

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer **Golden Leaf Holdings Ltd. (the “Issuer” or “GLH” or “Company”)**.

Trading Symbol: **GLH**

Number of Outstanding Listed Securities: **369,535,696**

Date: **August 2017**

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term “Issuer” includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

The Company's Nevada operation is now licensed to distribute product in parts of Nevada and has commenced sales during the first week of September. Licensing efforts continue for the remaining jurisdictions.

The Company continues to push for increased market share in Oregon with its distillate, edibles and CO2 oil product lines.

The Company currently is not producing oil due to regulatory complication but expects to be restarting production when its processing facility becomes licensed. The Company continues outsourcing distillate oil to fulfill growing demand and is pursuing external sources for CO2 and BHO products as well.

2. Provide a general overview and discussion of the activities of management.

The Company's top operational priority is permitting, final provisioning and ultimately go-live of its processing center in Portland, OR. The process is held up by regulatory technicalities which are expected to be resolved. The Company believes the remaining steps will take a matter of weeks to complete, but cautions that there can always be unforeseen and inexplicable delays when dealing with governmental regulatory agencies.

The Company continues to work towards full integration of GLH's Oregon operations and Chalice's Oregon operations at the Portland headquarters.

Management has also been actively working to complete the sale of the Aurora facility. Fuel tanks were noted based on an environmental study. These tanks will need to be removed and/or filled in, which will require some expenditures. The final amount required to resolve these obligations is unknown at this point but management does not expect it to be material.

On August 9, 2017 Mr. William Simpson, CEO of the Company presented at the 37th Annual Growth Conference in Boston, MA.

The Company hosted a conference call on August 29, 2017 to review its second quarter 2017 results and to answer shareholder questions.

On August 22, 2017 in a press release the Company announced that it has entered into an agreement with Canaccord Genuity Corp. ("Canaccord Genuity") as sole agent and bookrunner with respect to a "best efforts" private placement of secured convertible debenture units (the "Offering").

Pursuant to the Offering, the Company has engaged Canaccord Genuity to

offer to sell, on a best efforts, private placement basis, up to C\$10 million of debenture units (the "Units") of the Company, each Unit to be comprised of one C\$1,000 principal amount 10% senior secured convertible debenture (each, a "Debenture" and collectively, the "Debentures") and 1,351 common share purchase warrants (each, a "Warrant" and collectively, the "Warrants"), at a price of C\$1,000 per Unit, for aggregate gross proceeds of up to C\$10 million. The Debentures will bear interest at the rate of 10% per annum and mature 24 months from the closing of the Offering. Each Debenture is convertible into common shares of the Company (each, a "Common Share") at a conversion price of C\$0.28 per Common Share, subject to adjustment in certain events. Each Warrant will entitle the holder to acquire one Common Share at a price of C\$0.37 per Common Share for a period of two years following the closing of the Offering, subject to adjustment in certain events. The net proceeds from the Offering are anticipated to be used for working capital, inventory and to repay existing indebtedness. Closing of the Offering is expected to occur on or about September 30, 2017. Subsequent to this announcement, the pricing of these debentures has been adjusted downward due to market conditions and the terms are still being negotiated.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

Not applicable.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

Not applicable.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

The Company purchases trivial amounts of cultivation related equipment and supplies from a company controlled by its CEO, William Simpson. The pricing of these amounts will be evaluated by management for fairness and will be disclosed to the board for review before further business is conducted.

The Company has acquired a number of leases for both Corporate, operational, and retail facilities.

As a result of the Chalice acquisition described in item 2 above, the Company leases property from a company controlled by Gary Zipfel, a Director of the Company, who is considered a related party. The Company also leases a

small cultivation facility from its Chief Operating Officer, Michael Genovese. Management believes these leases provide for market terms.

Chalice Farms holds a small number of purchase agreements, both formal and informal, with Oregon farms who supply trim and flower.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

Not applicable

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

The Company has entered in to an agreement to sell the Aurora facility based on the buyer fulfilling certain requirements. The Company has written-down the Aurora assets as a result of the agreement to sell the facility.

8. Describe the acquisition of new customers or loss of customers.

Not applicable

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

Not applicable

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

Not applicable

11. Report on any labour disputes and resolutions of those disputes if applicable.

Not applicable

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

Not applicable

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

As noted in 14 below, a small number of debentures were converted during the month resulting in relief of some debt obligations.

14. Provide details of any securities issued and options or warrants granted.

Common shares were issued during the month of August pursuant to an employment agreement and debenture conversions.

15. Provide details of any loans to or by Related Persons.

Not applicable

16. Provide details of any changes in directors, officers or committee members.

Not applicable

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends

There continues to be uncertainty in the US cannabis market, particularly with respect to future actions that could be taken by the federal government under the new administration. The Company is optimistic about overall US legalization efforts and does not expect action which will negatively affect its operations, however the risk remains.

Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated September 7, 2017

William Simpson
 Name of Director or Senior
 Officer

"William Simpson"
 Signature
Chief Executive Officer
 Official Capacity

Issuer Details		For Month End	Date of Report
Name of Issuer Golden Leaf Holdings Ltd.		August 31, 2017	YY/MM/D 17/09/07
Issuer Address 82 Richmond Street East			
City/Province/Postal Code Toronto, ON M5C 1P1	Issuer Fax No. (416) 848-0790	Issuer Telephone No. (503) 388-7693	
Contact Name Steve Silver	Contact Position: Investor Relations	Contact Telephone No. (221) 896-1220	
Contact Email Address ssilver@kcsa	Web Site Address: http://goldenleafholdings.com/		