

**FORM 51-102F3**  
**Material Change Report**

**Item 1.                    Reporting Issuer**

Golden Leaf Holdings Ltd. (the “**Company**”)  
82 Richmond Street East  
Toronto, Ontario M5C 1P1

**Item 2.                    Date of Material Change**

November 2, 2017.

**Item 3.                    Press Release**

On November 2, 2017, a news release in respect of the material change was filed on the Company’s SEDAR profile.

**Item 4.                    Summary of Material Changes**

On November 2, 2017, the Company announced that it has closed its previously announced best efforts private placement offering (the “**Offering**”) of units (the “**Units**”) for gross proceeds of C\$15,000,000.

Further, the Company announced that it has closed its previously announced acquisition of all of the shares of Medical Marijuana Group Corporation (“**MMGC**”) in exchange for 35,714,285 common shares of the Company (“**Common Shares**”).

**Item 5.                    Full Description of Material Changes**

*Closing of the Offering*

On November 2, 2017, the Company announced that it has closed its previously announced Offering. Pursuant to the Offering, the Company issued 15,000 Units, each Unit consisting of C\$1,000 principal amount of senior secured debentures (“**Debentures**”) and 2,381 common share purchase warrants (“**Warrants**”). The Debentures bear interest at the rate of 10% per annum. The principal amount of the Debentures is convertible into Common Shares at a price of \$0.21 per Common Share. Subject to regulatory approval, the interest payment obligations on the Debentures may be satisfied through payment of Common Shares. The Debentures will mature on November 2, 2019. Each Warrant entitles the holder to acquire one Common Share at a price of C\$0.28 per Common Share for a period of 24 months from the closing of the Offering, subject to adjustment in certain events.

Canaccord Genuity Corp. (the “**Agent**”) acted as the sole agent in respect of the sale of an aggregate of C\$13,540,000 of the Units issued and sold pursuant to the Offering (the “**Brokered Offering**”). The Agent received a cash commission equal to 4% of the gross proceeds of the Brokered Offering plus 2,857,143 Warrants in connection with the Brokered Offering. The remaining C\$1,460,000 of Units issued and sold pursuant to the Offering were done so on a non-brokered basis.

The net proceeds from the Offering are anticipated to be used for working capital purposes, capital expenditures, inventory and for debt repayment.

#### *Concurrent Debt Exchange*

In connection with the Offering, a further aggregate of 3,790 Units were issued as early repayment of: (i) a C\$2,000,000 bridge loan of the Company (the “**Bridge Loan**”); and (ii) C\$1,790,000 principal amount of previously issued secured convertible debentures of the Company (the “**2016 Debentures**” and, together with the Bridge Loan, the “**Debt Exchange**”). The Company also issued an aggregate of 14,351 Common Shares to the holders of the Bridge Loan and the 2016 Debentures in respect of accrued interest thereon. An aggregate of C\$2,960,000 principal amount of the 2016 Debentures remains outstanding and will mature in April 2018. No new cash proceeds were received by the Company in connection with the Debt Exchange.

In total, the aggregate gross new cash proceeds to the Company from the issuance of the Units was C\$15,000,000 under the Offering, plus the effective exchange of C\$3,800,000 of existing debt maturing within 6 months under the Debt Exchange.

The Company also announced that it has issued an aggregate of 1,589 Units to a financial advisor as partial payment of outstanding fees owed by the Company, on a “securities for debt” basis.

All securities issued pursuant to the Offering and the Common Shares issued in connection with the Bridge Loan are subject to a statutory hold period of four months, expiring on March 3, 2018.

#### *Closing of the Acquisition of MMGC*

Further, the Company announced that it has closed its previously announced acquisition of all of the shares of MMGC. MMGC is a Canadian company that has received its “license to build” approval and has filed an application for a cultivation license, which, subject to construction and build out of the cultivation facility, it anticipates receiving during or before Q1 2018. MMGC’s facility in Ontario has expansion capacity of over 50,000 square feet of grow/extraction space. The Company issued 35,714,285 Common Shares to the vendors of the shares of MMGC, including to the current chairman of the board of directors of the Company, who joined the Company after the agreement to acquire MMGC was entered into.

**Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102**

The report is not being filed on a confidential basis.

**Item 7. Omitted Information**

No information has been omitted.

**Item 8. Executive Officer**

The following executive officer is knowledgeable about the material changes and may be contacted about this report:

William Simpson  
Chief Executive Officer  
Golden Leaf Holdings Ltd.  
Tel: 503-805-5603

**Item 9.**

**Date of Report**

November 10, 2017.

**Cautionary Note Regarding Forward-Looking Statements**

This material change report 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 use of proceeds of the Offering, MMGC and 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, 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.