

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1 Name and Address of Company

Golden Leaf Holdings Ltd (“Golden Leaf” or the “Company”)
82 Richmond Street East
Toronto, ON M5C 1P1

Item 2 Date of Material Change

August 10, 2018

Item 3 News Release

August 13, 2018.

Item 4 Summary of Material Changes

1. The Company entered into an agreement to acquire 100% of assets and licenses of Tahoe Hydroponics Company (“Tahoe”), a Nevada based cannabis company.
2. Under the terms of the current draft purchase agreement, Golden Leaf will acquire all Nevada and California assets of Tahoe for a total consideration of approximately C\$52.4 million (based on current assumed share numbers and pricing). Tahoe will receive approximately C\$11.1 million in cash (US\$8.5 million) plus a number of shares of the Company such that upon closing of the Transaction, Tahoe or its shareholders if such shares are distributed to the shareholders will own 25% of the combined company, plus a number of shares equal in value to US\$1.35 million, subject to certain reductions. The share consideration will be subject to escrow. 25% of the shares will also be subject to forfeiture based on the amount of market-ready cannabis flower and pre-rolls produced at the acquired Carson City facility in the first 6 months following closing. If the average monthly yield is 220 pounds, no shares will be forfeited. Forfeiture will be proportionate to the amount that the actual average monthly falls short of 220 pounds.
3. Tahoe has a fully-built ~21,600 ft² facility in Carson City already producing ~4,000 pounds per annum, Tahoe brings material cultivation capacity to Golden Leaf’s Nevada operations. With Golden Leaf currently buying wholesale flower to manufacture its oils and edibles in Nevada, Tahoe provides immediate ability to capture the incremental cultivation margin and extend the combined Company’s seed-to-store value chain. In addition, Tahoe has built an extensive distribution platform representing 56% penetration across all state adult-use dispensaries, which can be leveraged for Golden Leaf products.
4. Ray Schiavone and Mark Bruno, co-founders of Tahoe, will be retained under employment agreements for at least 18 months to support Golden Leaf’s ongoing cultivation operations.

Item 5 Full Description of Material Changes

The Material Changes are fully described in Item 4 above.

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

N/A

Item 7 Omitted Information

Not Applicable.

Item 8 Executive Officer

Craig Eastwood (Chief Financial Officer)

Item 9 Date of Report

August 21, 2018

GOLDEN LEAF HOLDINGS LTD.

By: *Signed* "Mike Genovese"
Mike Genovese
Chief Operating Officer