

## **Golden Leaf Holdings Looks Forward to Cannabis Referendum in Oregon**

TORONTO, ONTARIO--(Marketwired – October 17, 2016) – Golden Leaf Holdings Ltd. ("GLH" or the "Company") (CSE:GLH), a leading cannabis oil solutions company built around recognized brands, is pleased to provide an update on GLH's operating plan regarding the start of the recreational market in Oregon and the local Marion County referendum coming up for vote on November 8, 2016. On this day, voters in Marion County will decide whether or not recreational sales and production will be allowed.

While some counties have chosen to opt-out of allowing licensed marijuana business to participate in the recreational market, Oregonians have embraced the industry overall as shown by increased sales and a demand for high-quality branded products. It's been over a year since recreational or "Adult Use" cannabis became legal in Oregon and sales are generating millions in tax revenue for the state.

Don Robinson, Chief Executive Officer of GLH commented, "The topic of Marion County has been discussed since the implementation of the Marion County Ordinance last year and we have taken necessary steps to minimize any impact that a moratorium would have on our business. We have secured another property in Multnomah County and we are well positioned in the Adult Use market regardless of the outcome in Marion County."

As previously communicated, Golden Leaf Holdings has a facility in Marion County at its Aurora Campus that has been under a county wide ordinance allowing existing medical marijuana businesses to operate, but prohibiting the establishment of recreational or "Adult Use" businesses. GLH has been operating under its existing medical processor registration. Over the last nine months the Company has developed a strategic operating plan flexible enough to accommodate the eventuality of a negative or positive outcome of the Marion County referendum, including the leasing of another Portland based property in Multnomah County for recreational production, and is positioned to do well in either scenario. The cost of commissioning the Portland location has already been budgeted and accounted for in the Company's financials. Regardless of the outcome of the vote, the Company believes its business prospects will be better because of the climate of certainty it will have with which to make decisions. This regulatory uncertainty led to inefficiencies as GLH has had to be prepared to deal with an outcome either way.

If the vote comes out in favor of the "opt out", GLH will focus its operations at its leased facility in Portland and expand the operations there. In this scenario, GLH anticipates that it would sell the Marion County property and remove \$3 million worth of debt off of its books. As an alternative, or during the period while the property is up for sale, the Company believes it could lease out a large portion of the property actually making it revenue positive. It has received many leasing inquiries from interested parties involved with traditional agriculture.

If the vote goes positively and recreational businesses are allowed in Marion County, the ordinance will not be changed until around January 2<sup>nd</sup> 2017. Given the standard timelines associated with receiving a recreational marijuana license from the Oregon Liquor Control Commission, GLH would not anticipate the license to be in place prior to Q2 2017. As such, in order to sell products into the recreational market, the Company expects and already has plans ready to move all production to the Multnomah County location for a period of time until the Aurora location would receive its recreational license. The Aurora location could be used for limited medical marijuana production during the remainder of 2016 and early 2017.

### **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:

Canadian Investor Relations:

Paul Searle  
Investor Relations, Golden Leaf Holdings Ltd.  
T: 778.240.7724  
E: [psearle@goldenleafholdings.com](mailto:psearle@goldenleafholdings.com)

U.S. Investor Relations:

Harrison Phillips  
Viridian Capital Advisors, LLC  
212-485-0284  
[hphillips@viridianca.com](mailto:hphillips@viridianca.com)

### **Forward Looking Statement**

*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.*