate Structure

The Corporation was incorporated on April 12, 2011 as "Longacre Resources Inc." ("**Longacre**") under the *Business Corporations Act* (British Columbia). Golden Leaf Holdings Inc. ("**GLHI**") was incorporated on April 8, 2014 under the *Business Corporations Act* (Ontario) ("**OBCA**").

On October 6, 2015, Longacre was continued under the OBCA as "Golden Leaf Holdings Ltd." and completed a reverse take-over with GLHI (the "**RTO**"). Pursuant to the RTO, the Corporation acquired all of the issued and outstanding shares of GLHI pursuant to a three-cornered amalgamation, whereby (i) Longacre incorporated 2470251 Ontario Inc. ("**Subco**"), a new wholly-owned Ontario subsidiary of Longacre; (ii) the Corporation issued one Common Share in exchange for each common share of GLHI then held by GLHI shareholders; and (iii) Subco amalgamated with GLHI to form an amalgamated subsidiary of the Corporation. Upon completion of the RTO, former shareholders of GLHI became shareholders of the Corporation, the former directors and officers of Longacre resigned and new directors

and officers of the Corporation were appointed, and the Corporation assumed the business operations of GLHI.

The Common Shares trade on the Canadian Securities Exchange under the symbol "GLH".

The registered and head office of the Corporation is located at 36 Toronto Street, Suite 1000, Toronto, Ontario, M5C 2C5 and its principal place of business is located at 400-517 SW 4th Avenue, Portland, Oregon, 97204.

Further information about Golden Leaf can be found under the Corporation's profile on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com and on the Corporation's website at www.goldenleafholdings.com.

PARTICULARS OF MATTERS TO BE ACTED UPON

Presentation of Financial Statements

The audited consolidated financial statements of the Corporation as at and for the years ended December 31, 2015, together with the report of the auditors thereon, have been approved by the Board and will be presented at the Meeting. No vote of the Shareholders is required with respect to this item of business.

Fixing Number of Directors

Shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation an ordinary resolution fixing the number of directors to be elected at the Meeting. To be effective, a special resolution must be approved by not less than two-thirds (66^{2/3}%) of the votes cast by the Shareholders present in person, or represented by proxy, at the Meeting.

At the Meeting, it will be proposed that the number of directors to be elected at the Meeting to hold office until the next annual meeting or until their successors are elected or appointed, subject to the articles and by-laws of BSM, be fixed at five.

Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of proxy will vote the Common Shares represented by such form of proxy, properly executed, FOR the resolution fixing the number of directors to be elected at the Meeting at five.

Election of Directors

The Board presently consists of five directors and has fixed the number of directors for election at the Meeting at five. The Board has nominated five individuals to stand for election as directors. All five nominees are currently directors of the Corporation. Each elected director will hold office until the next annual meeting of Shareholders, or any postponement(s) or adjournment(s) thereof, unless his office is earlier vacated or until his successor is elected or appointed. Each of the nominees has confirmed his willingness to serve on the Board for the next year.

Management does not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority shall be exercised by the persons named in the accompanying proxy to vote the proxy for the election of any other person or persons in place of any nominee or nominees unable to serve.

Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of proxy will vote the Common Shares represented by such form of proxy, properly executed, FOR the election of the six director nominees.

The following table sets forth information about each director nominee, including (i) his province or state and country of residence; (ii) the period during which each has served as a director; (iii) membership on committees of the Board; (iv) principal occupation, business or employment over the past five years; and (v) the number of Common Shares beneficially owned, controlled or directed, directly or indirectly by each nominee. In addition, below are the biographies of each Nominee.

Information regarding the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by the nominees not being within the knowledge of the Corporation, is based upon information furnished by the respective nominee and is as at the date hereof.

Name and Residence	Position with the Corporation and Period Served as a Director	Principal Occupation	Number of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly
Donald Robinson Ontario, Canada	Chief Executive Officer, Interim Chairman and Director since October 6, 2015	President and Chief Executive Officer of Cara Operations Limited; Chief Executive Officer of Golden Leaf	3,380,800 ⁽²⁾
Andy Hartogh Oregon, United States	President and Director since October 6, 2015	President and Chief Agricultural Officer of Greenpoint Oregon, Inc.	1,879,500 ⁽³⁾
Michael Cohl ⁽¹⁾ Ontario, Canada	Director since February 1, 2016	Producer of Live Entertainment	1,500,000 ⁽⁴⁾
Solomon (Sam) Pillersdorf ⁽¹⁾ Ontario, Canada	Director since October 6, 2015	Businessman, retired medical doctor	1,767,500 ⁽⁵⁾
Peter Saladino ⁽¹⁾ Washington, United States	Director since March 4, 2016	Founder and Chief Executive Officer of BMF Washington LLC, one of the largest cannabis producer processors in the state of Washington	30,769,777 ⁽⁶⁾

Notes:

⁽¹⁾ Member of the Audit Committee. Dr. Pillersdorf is the Chair.

⁽²⁾ Mr. Robinson also holds 1,000,000 Common Share purchase warrants of the Corporation each exercisable for one Common Share at a price of US\$1.00 until June 1, 2014. Mr. Robinson also holds \$1,000,000 aggregate principal amount of convertible debentures with a maturity date of September 11, 2018.

⁽³⁾ Mr. Hartogh also holds 1,500,000 Common Share purchase warrants of the Corporation each exercisable for one Common Share at a price of \$0.02 until 2024.

⁽⁴⁾ Mr. Cohl also holds 882,500 Common Share purchase warrants of the Corporation each warrant is exercisable for one Common Share at a price of \$0.50 until May 25, 2018.

⁽⁵⁾ Dr. Pillersdorf holds 895,500 Common Shares directly and 872,000 Common Shares through La Prima Investments Ltd. (“La Prima”), a corporation controlled by Dr. Pillersdorf. Mr. Pillersdorf also holds 385,000 Common Share purchase warrants of the Corporation each exercisable for one Common Share at a price of \$0.50 until November 2017. La Prima also holds 434,171 Common Share purchase warrants of the Corporation each exercisable for one Common Share at a price of \$0.50 (375,000) until November 2017, US\$1.00 (59,171) until November 2017 and \$1,000,000 aggregate principal amount of convertible debentures with a maturity date of September 18, 2017.

⁽⁶⁾ Mr. Saladino also holds 250,000 Common Share purchase warrants of the Corporation. Each warrant is exercisable for one Common Share at a price of US\$0.39 until March 15, 2018.

Director Biographies

Don Robinson.

Mr. Robinson has over 30 years of management and leadership experience in the consumer packaged goods and hospitality industries. He began his career in a general management and marketing role with Nabisco Brands, and then spent more than 20 years with Mars Incorporated before his role as President and Chief Executive Officer of Cara Operations Limited. Mr. Robinson was Executive Director of The Food & Consumer Products of Canada, and the Chairman of the Board of the Confectionery Manufacturers Association of Canada. Mr. Robinson has been a member of various academic councils, including Ted Rogers School of Management Advisory Council, University of Guelph School of Hospitality & Tourism Management Policy Advisory Board and the Queen’s University School of Business Advisory Board.

Andy Hartogh

Mr. Hartogh is the President and Chief Agricultural Officer of Greenpoint Oregon, Inc. and a co-founder of GLHI. Mr. Hartogh is an expert and a visionary in the area of Cannabis growing and processing. He has nine years of progressive experience in the Oregon market and is highly respected in the cannabis industry. Mr. Hartogh has developed proprietary growing techniques that set GLHI and now sets the Corporation apart in terms of quality and production. In November of 2013, Mr. Hartogh created a CO2 extraction company turning excess marijuana material into a usable, highly profitable product.

Michael Cohl

Mr. Cohl's career spans over 45 years in the entertainment business, producing worldwide music tours including The Rolling Stones, Pink Floyd, U2, Barbra Streisand, and many more, as well as films such as Pete Seeger: Power of Song (Emmy Award), LENNONYC (Peabody and Emmy Awards), Big Easy Express (Grammy Award), a film about Harry Belafonte, Sing Your Song (NAACP Image Award), and The Rolling Stones classics Live at the Max and Shine a Light. Mr. Cohl has also produced live shows such as the children's show Yo Gabba Gabba! Live! (2010 Billboard Touring Award for Creative Content) and has spent decades on and off Broadway with shows including Spider Man: Turn Off The Dark (for which Mr. Cohl was voted Producer of the Year 2011), Rock of Ages, and Spamalot (Tony Award). Mr. Cohl was previously the chairman of Live Nation, was inducted into the Canadian Rock n Roll/Music Hall of Fame, and has received a star on Canada's Walk of Fame. Among his many other awards, Mr. Cohl's has also been honored with the Billboard Legend of Live Award, the TJ Martell Foundation Man of the Year Award, and a JUNO Award for Special Achievement. Mr. Cohl's is the founder and chairman of Iconic Entertainment Studios and is currently developing, producing, and promoting over a dozen properties.

