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Golden Leaf Announces Terms of Private Placement

TORONTO, ONTARIO--(Marketwired – May 4, 2017) – Golden Leaf Holdings Ltd. (“GLH” or the “Company”) (CSE:GLH) (OTCQB:GLDFF), a leading cannabis oil solutions company built around recognized brands, is pleased to announce, further to its news release dated March 22, 2017, the pricing terms of its best efforts private placement offering (the “Offering”) of subscription receipts (the “Subscription Receipts”). Canaccord Genuity Corp. (“Canaccord Genuity”) is acting as the lead agent for a syndicate of agents including Echelon Wealth Partners Inc. and Mackie Research Capital Corporation (together with Canaccord Genuity, the “Agents”). AC Group Financial Inc. acted as an advisor to the Company on this transaction and the related four acquisitions previously announced in recent weeks.

Pursuant to the Offering, the Company will offer to sell, on a best efforts, private placement basis, up to 125,000,000 Subscription Receipts, at a price of \$0.28 per Subscription Receipt, for aggregate gross proceeds of up to \$35 million. Upon satisfaction of certain escrow release conditions (as described below), each Subscription Receipt shall be automatically exchanged, without any further consideration or action by the holder of such Subscription Receipt, for one common share in the capital of the Company (each, a “Common Share”) and one-half of one common share purchase warrant (each whole common share purchase warrant, a “Warrant”). Each Warrant will be exercisable to acquire one common share of the Company (each, a “Warrant Share”) at a price of \$0.37 per Warrant Share, subject to adjustment in certain events, for a period of two years from the closing of the Offering.

The Company has granted the Agents an option (the “Agents’ Option”) to arrange for the sale of up to an additional 18,750,000 Subscription Receipts for additional gross proceeds to GLH of up to \$5.25 million on the same terms and conditions as the Offering. The Agents’ Option is exercisable, in whole or in part, at any time up to 24 hours prior to the closing of the Offering.

Proceeds from the Offering are anticipated to be used to satisfy the cash component of the purchase price for the acquisitions of Chalice LLC, a leading vertically integrated cannabis company in Oregon, JuJu Joints, Canadian based Medical Marijuana Group Corporation and a cultivation license and extraction license in Nevada from NevWa, LLC (the “Acquisitions”).

Don Robinson, CEO of GLH, commented, “This financing will enable GLH to close on the four previously announced strategic acquisitions for which we have binding letters of agreement.

Our strategy is to become a leading consolidator of high-value cannabis brands, and these four acquisitions will bring significant advantages to Golden Leaf, including a highly differentiated brand portfolio, broader product line, and larger footprint in Canada and the U.S. Following completion of the strategic acquisitions, the Company expects to commence integration of its new entities and consolidate operations to drive efficiencies and synergies.”

The Subscription Receipts will be issued pursuant to a subscription receipt agreement (the "Subscription Receipt Agreement") to be entered into among the Company, Canaccord Genuity and a subscription receipt agent to be agreed upon. Pursuant to the Subscription Receipt Agreement, the gross proceeds from the Offering (less 50% of the Agents' cash commission and all of the Agents' expenses) (the "Escrowed Funds") will be held in escrow pending satisfaction of the escrow release conditions, including (i) the definitive agreement regarding the Acquisitions (the "Definitive Agreement") shall have been entered into on terms substantially similar to the terms of the binding letter of agreement entered into in connection with the Acquisitions or otherwise on terms acceptable to the Agents, acting reasonably; (ii) the completion or satisfaction of all conditions precedent to the completion of the Acquisitions shall have occurred; (iii) the Common Shares, including the Warrant Shares issuable upon exercise of the Warrants, being approved for listing on the Canadian Securities Exchange; (iv) the receipt of all necessary regulatory, shareholder and third-party approvals, if any, required in connection with the Acquisitions; and (v) the Company shall not be in breach or default of any of its covenants or obligations under the Subscription Receipt Agreement or the agency agreement to be entered into with the Agents in connection with the Offering (the "Escrow Release Conditions"). Upon satisfaction of the Escrow Release Conditions, the balance of the Agents' commission shall be released to the Agents and the remaining Escrowed Funds, together with any interest earned thereon, will be released to the Company.

If the Escrow Release Conditions have not been satisfied within 120 days following the closing of the Offering, the Subscription Receipts will be deemed to be cancelled and holders of Subscription Receipts will receive a cash amount equal to the offering price of the Subscription Receipts.

Closing of the Offering is expected to occur on or about May 23, 2017. The Offering is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and stock exchange approvals.

The Subscription Receipts and any Common Shares, Warrants or Warrant Shares issued pursuant to the Offering will be subject to a statutory hold period in Canada of four months and one day following the closing of the Offering in accordance with applicable securities laws.

Additional resale restriction may be applicable under the laws of other jurisdictions, if any.

A copy of the updated investor presentation in connection with the Offering and the Acquisitions is available on the Company's website at <http://goldenleafholdings.com/>.

About Golden Leaf Holdings:

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

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Disclaimer: This press release contains "forward-looking information" within the meaning of applicable 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, statements regarding the timing and completion of the proposed Acquisitions and the Offering, the use of the net

proceeds of the Offering, the satisfaction of the Escrow Release Condition and management's expectations with respect to the Offering and the Acquisitions. 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. This Release does not constitute an offer of securities for sale in the United States, and such securities may not be offered or sold in the United States absent registration or an exemption from registration or an exemption from registration.