



## Accretive Restructuring of Chalice Farms Debt Obligations Announced by Golden Leaf Holdings

**Strengthens balance sheet with a 50% reduction in 2022 cash obligation and extended term on remaining balance**

TORONTO, Nov. 19, 2020 --

Golden Leaf Holdings Ltd. (CSE:GLH) (OTCQB:GLDFF) ("Golden Leaf" "GLH", or the "Company"), a premier, consumer-driven cannabis company specializing in production, processing, wholesale, distribution and retail, announces it has reached an agreement with the founders of Chalice LLC ("Chalice") to favorably restructure and further extend the US\$9,527,350 earn-out payment due on May 2, 2022 to Chalice LLC ("Chalice") and its members. This obligation related to the acquisition of certain assets and a subsidiary of Chalice on July 7, 2017 (the "Deferred Payment").

Prior terms were: on maturity, 6% note comprised of US\$5,000,000 payable in cash and US\$4,527,350 payable in GLH stock at the 30-day VWAP at the time of any share related payment.

Revised Debt Terms:

- Chalice agrees to an immediate conversion of 50% or USD\$2,500,000 of the existing cash obligation (the "Conversion") that remains due on May 2, 2022 into GLH shares at US\$0.06 representing a significant premium to current prices. The resultant 41,666,667 common shares (the "Conversion Shares") to be placed into escrow to be released over 60 months commencing May 2, 2022.
- Remaining principle of USD\$2,500,000 becomes payable in 60 monthly installments of \$41,666 over 60 months plus an interest rate of 6% beginning on the maturity date of May 2, 2022 (the "Cash Obligation").
- Existing share payment of \$4,527,350 remains unchanged and is due at the original maturity of May 2, 2022 based on a then 30-day trailing VWAP. These shares will also be released from escrow over 60 months.
- As a condition of the restructuring, the Company agrees to either attain positive cash flow or raise US\$5,000,000 within 12 months (the "Requirements") from the execution of the agreement. If one of these requirements are not met, then GLH owes a further 62,500,000 shares to Chalice on May 02, 2022 under the same Escrow release terms.

"Management has long stated our belief that GLH is undervalued. GLDFF's shares closed November 17, 2020 at less than US\$0.02," stated John Varghese, Executive Chairman. "The founders of Chalice strongly endorse this perspective by agreeing to the conversion of \$2,500,000 of cash immediately at a premium price of US\$0.06 per share, and placing these shares into escrow. With this clear recognition of value by Chalice, GLH has materially reduced future cash obligations due by fifty percent (50%), while simultaneously increasing shareholder value and putting in place a manageable repayment plan over the ensuing 60 months. Reducing and deferring future cash obligations is a major step forward in improving our balance sheet while we further prepare the Company for sustainable future growth. We thank the Chalice founders for their continued support of Golden Leaf."

"The Chalice Farms retail experience is second to none," noted William Simpson, former CEO of Golden Leaf and founder of Chalice Farms. "We continue to be impressed with the work the management team has done over the past 15 months since our transition and the discipline and cost controls that have allowed the Company to turn the corner. This restructuring further cleans up GLH's balance sheet. We also wanted to signal that we are long term investors in the Company, which is why we agreed to place any shares we receive into escrow, and time release them over 60 months."

### [About Golden Leaf Holdings](#)

Golden Leaf Holdings is a premiere consumer-driven cannabis company specializing in production, processing, wholesale, distribution and retail, with 7 dispensaries in Portland, Oregon. The company is committed to developing a dynamic portfolio built around the recognized brands of Chalice Farms, with a focus on health and wellness. Markets served include Oregon, California, Nevada and Washington. Visit [glhmonthly.com](http://glhmonthly.com) for regular updates.

### Investor Relations:

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