



Golden Leaf Holdings Announces Termination of Agreement to Acquire a multi-use “Sweet 16” license and certain other assets in San Jose, California.

Portland, OR – January 16, 2019 – [Golden Leaf Holdings Ltd.](#) (“Golden Leaf” or the “Company”) (CSE:GLH) (OTCQB:GLDFF), a cannabis company with cultivation, production and retail operations built around recognized brands, today announced that the Company has agreed with the Seller of the combined cultivation, production and retail license in San Jose, California to terminate the Contingent Asset Purchase Agreement (“Agreement”) for the Company to acquire the multi-use “Sweet 16” license, as well as certain other assets. The agreement was originally announced on August 17, 2018.

Bill Kulczycki, President and CEO of Golden Leaf said “The decision to terminate this Agreement comes down to economics for Golden Leaf. The decision to terminate in no way reflects Seller or Seller’s business. Back when this deal was originally signed, there were limited M&A opportunities for entry into California of the size that Golden Leaf wanted to take on. Prior to closing, we were managing the facility under an interim consulting agreement that gave us further insights into the operations. This allowed us to conduct further due diligence and we learned that we would have to significantly commit our available management time and resources to make this a successful proposition. Had we done so, we would have risked achieving our overall corporate return on investment (“ROI”) goals. Going forward we plan to enter new jurisdictions by first leveraging existing resources and the assets and infrastructure of strategic partners. Once we confirm traction, we can commit an appropriate amount of capital to build our own infrastructure. My immediate focus for Golden Leaf is one of disciplined growth, balanced between assessments of risk and cash flow returns that drive shareholder value creation, with the goal of achieving profitability in the near term. California remains a strategic jurisdiction for Golden Leaf.”

To be added to the distribution list please email ir@goldenxtrx.com with “GLH” in the subject line.

About Golden Leaf Holdings

Golden Leaf Holdings Ltd. is a Canadian company with operations in multiple jurisdictions including Oregon, Nevada, and Canada, with cultivation, production and retail operations built around recognized brands. Golden Leaf distributes its products through its branded Chalice Farms retail dispensaries, as well as through third-party dispensaries. Golden Leaf’s cannabis retail operations and products are designed with the customer in mind, focused on superlative in-store experience and quality products. Visit goldenleafholdings.com to learn more.

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