

## Golden Leaf Holdings Ltd. Announces Q2 2016 and June 2016 Preliminary Results for Oregon and Washington State Brands

TORONTO, ONTARIO--(Marketwired – July 12, 2016) – Golden Leaf Holdings Ltd. ("GLH" or the "Company") (CSE:GLH), a leading cannabis oil solutions company built around recognized brands, today announced preliminary revenue results for Q2 2016 and June 2016 for the respective brands of the Company in Oregon and strategic partner BMF Washington ("BMF").

### GLH Oregon Revenue Overview

Preliminary results show that GLH generated US\$3,011,000 in estimated and unaudited revenue for Q2 2016 as compared to unaudited revenue of US\$2,476,688 for Q1 2016, representing a quarter over quarter increase of 21.5%.

The Company posted preliminary results for June 2016 showing UD\$923,000 in estimated and unaudited revenue as compared to US\$1,067,000 (updated and revised from previously published number) in May 2016, representing a month over month decrease of 13.5%. GLH sold all of the products that it produced in the month of June.

GLH experienced lower than anticipated revenue in June 2016 due to a variety of unexpected challenges. The Company is developing plans to address these variables as shown below:

Issue	Proactive Response
<i>Production obstacles, including cash constraints that impacted trim and flower purchases, trim quality issues and product testing delays from 3<sup>rd</sup> party vendors made it more challenging to source material inputs and produce product in a timely manner.</i>	GLH is leveraging cash from current convertible debenture funding to fulfill raw material requirements. The Company has developed a strategic trim supply agreement program focused on contracting with selected farmers to obtain low cost supply of high quality flower and trim with specific strain and genetic characteristics. GLH purchased new testing equipment to ensure the quality of trim and efficiency of testing timelines. The Company is building relationships with testing vendors to effectively manage testing bottlenecks.
<i>The Oregon cannabis market saw slower than expected recreational consumer adoption of oils and extracts.</i>	The concept of using a vape pen for delivery and usage of marijuana is still relatively new for the average recreational user. The Company is working with dispensaries to provide merchandising tools that educate the consumer on the benefits of cannabis oil and new delivery systems.
<i>The retail buying process at medical</i>	Dispensaries are becoming more familiar with

<p><i>marijuana dispensaries, including effective purchasing and supply chain management is still evolving. Not all dispensaries stocked the appropriate inventory to meet new recreational consumer demand.</i></p>	<p>customers buying behavior, but room for improvement exists with raising the level of sophistication as it relates to inventory management and regular purchasing patterns. GLH is working closely with dispensary customers to help manage stock levels and ordering cycles.</p>
--	---

Don Robinson, Chief Executive Officer of GLH, commented, “While June 2016 Oregon sales results were lower than expected, we were encouraged by the strong sell through of all available inventory produced. We were also pleased with the positive consumer response to the relaunch of the Golden brand and the new product launch of Private Stash. Our sales and marketing team worked with dispensaries across the state to not only introduce new products but new merchandising tools that elevated the consumers’ shopping experience and increased brand awareness.”

### **BMF Washington Revenue Overview**

Preliminary results show that BMF generated US\$1,370,445 in estimated and unaudited revenue for Q2 2016 as compared to unaudited revenue of US\$904,359 for Q1 2016, representing a quarter over quarter increase of 51.5%. BMF’s June 2016 unaudited and estimated revenue in Washington state was US\$537,880, a month over month increase of 13% from May 2016 of US\$475,457.

### **About Golden Leaf Holdings:**

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

For further information, please contact:

Golden Leaf Holdings Ltd. Investor Relations:  
Paul Searle  
Investor Relations, Golden Leaf Holdings Ltd.  
T: 778.240.7724  
E:pauljsearle@shaw.ca

*Disclaimer: This press release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements*

*with respect to the Company's future business operation, expectations of gross sales, the opinions or beliefs of management, and future business goals. Generally, forward looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to general business, economic and competitive uncertainties, regulatory risks including risks related to the expected timing of the Company's participation in the Adult Use market, market risks, risks inherent in manufacturing operations and other risks of the cannabis industry. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. Forward-looking information is provided herein for the purpose of presenting information about management's current expectations relating to the future and readers are cautioned that such information may not be appropriate for other purpose. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.*