Solomon (Sam) Pillersdorf

Dr. Pillersdorf has been involved in various facets of business for over 15 years, having accumulated a broad base of experience as a successful investor and entrepreneur. He has been involved in the funding and formation of start-up companies, and the funding of various companies at different stages of their growth. He has been and is currently a director of a TSX Venture Exchange ("**TSXV**") listed junior resource company, and serves on the advisory committee of several companies in different sectors. Dr. Pillersdorf is the President and Chief Executive Officer of Shadchen Resources Intermediaries Inc., which has successfully facilitated the takeover of several Canadian mining resources by foreign investors. Dr. Pillersdorf has also served for over five years on the audit committees of Canadian Golden Dragon/White Metals and Grizzly Discoveries, both publicly-traded companies. Dr. Pillersdorf has retired from a successful medical practice where he was the Head of the Outpatient Rheumatology Clinic and Head of Rheumatology Training at the McMaster University Medical Centre. He is President of several companies involved in commercial real estate, farming, securities investments, and start-up venture opportunities.

Peter Saladino

Mr. Saladino is a passionate entrepreneur who has built and managed a variety of successful companies, including BMF Washington LLC ("**BMF**"). He has designed and developed turn-key marijuana facilities in Seattle and Raymond, Washington, and is the principal owner of South Fork Business Park which is a 20 acre site zoned exclusively for cannabis production. He helped found the Washington CannaBusiness Association which has played a significant role in supporting the growth and evolution of the legal cannabis industry in Washington. Mr. Saladino is also currently President of Charter Construction, a multi-state construction company with over 300 employees and sales of \$150 million annually. He is a graduate of the University of Washington and sits on the board of Big Brothers and Big Sisters of King County.

Corporate Cease Trade Orders

Other than as set forth below, no proposed director of the Corporation is, as at the date hereof, or has been, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

- (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for

a period of more than 30 consecutive days that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

- (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

On May 4, 2016, the Ontario Securities Commission issued a management cease trade order against Mr. Robinson and Mr. Gentry for failure by the Corporation to file the audited annual financial statements and the associated management's discussion and analysis for its financial year ended December 31, 2015, as well as the related certifications and Form 13-502F1 (the "**Required Filings**"), which were required to be filed on or before April 29, 2016. The management cease trade order prohibits Mr. Robinson and Mr. Gentry from trading in the securities of the Corporation until such time as the Corporation files the Required Filings, following which the management cease trade order will be lifted.

Bankruptcies and Other Proceedings

No proposed director of the Corporation is, as at the date hereof, or has been within 10 years prior to the date hereof, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No proposed director of the Corporation has, within the 10 years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Penalties and Sanctions

No proposed director of the Corporation has been subject to:

- (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important in deciding whether to vote for a proposed director.

Discretionary Size of Board

The Company's Articles of Continuance dated October 6, 2015 provide that the Board shall consist of a minimum of one and a maximum of 10 directors. The Corporation currently has five directors.

The *Business Corporations Act* (Ontario) (the "**OBCA**") provides that where a minimum and a maximum number of directors of a corporation is provided for in the articles of the corporation, the number of directors of the corporation and the number of directors to be elected at an annual meeting of the Shareholders shall be such number as shall be determined from time to time by special resolution of the Shareholders or, if a special resolution of the Shareholders empowers the directors to determine the number, by resolution of the directors. The OBCA further provides that where such a special resolution has been passed to empower the directors to determine the number of directors, the directors may not between meetings of Shareholders appoint additional directors if, after such appointment, the total number of directors would be greater than one and one third times the number of directors required to have been elected at the last annual meeting of Shareholders. In other words, if so empowered by a

special resolution, a board of directors could increase its size by up to a third between annual meetings of Shareholders.

The Board feels that to remain effective and to continue to fully and properly dispense with the duties of the Board, it is desirable to permit the Board to determine from time to time the appropriate size of the Board. As a result, the Corporation is requesting that at the Meeting, the Shareholders pass a special resolution, in accordance with the OBCA, to empower the Board to determine the number of directors on the Board from time to time within the minimum and the maximum number set in the Company's Articles of Continuance, by a resolution of the directors, subject to the limitations set out in the OBCA.

To be effective, the resolution approving the discretionary size of the Board must be approved by not less than two thirds (66^{2/3}%) of the votes cast by the Shareholders present in person, or represented by proxy, at the Meeting.

The Board recommends the adoption of the resolution relating to the discretionary size of the Board.

Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of proxy will vote the Common Shares represented by such form of proxy, properly executed, FOR the resolution set out below authorizing the directors of the Corporation to determine the discretionary size of the Board.

"IT IS HEREBY RESOLVED AS A SPECIAL RESOLUTION, THAT:

- (1) the number of directors of Golden Leaf Holdings Ltd. (the "**Corporation**") from time to time may be determined, within the minimum and maximum set out in the Corporation's articles of continuance, by a resolution of the directors, subject to the limitations set out in the *Business Corporations Act* (Ontario); and
- (2) any one director or officer of the Corporation be and is hereby authorized and directed to do all such acts and things and to execute and deliver under the corporate seal or otherwise all such deeds, documents, instruments and assurances as in her or her opinion may be necessary or desirable to give effect to this resolution."

Appointment of Auditors

Grant Thornton LLP, Chartered Accountants, are the current auditors of the Corporation and were first appointed as the auditors of the Corporation on January 30, 2015 following completion of the RTO.

Grant Thornton LLP, Chartered Accountants, has confirmed that they are independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario. As of the date of this Circular, Grant Thornton LLP, Chartered Accountants, did not own or have any registered or beneficial interests, direct or indirect, in any securities or the property of the Corporation.

Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of proxy will vote the Common Shares represented by such form of proxy, properly executed, FOR the appointment of Grant Thornton LLP, Chartered Accountants as auditors of the Corporation until the close of the next annual meeting of Shareholders and to authorize the Board to fix their remuneration.

CORPORATE GOVERNANCE

The Corporation and the Board recognize the importance of corporate governance to the effective management of the Corporation and to the protection of its stakeholders, particularly Shareholders. The Corporation's approach to issues of corporate governance is designed with a view to ensuring that the business and affairs of the Corporation are effectively managed so as to enhance Shareholder value. The Board fulfills its mandate directly and through the Audit Committee at regularly scheduled meetings or as required. The directors are kept informed regarding the Corporation's operations at regular meetings, or as otherwise required and through reports and discussions with management on matters within their particular areas of expertise. Frequency of meetings may be increased and the nature of the agenda

items may be changed depending upon the state of the Corporation's affairs and in light of opportunities or risks that the Corporation faces.

National Policy 58-201 – *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices which disclosure is set out below, in accordance with Form 58-101F2 – *Corporate Governance Disclosure (Venture Issuers)*.

The Board of Directors

Pursuant to National Instrument 52-110 – *Audit Committees ("NI 52-110")*, a director is considered independent if he or she has no direct or indirect material relationship with the Corporation that the Board believes could reasonably be perceived to materially interfere with his or her ability to exercise independent judgment. NI 52-110 sets out certain situations where a director is deemed to have a material relationship with the Corporation.

The Board is currently comprised of five directors, three of whom are independent within the meaning of NI 52-110. Messrs. Cohl, Pillersdorf and Saladino are independent directors. Mr. Robinson is the Chief Executive Officer of the Corporation and Mr. Hartogh is the President of the Corporation and accordingly, neither is considered to be independent.

Other Public Company Directorships

In addition to their positions on the Board, the following members of the Board currently hold directorships in other reporting issuers as set forth below:

Name of Director	Name of Reporting Issuer	Market
Solomon (Sam) Pillersdorf	Grizzly Discoveries Inc.	TSXV

Independence of the Board

The independent directors did not hold any separate regularly scheduled meetings during the fiscal year ended December 31, 2015, at which non-independent directors and members of management were not in attendance. However, at various Board meetings throughout 2015, the Board did excuse the non-independent directors and directors of management from portions of meetings where the Board believed a conflict of interest could arise or was otherwise appropriate. To facilitate open and candid discussion among the independent directors and enhance its ability to act independently of management, the Board will in the future meet in the absence of non-independent directors and members of management or may continue to excuse such persons from all or a portion of any meeting where a potential conflict of interest arises or where otherwise appropriate.

