

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

September 9, 2018

Item 3. Press Release

On September 10, 2018, a news release in respect of the material change was filed on the Company’s SEDAR profile.

Item 4. Summary of Material Change

On September 9, 2018, the Company announced that it has entered into an agreement with Canaccord Genuity Corp. (the “**Agent**”) as sole agent and bookrunner in respect to a “best efforts” private placement of units (“**Units**”) of the Company for gross proceeds of up to C\$15,000,000 (the “**Offering**”).

Item 5. Full Description of Material Change

On September 9, 2018, the Company announced that it has entered into an agreement with the Agent in respect of the Offering. Each Unit is to be comprised of: (i) one C\$1,000 principal amount unsecured subordinated convertible debenture (a “**Debenture**”); and (ii) 1,665 common share purchase warrants (a “**Warrant**”), at a price of C\$1,000 per Unit for gross proceeds of up to C\$15,000,000.

Each Debenture shall be convertible into common shares of the Company (“**Common Shares**”) at a conversion price of C\$0.30 per Common Share (the “**Conversion Price**”) and bear interest at a rate of 12.0% per annum from the closing date of the Offering (the “**Closing Date**”) until December 31, 2019, after which the coupon will decrease to 10.0% per annum. Each Warrant shall entitle the holder thereof to acquire one Common Share in the capital of the Company (a “**Warrant Share**”) at an exercise price of \$0.40 per Warrant Share for a period of two years following the Closing Date, subject to adjustment in certain events.

The Debentures will rank *pari passu* in right of payment of principal and interest with all other Debentures issued under the Offering and subordinate and postponed to all existing secured debt, including the issued and outstanding senior secured convertible debentures of the Company.

The net proceeds of the Offering are expected to be used for working capital purposes and general corporate purposes.

The Debentures, the underlying Common Shares issuable upon conversion of the Debentures, the Warrants, and the underlying Warrant Shares issuable upon exercise of the Warrants will be subject to a statutory hold period in Canada of

four months plus one day from the closing date pursuant to Canadian securities laws.

The Closing Date is expected to occur on or about October 4, 2018.

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 change 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

September 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.