

**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**

March 27, 2018

**Item 3.                   Press Release**

On March 27, 2018, a news release in respect of the material change was issued and filed on the Company's SEDAR profile.

**Item 4.                   Summary of Material Changes**

Golden Leaf Holdings Signs Letter of Intent with BlackShire Capital to Launch Chalice Farms Franchise Model

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

A full description of the material change is described in the news release attached as Schedule A.

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

Not applicable

**Item 7.                   Omitted Information**

Not applicable

**Item 8.                   Executive Officer**

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

**Item 9.                   Date of Report**

April 3, 2018

# Golden Leaf Holdings Signs Letter of Intent with BlackShire Capital to Launch Chalice Farms Franchise Model

**Multi-Unit Franchise Agreement and Joint Venture would take Chalice Farms brand experience to Canada, the U.S. and international markets**

TORONTO, March 27, 2018 -- Golden Leaf Holdings Ltd. ("Golden Leaf" or the "Company") (CSE:GLH) (OTCQB:GLDFF), a leading cannabis oil solutions company built around recognized brands, today announced that it has signed a letter of intent (the "LOI") with BlackShire Capital Corp. ("BlackShire"), a Canadian Private Equity firm focused on the cannabis sector, to launch the Chalice Farms franchise model. This would be one of the first franchising deals of its kind in the cannabis space.

Golden Leaf is presently working with BlackShire to complete the franchising documentation necessary to launch its cannabis retail franchising opportunity under the "Chalice Farms" brand in the U.S., Canada and international markets. Golden Leaf and BlackShire are also in final discussions to form a jointly owned management company ("Management Company") which, as the franchisee, would manage and own the Chalice Farms cannabis retail franchises. The implementation of this potential partnership with BlackShire would be the first step in Golden Leaf's franchise program rollout.

"Signing the LOI validates our strategic franchising initiative and allows us to advance this potential franchising and management partnership with BlackShire Capital towards definitive agreements," commented William Simpson, CEO of Golden Leaf. "Franchising Chalice Farms represents an attractive vehicle to execute on our growth strategy of replicating the Chalice Farms operating model in new territories, which we plan to begin in Canada where and when permitted, and which we envision extending to additional permitted U.S. markets, beyond our current Portland, Oregon footprint. In our view, Golden Leaf remains uniquely positioned to expand its retail brand-focused model and to build sustainable, long-term shareholder value."

"BlackShire Capital has been invested in the legal cannabis space for several years. In Golden Leaf and Chalice Farms we have found a proven and progressive partner that believes in a premium customer experience. We look forward to working with our partner on a definitive agreement that takes this exceptional brand to markets in Canada, the U.S. and the world," said BlackShire Chairman and CEO, Kevin Reed.

Among the terms being contemplated, BlackShire would provide C\$10 million of initial funding for the potential Canadian operations of the Management Company and C\$15 million of initial funding for the potential U.S. operations. BlackShire would own 80 percent of the equity interests of the Management Company and Golden Leaf would own 20 percent. Additional funding above these levels would be subject to contribution by Golden Leaf and BlackShire in proportion to their equity ownership.

"Partnering with BlackShire Capital will allow us to take this unique customer experience and sustainable brand to more markets around the globe. It is a significant milestone for Golden Leaf and should provide resilient cash flows while keeping our operating costs down," concluded Mr. Simpson.

To be added to the distribution list please email [GLH@kcsa.com](mailto:GLH@kcsa.com) with "GLH" in the subject line.

## About Golden Leaf Holdings

Golden Leaf Holdings Ltd., a Canadian company with operations in multiple jurisdictions including Oregon, Nevada and Canada, is one of the largest cannabis oil and solution providers in North America, and a leading cannabis products company built around recognized brands. Golden Leaf cultivates, extracts and manufactures and distributes its products through its branded Chalice Farm retail dispensaries, as well as through third party dispensaries. Golden Leaf leverages a strong management team with cannabis and food industry experience to complement its expertise in extracting, refining and selling cannabis oil. Visit [goldenleafholdings.com](http://goldenleafholdings.com) to learn more.

## About BlackShire Capital Corp.

BlackShire Capital Corp. is a Canadian based Private Equity firm, allocating and managing capital in the global cannabis sector. BlackShire's approach to investment is based on fundamental analysis and active management, partnering with emerging dominant leaders in high growth categories. Visit [blackshirecapital.ca](http://blackshirecapital.ca) to learn more.

### Company:

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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 operations, the establishment of, and the future scope and scale of, the Chalice Farms retail system, the level of funding needed to establish the Chalice Farms franchise model, that the Chalice Farms franchise model will be successful and generate positive cash flows, 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 including risks related to the expected timing of the Company's participation in the adult use market, market risks, risks inherent in manufacturing operations, difficulties of establishing a successful franchise model 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 press 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.*