Orientation and Continuing Education

The Board recognizes the importance of ongoing director education and the need for each director to take personal responsibility for this process. The Corporation has not yet developed an official orientation or training program for new directors or a formal continuing education program for existing directors. Nevertheless, through discussions and meetings with other directors, officers and employees, new directors will be provided with a thorough description of the Corporation's business, properties, assets, operations and strategic plans and objectives. Orientation activities will be tailored to the particular needs and experience of each director and the overall needs of the Board.

Ethical Business Conduct

As part of its responsibility for the stewardship of the Corporation, the Board seeks to foster a culture of ethical conduct by requiring the Corporation to carry out its business in line with high business and moral standards and applicable legal and financial requirements.

The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to employees, consultants, officers and directors to help them recognize and deal with ethical issues; promoting a culture of honesty, integrity and accountability; and ensuring awareness of disciplinary action for violations of ethical business conduct.

The Board takes steps to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or an employee or consultant of the Corporation has a material interest, which include ensuring that such individuals are familiar with rules concerning reporting conflicts of interest and obtaining direction from the Board or a member of senior management of the Corporation regarding any potential conflicts of interest.

The Board is in the process of adopting a formalized written Code of Business Conduct and Ethics (the “**Code**”). Once approved by the Board, the Code will be filed with regulators, in accordance with applicable legislation, and will be available under the Corporation’s profile on SEDAR at www.sedar.com.

Nomination of Directors

The Board is responsible for the nomination of directors and identifying new candidates for appointment to the Board. In that regard, the Board is also responsible for identifying the competencies and skills required for nominees to the Board, with a view to ensuring that the Board is comprised of directors with the necessary skills and experience to facilitate effective decision-making. The Board may retain external consultants or advisors to conduct searches for appropriate potential director candidates if necessary.

The Board considers its size each year when it determines the number of directors to be nominated for election. The criteria for selecting new directors reflects the requirements of the listing standards of the Canadian Securities Exchange (“**CSE**”) with respect to independence and the following factors:

- (i) the appropriate size of the Board;
- (ii) the needs of the Corporation with respect to the particular talents and experience of its directors;
- (iii) the personal and professional integrity of the candidate;
- (iv) the level of education and/or business experience of the candidate;
- (v) the broad-based business acumen of the candidate;
- (vi) the level of the candidate’s understanding of the Corporation’s business and the industry in which it operates and other industries relevant to the Corporation’s business;
- (vii) the ability and willingness of the candidate to commit adequate time to the Board and committee matters;
- (viii) the fit of the individual’s skills and personality with those of other directors and potential directors so that the Board is effective, collegial and responsive to the needs of Golden Leaf;
- (ix) the candidate’s ability to think strategically and a willingness to share ideas; and
- (x) the diversity of experiences, expertise and background of the Board as a whole.

In order to facilitate the process for the nomination of directors and identification of new candidates for appointment to the Board, the Board is in the process of appointing a nominating and corporate governance committee (the “**Nominating and Corporate Governance Committee**”). See “Board Committee” below.

Compensation

The Board is responsible for determining the compensation of directors and the Chief Executive Officer, and for reviewing the Chief Executive Officer’s recommendations regarding compensation of the other executive officers of the Corporation. The Board generally reviews compensation paid to directors and chief executive officers of companies of a similar size and stage of development and in the same or similar industries as the Corporation operates in, and determines appropriate compensation reflecting the

need to provide incentive and compensation for the time and effort expended by the directors and executive officers of the Corporation while taking into account the financial and other resources of the Corporation. No formal compensation program or benchmarking has been established given the size and stage of the Corporation. In setting the compensation of the Chief Executive Officer, the Board will annually review the performance of the Chief Executive Officer and consider other factors which may have impacted the success of the Corporation in achieving its objectives.

In order to facilitate the process for the determining the compensation of directors and executive officers of the Corporation, the Board is in the process of appointing a compensation committee (the “**Compensation Committee**”).

For further details regarding the compensation of directors, as well as details regarding the Corporation’s approach to the compensation of the Chief Executive Officer and other executive officers, see “Board Committees” and “Statement of Executive Compensation” below.

Board Committees

The Board has established the Audit Committee to assist it in carrying out its mandate. In addition, the Board is in the process of establishing a nominating and corporate governance committee and a corporate governance committee.

The Audit Committee is currently comprised of Messrs. Pillersdorf (Chair), Cohl and Saladino. In addition to the Audit Committee, independent committees will be appointed from time to time, when appropriate.

The Compensation Committee will make recommendations to the Board regarding the determination of the compensation of the directors and the Chief Executive Officer of the Corporation, and for reviewing the Chief Executive Officer’s recommendations regarding compensation of the other executive officers of the Corporation. In addition, the Compensation Committee will oversee all of the Corporation’s compensation programs, pay administration, including reviewing and approving compensation adjustments for the CEO and executive officers and ensuring competitiveness of executive compensation, and other functions including oversight of executive and director stock ownership guidelines and director compensation. The Compensation Committee will be comprised of Messrs. Hartogh (Chair), Cohl and Pillersdorf.

The Nominating and Corporate Governance Committee will identify, evaluate and recommend Board candidates, evaluate Board structure and organization and review and monitor corporate governance policies and procedures. The Nominating and Corporate Governance Committee is presently comprised of Messrs. Cohl, Hartogh and Pillersdorf. Mr. Cohl is the Chairman of the Nominating and Corporate Governance Committee.

In addition to the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee, independent committees will be appointed from time to time, when appropriate.

Assessments

The Board does not formally review the contributions of individual directors; however, it believes that its current size facilitates informal discussion and evaluation of members’ contributions within that framework. All directors and/or committee members are free to make suggestions for improvement of the practice of the Board and/or its committees at any time and are encouraged to do so.

AUDIT COMMITTEE

The Audit Committee’s Charter

A copy of the Charter of the Audit Committee of the Corporation is attached as Schedule “A” to this Circular.

Composition of the Audit Committee

The Audit Committee is currently comprised of Sam Pillersdorf, Michael Cohl and Peter Saladino. Each member of the Audit Committee is considered to be both independent and financially literate as defined under NI 52-110.

Relevant Education and Experience

Set out below is a brief description of the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as a member of the Audit Committee and that would provide the member with:

- (i) an understanding of the accounting principles used by the Corporation to prepare its financial statements;
- (ii) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions;
- (iii) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising one or more individuals engaged in such activities; and
- (iv) an understanding of internal controls and procedures for financial reporting.

A general description of the education and experience of each Audit Committee member which is relevant to the performance of their responsibilities as an Audit Committee member is contained in their respective biographies set out under "Particulars of Matters to be Acted Upon – Election of Directors".

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year have any recommendations by the Audit Committee respecting the appointment or compensation of the Corporation's external auditors not been adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*) of NI 52-110.

Exemption for Venture Issuers

Pursuant to Section 6.1 of NI 52-110, the Corporation is exempt from the requirements of Part 3 (*Composition of the Audit committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

Pre-Approval Policies and Procedures

Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board, and where applicable by the Audit Committee, on a case by case basis.

External Auditor Service Fees

The aggregate fees billed by the Corporation's external auditor during the year ended December 31, 2015 are set out in the table below. The Corporation did not have an external auditor during the year ended December 31, 2014.

Audit Fee Category	Fees
Audit Fees ⁽¹⁾	\$327,598
Audit-Related Fees ⁽²⁾	Nil
Tax Fees ⁽³⁾	\$20,929
All Other Fees ⁽⁴⁾	Nil
TOTAL	\$348,527

Notes:

- (1) "Audit Fees" refers to the aggregate fees billed by the Corporation's external auditor for audit fees.
- (2) "Audit-Related Fees" refers to the aggregate fees billed for assurance and related services by the Corporation's external auditor that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not reported under the category Audit Fees.
- (3) "Tax Fees" refers to the aggregate fees billed for professional services rendered by the Corporation's external auditor for tax compliance, tax advice, and tax planning and assistance with tax matters or specific transactions.
- (4) "All Other Fees" refers to the aggregate fees billed by the Corporation's external auditor for products and services provided, other than the services reported under the other three items.
- (5) Figures provided for the year ended December 31, 2014 represent the aggregate fees billed by GLHI's external auditor, Grant Thornton LLP, Chartered Accountants, for the categories indicated.

STATEMENT OF DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

The following section provides details of all compensation paid to each of the directors and named executive officers ("**Named Executive Officers**") of the Corporation for each of the two most recently completed financial years. In connection with the RTO, on October 6, 2015 the Corporation changed its financial year end from March 31 to December 31.

The following information is presented in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* ("**Form 51-102F6V**"), and provides details of all compensation for each of the directors and Named Executive Officers of the Corporation for the fiscal year ended December 31, 2015.

