

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 16, 2018.

Item 3. **Press Release**

On November 16, 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 November 16, 2018, the Company closed its previously announced “best efforts” private placement of units (“**Units**”) of the Company for gross proceeds of C\$7,948,000 (the “**Offering**”). Canaccord Genuity Corp. (the “**Agent**”) acted as sole agent and bookrunner in connection with the Offering.

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

On November 16, 2018, the Company closed its previously announced “best efforts” private placement and issued 7,948 Units for gross proceeds of C\$7,948,000. Each Unit is 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.

Each Debenture is 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. The Debentures mature on November 16, 2021. Each Warrant entitles the holder thereof to acquire one Common Share (a “**Warrant Share**”) at an exercise price of C\$0.40 per Warrant Share until November 16, 2020, subject to adjustment in certain events.

The Debentures 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. Beginning on the date that is four months and one day following the Closing Date, the Company may force conversion of the then outstanding principal amount of the Debentures at the Conversion Price (plus the payment of accrued and unpaid interest thereon in cash) on not less than 30 days’ notice should the daily volume weighted average trading price of the Common Shares exceed C\$0.45 for any 10 consecutive trading days.

The Company paid a cash commission and issued an additional 191 Units and 1,272,867 Warrants to the Agent as compensation in connection with the Offering.

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 are subject to a statutory hold period in Canada of four months plus one day from the Closing Date pursuant to Canadian securities laws.

The following insiders of the Company participated in the Offering for aggregate gross proceeds to the Company of C\$354,000 (the “**Insider Participation**”) on the same terms as other investors (directly or indirectly or through associates and affiliated entities), as follows: Jeffrey Yapp (7 Units), Gary Zipfel (100 Units), Craig Eastwood (5 Units), Peter Saladino (100 Units), Karl Rickard Miller (132 Units) and John Varghese (10 Units). The Insider Participation in the Offering constitute a “related party transactions” as defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). However, the Insider Participation is not subject to the minority approval and formal valuation requirements under MI 61-101 as neither the fair market value of the Units, nor the fair market value of the consideration for the Units, insofar as it involves interested parties, exceeds 25% of the Company’s market capitalization. The Company did not file a material change report 21 days prior to the expected closing date of the Offering as the details of the Insider Participation in the Offering and the final terms of the Offering had not been finalized at that time. The Company has not received nor has it requested a valuation of its securities or the subject matter of the Insider Participation in the 24 months prior to the date hereof.

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

November 20, 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.