

**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**

January 8, 2018 and January 10, 2018.

**Item 3.                    Press Releases**

News releases with respect to the material change were filed on the Company’s SEDAR profile on January 8, 2018 and January 10, 2018.

**Item 4.                    Summary of Material Changes**

On January 8, 2018, the Company announced that it has entered into an agreement with Canaccord Genuity Corp., acting as sole bookrunner and underwriter (the “**Underwriter**”), pursuant to which the Underwriter had agreed to purchase, on a bought deal private placement basis, 16,750,000 units of the Company (the “**Units**”), at a price of \$0.45 per Unit (the “**Offering Price**”), for aggregate gross proceeds to the Company of \$7,537,500 (the “**Offering**”).

On January 10, 2018, the Company announced that it had entered into an amended agreement with the Underwriter to increase the size of the Offering to 33,400,000 Units for total gross proceeds to the Company of \$15,030,000 (the “**Upsize**”, references to the Offering hereafter include the Upsize).

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

On January 8, 2018, the Company announced the Offering. On January 10, 2018, the Company announced the Upsize.

Each Unit in the Offering will be comprised of one common share of the Company (a “**Common Share**”) and one common share purchase warrant (each a “**Warrant**”). Each Warrant will be exercisable to acquire one common share (a “**Warrant Share**”) for a period of 2 years following the closing date of the Offering at an exercise price of \$0.55 per Warrant Share, subject to adjustment in certain events.

The Company also granted the Underwriter an option (the “**Over-Allotment Option**”) exercisable at any time on or before the closing date to purchase up to 5,580,000 additional Units of the Company on the same terms as the Offering.

Net proceeds from the Offering will be used primarily for the Company's strategic growth initiatives and for general working capital purposes.

Closing of the Offering is expected to occur on or about January 31, 2018 and is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and stock exchange approvals.

The securities will be offered on a private placement basis, pursuant to prospectus exemptions under National Instrument 45-106 *Prospectus Exemptions* in all provinces and territories of Canada, in the United States by way of private placement to selected accredited investors and/or to qualified institutional investors and outside of Canada and the United States on a private placement or equivalent basis in accordance with applicable laws, provided that such laws permit offers and sales of the Units on a private placement basis and without any obligation on the part of the Company to prepare or file any registration statement, prospectus or other disclosure document and without triggering any disclosure obligations or submission to the jurisdiction on the part of the Company.

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 or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from the registration requirements. 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.

All securities issued pursuant to the Offering are subject to a statutory hold period of four months following the closing date of the Offering.

**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**

January 19, 2018.

**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, 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.