

**NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR
DISSEMINATION IN THE UNITED STATES**

**Golden Leaf Holdings Ltd. Announces Closing of Second Tranche of Non-
Brokered Private Placement of Convertible Debentures**

October 26, 2016

TORONTO, ONTARIO

Golden Leaf Holdings Ltd. ("GLH" or the "Company") (CSE:GLH) is pleased to announce the closing of the second tranche of its previously announced non-brokered private placement (the "Offering") of convertible senior secured debentures of the Company (the "Debentures"), at a price per Debenture of C\$1,000 (the "Offering Price"), for gross proceeds of up to C\$12,000,000 (the "Offering"). An aggregate of C\$982,000 principal amount of Debentures were issued in the second tranche of the Offering.

The Debentures mature on the date that is 18 months from issuance (the "Maturity Date") and bear interest accruing at a rate of 10.0% per annum from issuance (the "Closing Date"), payable semi-annually on the last day of June and December of each year. The first interest payment will be made on December 31, 2016 and will consist of interest accrued from and including the Closing Date to December 31, 2016. Subject to certain conditions, the Company may elect, from time to time, subject to applicable regulatory approval, to satisfy its obligation to pay interest on the Debentures, on the date it is payable: (i) in cash; or (ii) by issuing the equivalent value in common shares of the Company ("Common Shares") at a price per Common Share equal to the 20 trading day volume weighted average price of the Common Shares on the Canadian Securities Exchange (the "CSE") (or such other Canadian stock exchange on which the Common Shares may trade) ending five trading days preceding the interest due date.

The Debentures are convertible at the holder's option into Common Shares at any time prior to the close of business on the Maturity Date at a conversion price equal to C\$0.30 per Common Share. Holders converting their Debentures will receive accrued and unpaid interest thereon, up to, but excluding, the date of conversion. The subscribers in the Offering have been granted certain rights with respect to anti-dilution and future equity issuances. If the daily volume weighted average price of Common Shares is C\$1.00 or greater for 10 consecutive trading days, the Company may require that the holders of Debentures convert into Common Shares.

The Debentures are secured by a general security agreement over all of the assets of the Company, and carry the benefit of a guarantee of the subsidiaries of the Company (the "Subsidiaries") of all indebtedness and liability of the Company to the holders under the Debentures. The Company also pledged all of the outstanding securities of the Subsidiaries under various pledge agreements.

The Debentures and underlying Common Shares are subject to a statutory hold period in Canada of four months from the Closing Date pursuant to Canadian securities laws. The securities mentioned herein have not been and are not qualified by prospectus for sale to the public under applicable Canadian securities laws are subject to transfer and selling restrictions in certain jurisdictions, including the United States and Canada.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful. The securities being offered have not been, nor will they be, registered under the United States *Securities Act of 1933*, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the United States *Securities Act of 1933*, as amended, and applicable state securities laws.

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

U.S. Investor Relations:

Harrison Phillips
Viridian Capital Advisors, LLC
212-485-0284
hphillips@viridianca.com

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 operations and reflects current expectations or beliefs regarding such matters including, but not limited to, information or statements with respect to the completion of the Offering, the receipt of requisite regulatory approvals, including the approval of the CSE and the use of proceeds. 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, market risks, risks inherent in manufacturing operations, risks relating to the receipt of additional extraction machines, 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.