For the purposes of this Circular, a Named Executive Officer of the Corporation means each of the following individuals:

- (a) the chief executive officer of the Corporation ("**CEO**");
- (b) the chief financial officer of the Corporation ("**CFO**");
- (c) each of the Corporation's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the Corporation's most recently completed fiscal year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for that fiscal year; and
- (d) each individual who would be a Named Executive Officer under paragraph (c) above but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of that fiscal year.

The Corporation had three Named Executive Officers as at December 31, 2015, namely Don Robinson (CEO), Brian Gentry (CFO), Andy Hartogh (President), Andreas Moppin (Vice President, Sales of Green Point Oregon Inc., a wholly-owned subsidiary of the Corporation ("**GPO**")) and Tim Fitzpatrick (Vice President, Operations of GPO).

Director and Named Executive Officer Compensation – Excluding Compensation Securities

The following table sets out all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company to each current and former NEO and director, in any capacity, for the last two years ended December 31, 2014 and 2015.

Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Don Robinson ⁽¹⁾ <i>CEO and Director and Former CEO of GLHI</i>	2015	200,000	Nil	Nil	Nil	Nil	200,000
	2014	N/A	N/A	N/A	N/A	N/A	N/A
Andy Hartogh ⁽²⁾ <i>President and Director and Former President of Greenpoint Oregon, Inc.</i>	2015	250,000	Nil	Nil	Nil	Nil	250,000
	2014	69,940	Nil	Nil	Nil	Nil	104,970
Brian Gentry ⁽³⁾ <i>CFO and Former CFO of GLHI</i>	2015	89,583	Nil	Nil	Nil	Nil	89,583
	2014	N/A	N/A	N/A	N/A	N/A	N/A
Solomon (Sam) Pillersdorf <i>Director and Former Director of GLHI</i>	2015	Nil	Nil	Nil	Nil	Nil	Nil
	2014	N/A	N/A	N/A	N/A	N/A	N/A
Philip van den Berg ⁽⁴⁾ <i>Director and VP of Business Development and Former Chief Financial Officer of GLHI</i>	2015	215,000	Nil	Nil	Nil	Nil	215,000
	2014	N/A	N/A	N/A	N/A	N/A	N/A
Jack Schwebel ⁽⁵⁾ <i>Former Chief Executive Officer of GLHI</i>	2015	262,499	N/A	Nil	Nil	Nil	262,499
	2014	Nil	76,420	Nil	Nil	68,935	179,011
Elijah Cohl ⁽⁶⁾ <i>Former Director and Former Director of GLHI</i>	2015	Nil	Nil	Nil	Nil	Nil	Nil
	2014	N/A	N/A	N/A	N/A	N/A	N/A
Rick Miller ⁽⁷⁾ <i>Former Chairman and Director</i>	2015	Nil	Nil	Nil	Nil	Nil	Nil
	2014	N/A	N/A	N/A	N/A	N/A	N/A
Andreas Moppin ⁽⁸⁾ <i>VP, Sales of GPO</i>	2015	15,416	Nil	Nil	Nil	Nil	15,416
	2014	N/A	N/A	N/A	N/A	N/A	N/A
Tim Fitzpatrick ⁽⁹⁾	2015	65,000	Nil	Nil	Nil	Nil	65,000

Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
<i>VP, Operations of GPO</i>	2014	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) Mr. Robinson previously served as the Chief Executive Officer of GLHI, having been appointed on May 20, 2015. Mr. Robinson was appointed as Chief Executive Officer and a director of the Corporation following completion of the RTO. Mr. Robinson was both a director and Named Executive Officer during the year ended December 31, 2015. He did not receive any compensation in his role as a director of the Corporation. Mr. Robinson received \$125,000 in his capacity as Chief Executive Officer of GLHI and \$75,000 in his capacity as Chief Executive Officer and director of the Corporation, respectively.
- (2) Mr. Hartogh previously served as the President of Greenpoint Oregon, Inc., a wholly-owned subsidiary of the Corporation, having been appointed on April 8, 2014. Mr. Hartogh was appointed as President and a director of the Corporation following completion of the RTO. Mr. Hartogh received \$187,500 in his capacity as President of Greenpoint Oregon, Inc. and \$62,500 in his capacity as President of the Corporation, respectively.
- (3) Mr. Gentry previously served as the Chief Financial Officer of GLHI, having been appointed on August 3, 2015. Mr. Gentry was appointed as Chief Financial Officer of the Corporation following completion of the RTO. Mr. Gentry received \$35,833 in his capacity as Chief Financial Officer of GLHI and \$53,750 in his capacity as Chief Financial Officer of the Corporation, respectively.
- (4) Mr. van den Berg previously served as the Chief Financial Officer of GLHI, having been appointed on January 15, 2015 and resigned on August 3, 2015. Mr. van den Berg also served as Vice President of Business Development for GLHI. Mr. van den Berg was appointed as Vice President of Business Development and a director of the Corporation following completion of the RTO. Mr. van den Berg resigned as an employee of the Corporation on March 31, 2016 and as a director of the Corporation effective May 19, 2016. Mr. van den Berg received \$125,417 in his capacity as Chief Financial Officer of GLHI and \$89,583 as Vice President of Business Development, respectively.
- (5) Mr. Schwebel previously served as the Chief Executive Officer of GLHI, having been appointed on July 1, 2014 and having resigned on May 20, 2015. The compensation information provided for Mr. Schwebel reflects the compensation received during the applicable periods for each of 2014 and 2015.
- (6) Mr. Elijah Cohl previously served as a director of GLHI and was appointed a director of the Corporation following completion of the RTO. Mr. Elijah Cohl resigned from his position as a director of the Corporation effective February 1, 2016.
- (7) Mr. Miller was appointed a director of the Corporation and Chairman of the Board following completion of the RTO. Mr. Miller resigned from his position as Chairman and as a director of the Corporation effective March 4, 2016.
- (8) Mr. Moppin was appointed as Vice President of Sales of GPO on November 30, 2015.
- (9) Mr. Fitzpatrick was appointed as Vice President of Sales of GPO on September 1, 2015.

Stock Options and Other Compensation Securities

The following table provides information regarding all compensation securities granted or issued to each Named Executive Officer and director by the Corporation for services provided or to be provided, directly or indirectly, to the Corporation or any of its subsidiaries during the year ended December 31, 2015.

Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion, or exercise price	Closing price of security or underlying security on date of grant	Closing price of security or underlying security at year end ⁽¹⁾	Expiry date
Don Robinson ⁽⁵⁾ <i>CEO and Director and Former CEO of GLHI</i>	Warrants ⁽²⁾	1,000,000	June 1, 2015	US\$1.00	US\$1.00	\$0.90	June 1, 2024
	Compensation Shares ⁽⁴⁾	2,000,000	June 1, 2015	N/A	US\$1.00	\$0.90	N/A
Andy Hartogh ⁽⁶⁾ <i>President and Director and Former President of Greenpoint Oregon, Inc.</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Brian Gentry ⁽⁷⁾ <i>CFO and Former CFO of GLHI</i>	Warrants ⁽³⁾	600,000	August 3, 2015	US\$1.00	US\$1.00	\$0.90	August 3, 2024

Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion, or exercise price	Closing price of security or underlying security on date of grant	Closing price of security or underlying security at year end ⁽¹⁾	Expiry date
Solomon (Sam) Pillersdorf ⁽⁸⁾ <i>Director and Former Director of GLHI</i>	Options ⁽²⁾	200,000	Jan 1, 2015	\$0.20	\$0.20	\$0.90	Dec 31, 2024
Philip van den Berg ⁽⁹⁾ <i>Director and VP of Business Development and Former CFO of GLHI</i>	Warrants ⁽³⁾	1,000,000	Jan 1, 2015	\$0.20	\$0.20	\$0.90	Dec 31, 2024
	Compensation Shares ⁽⁴⁾	1,000,000	Jan 1, 2015	N/A	US\$0.20	\$0.90	N/A
Jack Schwebel ⁽¹⁰⁾ <i>Former CEO of GLHI</i>	Options ⁽²⁾	200,000	March 1, 2015	US\$1.00	US\$1.00	\$0.90	March 1, 2014
Elijah Cohl ⁽¹¹⁾ <i>Former Director and Former Director of GLHI</i>	Options ⁽²⁾	200,000	June 1, 2015	US\$1.00	US\$1.00	\$0.90	June 1, 2024
Rick Miller ⁽¹²⁾ <i>Former Chairman and Director</i>	Options ⁽²⁾	200,000	Sept 1, 2015	US\$1.00	US\$1.00	\$0.90	Sept 1, 2024
Andreas Moppin ⁽¹³⁾ <i>VP, Sales of GPO</i>	Options ⁽²⁾	300,000	Jan 20, 2016	US\$0.48	US\$0.48	\$0.90	Jan 20, 2025
Tim Fitzpatrick ⁽¹⁴⁾ <i>VP, Operations of GPO</i>	Options ⁽²⁾	600,000	Aug 15, 2015	US\$1.00	US\$1.00	\$0.90	Aug 15, 2024

Notes:

⁽¹⁾ Reflects the closing price of the Common Shares on the CSE on December 31, 2015.

