

Golden Leaf Announces Amended Terms and Up Size of Private Placement of Secured Convertible Debenture Units and Commitments from Debtholders to Exchange Their Debt

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TORONTO, Oct. 02, 2017 -- Golden Leaf Holdings Ltd. ("GLH" or the "Company") (CSE:GLH) (OTCQB:GLDFF), a leading cannabis oil solutions company built around recognized brands, today announced that it has revised the terms of its previously announced private placement of convertible debenture units (the "Offering"). Under the revised Offering, the Company is offering up to C\$15 million of debenture units (the "Units") of the Company, each Unit to be comprised of one C\$1,000 principal amount 10% senior secured convertible debenture (each, a "Debenture" and collectively, the "Debentures") and 2,381 common share purchase warrants (each, a "Warrant" and collectively, the "Warrants"), at a price of C\$1,000 per Unit, for aggregate gross proceeds of up to C\$15 million. The Debentures will bear interest at the rate of 10% per annum and mature 24 months from the closing of the Offering. Each Debenture is convertible into common shares of the Company (each, a "Common Share") at a conversion price of C\$0.21 per Common Share, subject to adjustment in certain events. Each Warrant will entitle the holder to acquire one Common Share at a price of C\$0.28 per Common Share for a period of two years following the closing of the Offering, subject to adjustment in certain events. The net proceeds from the Offering are anticipated to be used for working capital, inventory and to repay existing indebtedness.

In addition, the Company is pleased to announce that it has secured commitments, and expects to secure additional commitments, from certain holders of the outstanding convertible debentures of the Company due in April, 2018, and has secured commitments from all of the lenders under the bridge loans obtained by the Company on September 5, 2017, to accept early repayment of such debts and to direct the funds received towards the purchase of Units. The effect of such agreements will be to effectively consolidate the majority of the Company's existing debt with the Debentures, putting all such debt into one instrument.

Canaccord Genuity Corp. ("Canaccord Genuity") is acting as sole agent and bookrunner with respect to this "best efforts" private placement of Units. The Company has granted Canaccord Genuity an option to offer for sale up to an additional 15% of the Units, exercisable in whole or in part at any time up to 48 hours prior to Closing Date. Closing of the Offering is expected to occur on or about October 17, 2017.

The Debentures will be secured by a general security interest over all of the assets of the Company, and through guarantees and a general security interest from each of the Company's subsidiaries. Under the indenture governing the Debenture, the Company will agree not to pledge, sell, lease or otherwise dispose of its assets, other than in the normal course, without prior written consent. To the extent existing security arrangements permit it (or are modified), the Company shall also pledge all the outstanding securities of its subsidiaries.

The Units are being offered in all provinces of Canada and will also be offered in other jurisdictions determined by the Company and Canaccord Genuity. The Debentures and Warrants issued pursuant to the Offering, and any Common Shares issued on conversion of the Debentures or exercise of the Warrants 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.

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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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 Offering, the debt to be repaid and exchanged for Units, the use of the net proceeds of the Offering, and management's expectations with respect to the Offering. 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.