



Source: Golden Leaf Holdings Ltd.

November 16, 2018 10:25 ET

Golden Leaf Closes C\$7.9 million Private Placement of Unsecured Convertible Subordinated Debenture Units

NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

TORONTO, Nov. 16, 2018 (GLOBE NEWSWIRE) -- Golden Leaf Holdings Ltd. (the "Company", "Golden Leaf" or the "Issuer") (CSE:GLH) (OTCQB: GLDFF) is pleased to announce the closing of its previously announced offering (the "Offering") of debenture units (the "Units") on a "best efforts" private placement basis through Canaccord Genuity Corp. (the "Agent") as sole agent and bookrunner. Pursuant to the Offering, the Company issued a total of 7,948 Units at a price of C\$1,000 per Unit, for gross proceeds of C\$7,948,000.

Each Unit consists of one unsecured subordinated convertible debenture (each a "Debenture" and collectively, the "Debentures") and 1,665 common share purchase warrants (the "Warrants") of the Company. Each Debenture accrues interest at a rate of 12.0% per annum until December 31, 2019 (the first interest payment date), after which such interest rate will decrease to 10.0% per annum and be payable semi-annually until maturity. Each Debenture is convertible into common shares of the Company ("Common Shares") at a price of C\$0.30 per Common Share (the "Conversion Price"), subject to adjustment in certain events. The Debentures mature on November 16, 2021. Each Warrant entitles the holder thereof to acquire one Common Share at a price of C\$0.40 per Common Share until November 16, 2020, subject to adjustment in certain events.

Beginning on the date that is four months and one day following closing of the Offering, 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 Debentures will rank *pari passu* in right of payment of principal and interest with all other Debentures issued under the Offering and shall be subordinated to all existing secured indebtedness of the Company, including the issued and outstanding senior secured convertible debentures of the Company.

Net proceeds from the Offering will be used primarily for working capital and general corporate purposes.

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.

All Debentures and Warrants issued upon the closing of the Offering are subject to a statutory hold period lasting four months and one day following the closing date of the Offering.

The securities offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

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. Visit <http://goldenleafholdings.com/> to learn more.

Investor Relations:

Craig Eastwood
Chief Financial Officer
Golden Leaf Holdings Ltd.
503-201-0659
ir@goldenxtrx.com

Disclaimer: This press release contains "forward-looking information" within the meaning of applicable securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the Company's future business operations, the opinions or beliefs of management and future business goals and the use of the net proceeds of the Offering. 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 including risks related to the expected timing of the Company's participation in the Adult Use market, 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. This Release does not constitute an offer of securities for sale in the United States, and such securities may not be offered or sold in the United States absent registration or an exemption from registration.