⁽²⁾ Each option entitles the holder to acquire one Common Share upon exercise. Other than as set out herein, all options vest in accordance with the following vesting schedule: monthly vesting over 36 months from date of employment. Notes: Mr. Schwebel's vesting began March 1, 2015. Mr. Moppin's options were priced and expiry determined as of award date per Board Resolution Jan 20, 2016, but will begin vesting as of employee start date of Nov 30, 2015. For further details regarding vesting and restrictions and conditions of exercise, see "Executive Compensation - Stock Option Plans and Other Incentive Plans".

⁽³⁾ Each warrant entitles the holder to acquire one Common Share upon exercise. All warrants vest in accordance with the following vesting schedule: monthly vesting over 36 months from date of employment.

⁽⁴⁾ All compensation shares vest in accordance with the following vesting schedule: monthly vesting over 36 months from date of employment.

⁽⁵⁾ As at December 31, 2015, Mr. Robinson held 166,667 vested warrants of his award of 1,000,000 warrants and 333,333 vested shares of his award of 2,000,000 compensation shares.

⁽⁶⁾ As at December 31, 2015, Mr. Hartogh held 1,500,000 vested warrants.

⁽⁷⁾ As at December 31, 2015, Mr. Gentry held 66,667 vested warrants of his award of 600,000 warrants.

⁽⁸⁾ As at December 31, 2015, Mr. Pillersdorf held 200,000 vested options.

⁽⁹⁾ As at December 31, 2015, Mr. van den Berg held 333,333 vested warrants of his award of 1,000,000 warrants and 333,333 vested shares of his award of 1,000,000 compensation shares.

⁽¹⁰⁾ As at December 31, 2015, Mr. Schwebel held 33,333 vested options, the balance having been forfeited as a result of his resignation.

⁽¹¹⁾ As at December 31, 2015, Mr. Cohl held 200,000 vested options.

⁽¹²⁾ As at December 31, 2015, Mr. Miller held 200,000 vested options.

⁽¹³⁾ As at December 31, 2015, Mr. Moppin held 300,000 options, none of which have vested.

⁽¹⁴⁾ As at December 31, 2015, Mr. Fitzpatrick held 66,667 vested options of his award of 600,000 options.

No Named Executive Officer or director of the Corporation exercised compensation securities during the year ended December 31, 2015.

Stock Option Plan and Other Incentive Plans

The Corporation's stock option plan (the "**Stock Option Plan**") provides for the grant of options to purchase Common Shares to eligible service providers of the Corporation, including the Corporation's directors, officers, employees, consultants and other eligible persons specified in the Stock Option Plan. The Stock Option Plan will be administered by the Board or a committee established by the Board for that purpose (the "**Committee**").

The maximum number of Common Shares that may be issued pursuant to options granted under the Stock Option Plan is equal to 10% of the total number of Common Shares issued and outstanding from time to time.

The Stock Option Plan permits a maximum of 10% of the issued and outstanding Common Shares to be issued to holders of options granted thereunder. As of the May 31, 2016, 5,918,611 options are outstanding, representing approximately 6.2% of the issued and outstanding Common Shares. Accordingly, as of May 31, 2016, 3,628,208 options are available to be issued under the Stock Option Plan, representing approximately 3.8% of the issued and outstanding Common Shares.

The total number of Common Shares which may be issued or reserved for issuance to any one individual under the Stock Option Plan within any 12 month period shall not exceed 5% of the issued and outstanding Common Shares.

The maximum number of Common Shares which may be reserved for issuance to insiders under the Stock Option Plan or any other security based compensation plans or arrangements shall be 10% of the Common Shares issued and outstanding at the time of the grant (on a non-diluted basis). In addition, the maximum number of options which may be granted to insiders under the Stock Option Plan, together with any other previously established or proposed share compensation arrangements within any 12 month period, shall be 10% of the issued and outstanding Common Shares.

The maximum number of options which may be granted to any one consultant under the Stock Option Plan or any other security based compensation plans or arrangements, within any 12 month period, must not exceed 2% of the Common Shares issued and outstanding at the time of the grant (on a non-diluted basis). In addition, the maximum number of options which may be granted to Investor Relations Persons (as defined in the Stock Option Plan) under the Stock Option Plan or any other security based compensation plans or arrangements, within any 12 month period must not exceed, in the aggregate, 2% of the Common Shares issued and outstanding at the time of the grant (on a non-diluted basis).

The exercise price for the Common Shares under each option shall be determined by the Board or Committee, as applicable, on the basis of the Market Price. For the purpose of the Stock Option Plan, "**Market Price**" shall mean: (i) the prior trading day closing price of the Common Shares on any stock exchange on which the Common Shares are listed or the last trading price on the prior trading day on any dealing network where the Common Shares trade; or (ii) where there is no such closing price or trade on the prior trading day, shall mean the average of the daily high and low board lot trading prices of the Common Shares on any stock exchange on which the Common Shares are listed or dealing network on which the Common Shares trade for the five immediately preceding trading days; or (iii) in the event the Common Shares are not listed on any exchange and do not trade on any dealing network, the Market Price will be determined by the Board.

Unless otherwise limited by the terms of the Stock Option Plan or any regulatory or stock exchange requirement, the Board or the Committee, as applicable, shall have full and final authority to determine the terms and conditions attached to any grant of options to an eligible participant, including when such options shall become vested and exercisable. Subject to the provisions of the Stock Option Plan, the optionee may exercise any vested options, in whole or in part, at any time prior to the tenth anniversary of the date of grant or such earlier date fixed by the Board or the Committee, as applicable (the "**Expiry Date**"). All unexercised options shall expire and terminate following such Expiry Date.

In the event of the death of an optionee, vested options held by such optionee may be exercised by the personal representatives of the optionee until the earlier of (i) the date which is one year from the date of death of the optionee and (ii) the Expiry Date of the options.

If an optionee who is a service provider shall cease to be an eligible participant under the Stock Option Plan for any reason, whether or not for cause, the optionee may exercise the option, but only to the extent that such Option has vested at the date the optionee ceased to be an eligible participant under the Stock Option Plan and only within the period of (i) 90 days following the date of such cessation, or (ii) 30 days following the date of such cessation if the participant is an Investor Relations Person (as defined in the Stock Option Plan), unless in either case such period is extended by the Board or the Committee, as applicable, to a maximum of one year following the date of such cessation, and approval is obtained from the stock exchange on which the Common Shares trade where required, and in no event after the Expiry Date of the option.

Options granted under the Stock Option Plan shall be non-assignable and non-transferable by an optionee otherwise than by will or by the laws of descent and distribution, and such option shall be exercisable, during an optionee's lifetime, only by the optionee.

If at any time when an option granted under the Stock Option Plan remains unexercised:

- (i) the Corporation seeks approval from Shareholders for a transaction which, if completed, would constitute an Acceleration Event (as defined in the Stock Option Plan); or
- (ii) a third party makes a bona fide formal offer or proposal to the Corporation or the Shareholders which, if accepted, would constitute an Acceleration Event,

the Corporation shall notify the optionee in writing of such transaction, offer or proposal as soon as practicable and, provided that the Board or Committee, as applicable, has determined that no adjustment shall be made pursuant to the provisions of the Stock Option Plan, (a) the Board or Committee, as applicable, may permit the optionee to exercise the option, as to all or any of the Common Shares in respect of which such option has not previously been exercised (regardless of any vesting restrictions), during the period specified in the notice (but in no event later than the Expiry Date), so that the optionee may participate in such transaction, offer or proposal; and (b) the Board or Committee, as applicable, may require the acceleration of the time for the exercise of the said option and of the time for the fulfillment of any conditions or restrictions on such exercise.

The Stock Option Plan provides that upon implementation, the Board or Committee, as applicable, may at any time amend, suspend or terminate the Stock Option Plan, provided that no such amendment, suspension or termination may be made without obtaining any required regulatory or stock exchange approval, and may not materially prejudice the rights of any optionee under any option previously granted to the optionee without the consent or deemed consent of the optionee.

Other than the Stock Option Plan, the Corporation does not have any other incentive or compensation based security plans under which awards are granted.

Employment, Consulting and Management Agreements

The material terms of each agreement under which compensation was provided during the year ended December 31, 2015, or is payable in respect of services provided to the Corporation by each Named Executive Officer or director, is set out below.

