

Golden Leaf Announces Closing of Acquisition of Cannabis Licenses in Nevada

TORONTO, ONTARIO--(Marketwired – June 7, 2017) – Golden Leaf Holdings Ltd. (“GLH” or the “Company”) (CSE:GLH) (OTCQB:GLDFF), a leading cannabis oil solutions company built around recognized brands, is pleased to announce the closing of its previously announced acquisition (the “Acquisition”) of a cultivation license and an extraction license in Nevada from NevWa, LLC (doing business as Grassroots) (“NevWa”) indirectly, through a wholly-owned subsidiary of the Company. The purchase price for the Acquisition consists of US\$2,125,000 payable in cash. In addition, the Company paid expenses relating to the Acquisition of approximately US\$112,000.

NevWa’s cultivation and extraction license, based out of Sparks, Nevada, allows for the distribution and sale of products across the state of Nevada, including in Las Vegas and Reno. Medical marijuana is currently legal in Nevada, and the state’s recreational market is scheduled to launch in July 2017. Nevada’s medical market also enables reciprocity for patients, whereby patients from other states can legally use their medical marijuana cards in Nevada, opening the medical market to the state’s more than 40 million yearly visitors.

In connection with GLH’s strategic acquisition program as previously announced, the closing of the Acquisition is expected to drive financial and shareholder value. It allows the Company to gain first mover advantage by receiving a prized license in Nevada to grow, process and distribute branded marijuana products. In addition, GLH obtains access to a highly sought after Las Vegas market and high volume dispensaries supported by a global tourism hub. The Company expects to leverage distribution in dispensaries and export GLH’s brand portfolio of new and existing products to Nevada. Finally, the Company believes it will develop new market penetration to drive further brand equity and awareness of GLH’s products.

Don Robinson, CEO of Golden Leaf Holdings, commented, “With the launch of the recreational cannabis market, a thriving tourism industry and the state’s reciprocity cannabis law provisions, GLH is well positioned to launch its portfolio of differentiated brands into dispensaries across the state. We believe that Nevada has strong market potential and the opportunity exists to build strong brand loyalty with visitors from around North America who will be introduced to the Company’s brands on store shelves.”

The Acquisition constitutes a “related party transaction” for the Company under Multilateral Instrument MI 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”), as Peter Saladino, a director of GLH owns 18.75% of the outstanding membership

interests of NevWa and will receive 18.75% of the consideration paid by GLH for the Acquisition, after the deduction of approximately US\$1.4 million for investments made in NevWa by other parties. Pursuant to subsections 5.5(a) and 5.7(1)(a) of MI 61-101, the Company is exempt from the requirements under MI 61-101 of having to perform a formal valuation of, and obtaining minority approval of, the Acquisition, as, at the time the Acquisition was agreed to, neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the Acquisition, insofar as it involved “interested parties” (as defined in MI 61-101), exceeded 25% of the Company’s market capitalization.

Mr. Saladino abstained from all board meetings relating to the Acquisition and abstained from voting on the resolution of the board of directors of the Company approving the Acquisition.

AC Group Financial Inc. acted as an advisor to the Company in connection with the Acquisition and the three other previously announced acquisitions being undertaken by the Company.

About Golden Leaf Holdings:

Golden Leaf Holdings Ltd. is one of the largest cannabis oil and solution providers in North America. It's a leading cannabis products company in Oregon built around recognized brands. GLH leverages a strong management team with cannabis and food industry experience to complement its expertise in extracting, refining and selling cannabis oil.

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