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Golden Leaf Announces Closing of Bridge Loan and Conversion of Debentures

Company receives business license allowing sale into adult-use cannabis market in Sparks and other Nevada markets

TORONTO, ONTARIO--(Marketwired – September 5, 2017) – Golden Leaf Holdings Ltd. (“GLH” or the “Company”) (CSE:GLH) (CSE:GLH.CN) (CNSX:GLH) (OTCQB:GLDFF), a leading cannabis oil solutions company built around recognized brands, today announced that it has closed its previously announced bridge loan and has received proceeds of C\$2,000,000 (the “Bridge Loans”). Directors of the Company contributed C\$800,000 to the Bridge Loans. The Bridge Loans will be due on January 31, 2018 and bear interest at the rate of 5%. Parties participating in the Bridge Loans were issued 952 common share purchase warrants (the “Bridge Warrants”) for each C\$1,000 principal amount lent. Each Bridge Warrant will entitle the holder to acquire one Common Share at a price of C\$0.21 per Common Share for a period of two years following the closing of the Bridge Loans, subject to adjustment in certain events. The exercise price on the Bridge Warrants was reduced from that previously announced in order to ensure the full participation of the lenders. The net proceeds of the Bridge Loans will be used for general corporate purposes.

In addition, the Company is pleased to announce that it has secured conversion of 95% of the remaining outstanding convertible debentures of the Company issued in March 2016 and that were due on September 11, 2017. An aggregate principal amount of C\$4,526,000, including C\$1,266,000 held by directors of the Company, has been converted (or been irrevocably committed to be converted) into Common Shares at an amended price of C\$0.21 per Common Share, resulting in a strengthened balance sheet and a significant conservation of the Company’s working capital. The Company agreed to an amended exercise price in order to secure conversions of such debentures prior to their maturity. Approximately 21,552,380 Common Shares will be issued to the holders of such converted debentures.

Mr. William Simpson, Chief Executive Officer of Golden Leaf, commented, “We are pleased to secure these funds to support Golden Leaf’s implementation of its growth strategy in the fast-growing, emerging legal cannabis market. The Company plans to utilize the proceeds to continue the build-out of our three new Chalice Farms dispensaries and to expand our wholesale inventory in Oregon, as we work to establish a strong brand portfolio, business model and infrastructure to support sustainable top-line sales growth. Directors in the

Company have contributed personal funds to support Golden Leaf's capital raising efforts as a signal of our confidence in the opportunity before us. We will continue to instill a culture that prioritizes financial discipline and accountability across the business."

Mr. Simpson concluded, "Separate to this round of funding, Director Gary Zipfel, has directly committed to fund the completion of the Company's greenhouse facility in Portland, Oregon, the cost of which is estimated to be in excess of US\$600,000, further demonstrating management's dedication to Golden Leaf's success."

Separately, the Company has also announced that it has received a business license that allows it to sell into the adult-use market in the city of Sparks, Nevada. The license also enables Golden Leaf to sell into any other jurisdiction that does not require a separate business license. The Company made its first sale to a Sparks customer last week and currently has over US\$40,000 of orders scheduled for delivery this week. The Company remains in the process of applying for licenses to sell into other jurisdictions that require a separate license, including Reno and Las Vegas.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities described herein, and these securities will not be offered or sold in any jurisdiction in which their offer or sale would be unlawful. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or any state securities laws of the United States. Accordingly, these securities will not be offered or sold to persons within the United States unless an exemption from the registration requirements of the 1933 Act and applicable state securities laws is available.

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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