Don Robinson – Chief Executive Officer and Director

The Corporation is party to an employment agreement with Don Robinson pursuant to which Mr. Robinson provides his services as Chief Executive Officer of the Corporation in consideration of a gross annual salary in the amount of US\$300,000, as well as participation in any employee benefit plans maintained by the Corporation and entitlement to reimbursement from the Corporation for reasonable costs and expenses in accordance with the Corporation's expense reimbursement policy. Upon entering into the employment agreement, Mr. Robinson was also awarded 2,000,000 Common Shares as a one-time signing bonus, which vest equally in monthly installments over a three-year period, and 1,000,000 common share purchase warrants of the Corporation with an exercise price of US\$1.00 per Common Share which vest equally in monthly installments over a three-year period.

In the event Mr. Robinson's employment is terminated for cause, he would not be entitled to any further compensation or benefits under his employment agreement as of the termination date unless otherwise required by law. Other than for cause, Mr. Robinson's employment agreement may be terminated by the Corporation upon delivery of a written notice of termination at least 90 days prior to the specified

termination date, and Mr. Robinson would be entitled to payment of his salary and any benefits payable under applicable benefit plans of the Corporation during such notice period.

Assuming Mr. Robinson's employment was terminated, other than for cause, effective December 31, 2015, Mr. Robinson would have been entitled to receive approximately US\$73,972 in salary during the 90-day notice period.

In the event Mr. Robinson's employment is terminated other than voluntarily or for cause, or as a result of a change of control (as defined in Mr. Robinson's employment agreement), all Common Shares awarded to Mr. Robinson which have not yet vested will immediately vest.

Andy Hartogh – President and Director

The Corporation is party to an employment agreement with Andy Hartogh pursuant to which Mr. Hartogh provides his services as President of the Corporation in consideration of a gross annual salary in the amount of US\$250,000, as well as participation in any employee benefit plans maintained by the Corporation and entitlement to reimbursement from the Corporation for reasonable costs and expenses in accordance with the Corporation's expense reimbursement policy. Mr. Hartogh is also eligible for discretionary bonuses as may be determined by the Board.

In the event Mr. Hartogh's employment is terminated for cause, he would not be entitled to any further compensation or benefits under his employment agreement as of the termination date unless otherwise required by law. Other than for cause, Mr. Hartogh's employment agreement may be terminated by the Corporation upon delivery of a written notice of termination at least 30 days prior to the specified termination date, and Mr. Hartogh would be entitled to payment of his salary at the rate in effect upon the date of termination for the remaining term of the employment agreement as if the employment agreement had not been terminated. Mr. Hartogh would not, however, be entitled to any other post-employment benefits except for benefits payable under applicable benefit plans of the Corporation during such notice period.

Assuming termination of Mr. Hartogh's employment other than for cause, with provision of a 30 day notice period and a termination date effective December 31, 2015, Mr. Hartogh would have been entitled to continue to receive his then currently annual salary, payable on a monthly basis, until May 12, 2019, and any options and warrants granted or held by Mr. Hartogh which had not yet vested would immediately vest.

Brian Gentry – Chief Financial Officer

The Corporation is party to an employment agreement with Brian Gentry pursuant to which Mr. Gentry provides his services as Chief Financial Officer of the Corporation in consideration of a gross annual salary in the amount of US\$215,000, as well as participation in any employee benefit plans maintained by the Corporation. Upon entering into the employment agreement, Mr. Gentry was also awarded 600,000 options to purchase Common Shares with an exercise price of US\$1.00 per Common Share, which vest equally in monthly installments over a three-year period.

Mr. Gentry's employment agreement may be terminated at any time, with or without notice, and with or without cause. In the event Mr. Gentry's employment is terminated for cause he would not be entitled to any further compensation or benefits under his employment agreement as of the termination date unless otherwise required by law. Other than for cause, Mr. Gentry's employment agreement may be terminated by the Corporation and the Corporation may elect to provide written notice of termination at least 60 days prior to a specified termination date, and Mr. Gentry would be entitled to payment of his salary and any benefits payable under applicable benefit plans of the Corporation during such notice period.

Assuming Mr. Gentry's employment was terminated, other than for cause, effective December 31, 2015, Mr. Gentry would have been entitled to receive approximately US\$35,342 in salary during the 60-day notice period.

Philip van den Berg – Former Vice President of Business Development and Former Director

The Corporation was party to an employment agreement with Philip van den Berg pursuant to which Mr. van den Berg provided his services as Vice President of Business Development of the Corporation in consideration of a gross annual salary in the amount of US\$218,000, as well as participation in any employee benefit plans maintained by the Corporation and entitlement to reimbursement from the Corporation for reasonable costs and expenses in accordance with the Corporation's expense

reimbursement policy. Upon entering into the employment agreement, Mr. van den Berg was also awarded 1,000,000 Common Shares which vest equally in monthly installments over a three-year period, and 1,000,000 common share purchase warrants with an exercise price of US\$0.20 per Common Share and which vest equally in monthly installments over a three-year period.

Mr. van den Berg resigned as Vice President of Business Development of the Corporation on March 31, 2016 and as a director of the Corporation effective May 19, 2016.

Andreas Moppin – Vice President of Sales of GPO

The Corporation, through its wholly-owned subsidiary, GPO, is party to an employment agreement with Andreas Moppin pursuant to which Mr. Moppin provides his services as Vice President of Sales of GPO in consideration of a gross annual salary in the amount of US\$185,000, as well as participation in any employee benefit plans maintained by Greenpoint Oregon, Inc. and entitlement to standard mileage reimbursement. Upon entering into the employment agreement, Mr. Moppin was also awarded 300,000 options to purchase Common Shares with an exercise price of US\$0.48 per Common Share, which vest over a three-year period.

Mr. Moppin's employment agreement may be terminated at any time, with or without notice, and with or without cause. Mr. Moppin's employment agreements does not include provisions for change of control, severance, termination or constructive dismissal.

Tim Fitzpatrick – Vice President of Operations of GPO

The Corporation, through its wholly-owned subsidiary, GPO, is party to an employment agreement with Tim Fitzpatrick pursuant to which Mr. Fitzpatrick provides his services as Vice President of Operations of GPO in consideration of a gross annual salary in the amount of US\$195,000, as well as participation in any employee benefit plans maintained by Greenpoint Oregon, Inc. Upon entering into the employment agreement, Mr. Fitzpatrick was also awarded 600,000 options to purchase Common Shares with an exercise price of US\$1.00 per Common Share.

Mr. Fitzpatrick's employment agreement may be terminated at any time, with or without notice, and with or without cause. In the event Mr. Fitzpatrick's employment is terminated for cause, he would not be entitled to any further compensation or benefits under his employment agreement as of the termination date unless otherwise required by law. Other than for cause, Mr. Fitzpatrick's employment agreement may be terminated by the Corporation and the Corporation may elect to provide written notice of termination at least 90 days prior to a specified termination date, and Mr. Fitzpatrick would be entitled to payment of his salary and any benefits payable under applicable benefit plans of the Corporation during such notice period.

Assuming Mr. Fitzpatrick's employment was terminated, other than for cause, effective December 31, 2015, Mr. Fitzpatrick would have been entitled to receive approximately US\$48,082 in salary during the 90-day notice period.

Oversight and Description of Director and Named Executive Officer Compensation

Compensation of Directors

Prior to the completion of the RTO, the compensation paid to directors of Longacre and GLHI was determined on a case-by-case basis with reference to the role that each director provided to each respective entity.

Subsequent to the completion of the RTO, the Board is responsible for approval all forms of compensation to be granted and paid to the directors of the Corporation. The form and amount of compensation for directors is determined after consideration of various relevant factors, including an individual's current and expected future performance, level of responsibilities, comparison with compensation paid by other issuers of a similar size and stage of development and in the same or similar industries as the Corporation operates in, as well as the availability of financial and other resources of the Corporation. No formal compensation policy or benchmarking has been established given the size and stage of the Corporation.

Director compensation can consist of annual cash retainers and cash retainers for acting on the various committees, with additional amounts for acting as chair of a committee. Compensation also includes eligibility for participation in the Stock Option Plan. Non-executive directors do not currently receive

directors' fees or fees for participation on Board committees. Long-term incentives in the form of options are granted to non-executive directors from time to time, based on an existing complement of long term-incentives, corporate performance and to be competitive with other companies of similar size and scope.

The Board will periodically review the responsibilities and risks involved in being an effective director, and will report and make recommendations accordingly.

Compensation of Named Executive Officers

Subsequent to the completion of the RTO, the Board is responsible for determining all forms of compensation to be granted and paid to the Chief Executive Officer, and for reviewing the Chief Executive Officer's recommendations regarding compensation of the other Named Executive Officers of the Corporation in order to ensure such arrangements reflect the responsibilities and risks associated with each position.

While the Corporation does not have a formal compensation policy, the general objectives of the Corporation's executive compensation strategy are: (i) recruiting, retaining and motivating high performing executives critical to the success of the Corporation; (ii) providing fair and competitive compensation; (iii) linking the interests of management with those of the Shareholders; and (iv) rewarding performance, both on an individual basis and with respect to operations in general. In order to achieve these objectives, the compensation paid to Named Executive Officers of the Corporation consists of base salary, discretionary bonus payments (none have been paid to date) and/or long-term incentives in the form of stock options, as set out below.

The Corporation's executive compensation strategy is designed to retain, encourage, compensate and reward executives on the basis of individual and corporate performance, both in the short- and the long-term. Base salaries will be based on a number of factors enabling the Corporation to compete for and retain executives critical to the Corporation's long-term success. Share ownership opportunities through stock options will be provided to align the interests of executive officers with the longer term interests of Shareholders.

In reviewing and determining specific compensation amounts for Named Executive Officers, the Board considers, among other things, factors such as experience, individual performance, length of service, contribution towards the achievement of corporate objectives, stock price, and compensation compared to other employment opportunities for executives.

Elements of Named Executive Officer Compensation

Base Salary

The Named Executive Officers of the Corporation each receive base salaries. The Board reviews these salaries annually to ensure that they reflect each respective Named Executive Officer's responsibilities, performance and experience in fulfilling his role. In determining the base salary for each Named Executive Officer, the Board takes into consideration available market data for other issuers of a similar size and stage of development and in the same or similar industries as the Corporation operates in, although a specific benchmark is not targeted and a formal peer group has not been established. The Chief Executive Officer makes recommendations regarding the compensation of Named Executive Officers for approval by the Board.

Bonus Payments

Certain employment agreements with Named Executive Officers provide that bonuses may be awarded at the discretion of the Board. No such bonus payments have been approved.

Long-Term Incentives

Long-term incentives are performance-based grants of stock options. The Board will determine the number of stock options to be granted to the Corporation's Named Executive Officers.

In establishing the number of stock options to be granted to the Named Executive Officers, reference is made to the number of stock options granted to officers of other issuers of a similar size and stage of development and in the same or similar industries as the Corporation operates in, as well as those of other publicly-traded Canadian companies of a comparable size to that of the Corporation. The Board also considers previous grants of options and the overall number of options that are outstanding relative

to the number of outstanding Common Shares in determining whether to make any new grants of stock options and the size and terms of any such grants, as well as the level of effort, time, responsibility, ability, experience and level of commitment of the Named Executive Officer in determining the level of incentive stock option compensation.

For a description of the material terms of the Stock Option Plan, see “Statement of Director and Named Executive Officer Compensation – Stock Option Plan and Other Incentive Plans”.

Director and Officer Liability Insurance

The Corporation has obtained and maintains customary liability insurance for the benefit of its directors and officers.

Pension Disclosure

The Corporation does not have a pension plan and does not provide any pension plan benefits.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides details of compensation plans under which equity securities of the Corporation are authorized for issuance as of December 31, 2015.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights⁽³⁾	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans⁽⁴⁾
Equity compensation plans approved by securityholders	5,367,222 ⁽¹⁾	\$0.88	865,202 ⁽²⁾
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	5,367,222	\$0.88	865,202

Notes:

⁽¹⁾ Represents the number of Common Shares reserved for issuance upon exercise of the denoted outstanding options granted in accordance with the Stock Option Plan.

⁽²⁾ Based on the maximum aggregate number of Common Shares that were available for issuance under the Stock Option Plan as at December 31, 2015 and based on 10% of the number of Common Shares issued and outstanding as of December 31, 2015. The maximum number of Common Shares reserved for issuance under the Stock Option Plan at any time is 10% of the Corporation's issued and outstanding Common Shares at that time, less any Common Shares reserved for issuance under other share compensation arrangements.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Circular, no executive officer, director, employee or former executive officer, director or employee of the Corporation or any of its subsidiaries is indebted to the Corporation, or any of its subsidiaries in connection with a purchase of securities or otherwise. In addition, no indebtedness of these individuals to another entity has been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding of the Corporation or any of its subsidiaries.

No person who is, or at any time during the most recently completed financial year was, a director or executive officer of the Corporation, a proposed nominee for election as a director of the Corporation or any associate of any one of the foregoing persons is, or at any time since the beginning of the most recently completed financial year has been, indebted to the Corporation or any of its subsidiaries. In addition, neither the Corporation nor any of its subsidiaries has provided a guarantee, support agreement, letter of credit or other similar arrangement for any indebtedness of any of these individuals to any other entity.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

The Corporation is not aware of any informed person of the Corporation, any proposed director of the Corporation, or any associate or affiliate of any informed person or proposed director, who has had a material interest, direct or indirect, in any transaction involving the Corporation since January 1, 2015 or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries, other than (i) certain proposed nominees for election as directors who were officers, directors and/or securityholders of Longacre or GLHI, and in such capacity(ies), had a material interest in the RTO, (ii) Peter Saladino, a principal shareholder of the Corporation and a proposed nominee for election as a director, who is also the Co-Founder and Chief Executive Officer of BMF, an entity who has entered into an agreement with the Corporation to form a strategic partnership and pursuant to which the Corporation has paid BMF the equivalent of US\$12 million through the issuance of Common Shares, US\$1.5 million in cash, and committed through the to pay the remaining US\$1.5 million owed pursuant to the agreement in cash in installments over the next eight months, provided that the Corporation has sufficient cash flow, with a final maturity date of January 14, 2017, (iii) Mr. Robinson, the CEO of the Corporation and proposed nominee for election as a director, provided a personal guarantee for the note representing the remaining US\$1.5 million payable to BMF, (iv) Mr. Robinson, participated in the Corporation's private placement of convertible debentures completed on March 11, 2016, purchasing \$1,000,000 aggregate principal amount of debentures, and (v) Mr. Cohl, a proposed nominee for election as a director, participated in the Corporation's private placement of convertible debentures completed on April 4, 2016, purchasing \$500,000 aggregate principal amount of debentures.

MANAGEMENT CONTRACTS

No management functions of the Corporation or its subsidiaries are performed to any substantial degree by a person other than the directors or executive officers of the Corporation or its subsidiaries.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available under the Corporation's profile on SEDAR at www.sedar.com and on the Corporation's website at www.goldenleafholdings.com.

Financial information relating to the Corporation is provided in the Corporation's audited consolidated financial statements and the management's discussion and analysis ("MD&A") for the year ended December 31, 2015. Shareholders may obtain the financial statements and MD&A under the Corporation's profile on SEDAR at www.sedar.com or by contacting the Corporation directly to request copies of the financial statements and MD&A by: (i) mail to 36 Toronto Street, Suite 1000, Toronto, Ontario, M5C 2C5; or (ii) fax to 416-848-0790.

The Board has approved the contents of this Circular and the sending thereof to the Corporation's shareholders.

ON BEHALF OF THE BOARD

"Donald M. Robinson"

Donald M. Robinson
Chief Executive Officer and Director
May 31, 2016

SCHEDULE "A"

AUDIT COMMITTEE CHARTER

GOLDEN LEAF HOLDINGS LTD.

AUDIT COMMITTEE CHARTER

PURPOSE

1. The Audit Committee ("Committee") is a committee of the board of directors (the "Board") of Golden Leaf Holdings Ltd. (the "Corporation"). Its primary function shall be to assist the Board in fulfilling its oversight responsibilities with respect to:
 - (a) the financial reporting process and the quality, transparency and integrity of the Corporation's financial statements and other related public disclosures;
 - (b) the Corporation's internal controls over financial reporting;
 - (c) the Corporation's compliance with legal and regulatory requirements relevant to the financial statements and financial reporting;
 - (d) ensuring that there is an appropriate standard of corporate conduct for senior financial personnel and employees including, if necessary, adopting a corporate code of ethics;
 - (e) the external auditors' qualifications and independence; and
 - (f) the performance of the internal audit function and the external auditors.
2. The function of the Committee is oversight. The members of the Committee are not full-time employees of the Corporation. The Corporation's management is responsible for the preparation of the Corporation's financial statements in accordance with applicable accounting standards and applicable laws and regulations. The Corporation's external auditors are responsible for the audit or review, as applicable, of the Corporation's financial statements in accordance with applicable auditing standards and laws and regulations.

COMPOSITION

3. The Committee shall be appointed by the Board annually on the recommendation of the Corporate Governance Committee and shall be comprised of a minimum of three directors. If an appointment of members of the Committee is not made as prescribed, the members shall continue as such until their successors are appointed. The Board may remove a member of the Committee at any time in its sole discretion by resolution of the Board.
4. The majority of the members of the Committee shall be directors whom the Board has determined are independent and "financially literate", taking into account the applicable rules and regulations of securities regulatory authorities and/or stock exchanges.
5. The Chair of the Committee will be designated by the Board from among the members of the Board. Such Chair shall serve as a liaison between members and senior management. If for any reason a Chair of the Committee is not appointed by the full Board, members of the Committee may designate a Chair of the Committee by majority vote of the full membership of the Committee.

MEETINGS

6. The Committee shall have a minimum of four meetings per year, to coincide with the Corporation's financial reporting cycle. Additional meetings will be scheduled as considered necessary or appropriate, including considering specific matters at the request of the external auditors or the head of internal audit.

7. The time and place of the meetings of the Committee, the calling of meetings and the procedure in all things at such meetings shall be determined by the Chair of the Committee. A meeting of the Committee may be called by notice, which may be given by written notice, telephone, facsimile, email or other communication equipment, given at least 48 hours prior to the time of the meeting provided that no notice of a meeting will be necessary if all of the members are present either in person or by means of conference telephone or if those absent waive notice or otherwise signify their consent to the holding of such meeting.
8. At least two members of the Committee will constitute a quorum at each meeting.
9. The Committee will hold an in camera session without any senior officers present at each meeting.
10. The Committee will keep minutes of its meetings, which shall be available for review by the Board.
11. The Committee may appoint any individual, who need not be a member, to act as the secretary at any meeting.
12. The Committee may invite such directors, senior officers and other employees of the Corporation and such other advisors and persons as is considered appropriate to attend any meeting of the Committee.
13. Any matter to be determined by the Committee will be decided by a majority of the votes cast at a meeting of the Committee called for such purpose. Each Member will have one vote and decisions of the Committee will be made by an affirmative vote of the majority. The Chair will not have a deciding or casting vote in the case of an equality of votes. Any action of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee (including in counterpart) and any such action will be as effective as if it had been decided by a majority of the votes cast at a meeting of the Committee called for such purpose.
14. The Committee will report its determinations and recommendations to the Board.

RESOURCES AND AUTHORITY

15. The Committee has the authority to:
 - (a) engage, at the expense of the Corporation, independent counsel, accounting and other experts or advisors as considered advisable in its sole discretion, at the expense of the Corporation, which shall provide adequate funding for such purposes;
 - (b) determine and pay the compensation for any independent counsel, accounting and other experts or advisors retained by the Committee;
 - (c) conduct any investigation in the Corporation's business or affairs that it considers appropriate; and
 - (d) request unrestricted access to the books and records of the Corporation, management, the external auditors and the head of internal audit, including private meetings, as it considers necessary or appropriate to discharge its duties and responsibilities.

DUTIES AND RESPONSIBILITIES

16. The responsibilities of a member of the Committee shall be in addition to such Member's duties as a member of the Board. The duties and responsibilities of the Committee shall be as follows:

Financial Reporting and Disclosure

- (a) The Committee has the duty to determine whether the Corporation's financial disclosures are complete, accurate, are in accordance with international financial reporting standards and fairly present the financial position and risks of the organization. The Committee should, where it deems appropriate, resolve disagreements, if any, between management and the external auditor, and review compliance with laws and regulations and the Corporation's own policies.

- (b) Review and discuss with management and the external auditor at the completion of the annual examination:
 - (i) the Corporation's audited financial statements and related notes;
 - (ii) the external auditor's audit of the annual financial statements and their report thereon;
 - (iii) any significant changes required in the external auditor's audit plan;
 - (iv) any serious difficulties or disputes with management encountered during the course of the audit; and
 - (v) other matters related to the conduct of the audit, which are to be communicated to the Committee under generally accepted auditing standards.
- (c) Review and discuss with management and, where authorized by the Board, the external auditor at the completion of any review engagement or other examination of the Corporation's quarterly unaudited financial statements:
 - (i) the Corporation's unaudited financial statements and related notes;
 - (ii) any significant changes required in the external auditor's audit plan resulting from the preparation of the unaudited financial statements;
 - (iii) any serious difficulties or disputes with management encountered during the course of the preparation of the unaudited financial statements; and
 - (iv) other matters related to the preparation of the unaudited financial statements, which are to be communicated to the Committee.
- (d) Approve unaudited financial statements and the notes thereto and the Corporation's management discussion and analysis with respect to such financial statements.
- (e) Review, discuss with management the annual reports, the quarterly reports, the related Management Discussion and Analysis, the annual information form, any prospectus and other disclosures and, if thought advisable, recommend the acceptance of such documents to the Board for approval.
- (f) Review disclosure respecting the activities of the Committee included in the Corporation's annual filings.
- (g) Review and discuss with management any guidance being provided to shareholders on the expected future results and financial performance of the Corporation and provide their recommendations on such documents to the Board.
- (h) Inquire of the auditors the quality and acceptability of the Corporation's accounting principles, including the clarity of financial disclosure and the degree of conservatism or aggressiveness of the accounting policies and estimates.
- (i) Meet independently with the external auditor and management in separate executive sessions, as necessary or appropriate.
- (j) Ensure that management has the proper systems in place so that the Corporation's financial statements, financial reports and other financial information satisfy legal and regulatory requirements. Based upon discussions with the external auditor and the financial statement review, if it deems appropriate, provide the Board with such recommendations and reports with respect to the financial disclosures of the Corporation.
- (k) Review and approve any significant amendments to the Corporation's Disclosure Policy.
- (l) Review and if appropriate, ratify the mandate of the Disclosure Committee.

External Auditor

- (m) Retaining and terminating, and/or making recommendations to the Board and the shareholders with respect to the retention or termination of, an external auditing firm to conduct review engagements on a quarterly basis and an annual audit of the Corporation's financial statements.
- (n) Communicating to the external auditors that they are ultimately accountable to the Board and the Committee as representatives of the shareholders.
- (o) Obtaining and reviewing an annual report prepared by the external auditors describing: the firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues.
- (p) Evaluating the independence of the external auditor and any potential conflicts of interest and (to assess the auditors' independence) all relationships between the external auditors and the Corporation, including obtaining and reviewing an annual report prepared by the external auditors describing all relationships between the external auditors and the Corporation.
- (q) Approving, or recommending to the Board for approval, all audit engagement fees and terms, as well as all non-audit engagements of the external auditors prior to the commencement of the engagement.
- (r) Reviewing with the external auditors the plan and scope of the quarterly review and annual audit engagements.
- (s) Setting hiring policies with respect to the employment of current or former employees of the external auditors.

Internal Controls and Audit

- (t) Reviewing and discussing with management, the external auditors and the head of internal audit the effectiveness of the Corporation's internal controls over financial reporting, including reviewing and discussing any significant deficiencies in the design or operation of internal controls, and any fraud, whether or not material, that involves management or other employees who have a significant role in the Corporation's internal controls over financial reporting.
- (u) Discussing the Corporation's process with respect to risk assessment (including fraud risk), risk management and the Corporation's major financial risks and financial reporting exposures, all as they relate to internal controls over financial reporting, and the steps management has taken to monitor and control such risks.
- (v) Reviewing and discussing with management the Corporation's Code of Business Conduct and Ethics and anti-fraud program and the actions taken to monitor and enforce compliance.
- (w) Establishing procedures for:
 - (i) the receipt, retention and treatment of complaints regarding accounting, internal controls or auditing matters, including reviewing and discussing Whistleblower Policy with management; and
 - (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting, internal controls or auditing matters.
- (x) Reviewing and discussing with management, the external auditors and the head of internal audit the responsibilities and effectiveness of the Corporation's internal audit function, including reviewing the internal audit mandate, independence, organizational structure,

internal audit plans and adequacy of resources, receiving periodic internal audit reports and meeting privately with the head of internal audit on a periodic basis.

- (y) Approving in advance the retention and dismissal of the head of internal audit.

Other

- (z) Reporting regularly to the Board.
- (aa) Reviewing and assessing its mandate and recommending any proposed changes to the Corporate Governance Committee of the Board on an annual basis.
- (bb) Evaluating the functioning of the Committee on an annual basis, including with reference to the discharge of its mandate, with the results to be reported to the Corporate Governance Committee, which shall report to the Board.
- (cc) Review periodically, together with the Corporate Governance Committee, the directors' and officers' liability insurance and indemnities of the Corporation and consider the adequacy of such coverage.

ADOPTION

This Charter was adopted by the Board on May 31, 2016.