

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: **GLH**

Number of Outstanding Listed Securities: **589,140,904**

Date: **December 2018**

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.

Combined wholesale and retail revenues in the third quarter of 2018 was US\$5.1 million, as reported in the Issuer’s third quarter earnings.

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

On December 27, 2018, the Issuer announced that it hired William Kulczycki as its new CEO and President. Former CEO and President William Simpson remains with Golden Leaf on a full-time basis to assist Mr. Kulczycki and the Board with strategic and day-to-day activities of Golden Leaf in his capacities as “Founder” and a Board observer.

On December 18, 2018, the Issuer announced that it has decided not to pursue a potential transaction with Terra Tech Corp. (OTCQX: TRTC) (“Terra Tech”), a vertically integrated cannabis-focused agriculture company. The Issuer and Terra Tech had previously announced the signing of their nonbinding letter of intent on November 5, 2018.

On December 10, 2018, the Issuer announced that Michael Crooke has decided to resign from its Board to focus on his expanding career responsibilities. The Issuer thanked Michael for his service. A search is underway for his replacement.

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.

In December 2018, the Issuer executed a California distribution agreement with C4 Distribution for the initial term of three years, subject to review at the end of the initial contract term.

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.

Not Applicable

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.

Not applicable

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.

4 net additions to staffing, consisting of 13 new hires and 9 terminations.

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.

The Company and its wholly-owned subsidiary Greenpoint Real Estate, LLC (“GRE”), an Oregon limited liability company (collectively, the “Defendants”), were sued in the Circuit Court of the State of Oregon in Lane County on November 7, 2017 by the plaintiff, 3590 West 3rd Owner, LLC, an Oregon limited liability company (“Plaintiff”). The claims made by Plaintiff arise out of a lease between the parties and are breach of contract, foreclosure of landlord’s lien and foreclosure of security interest. The amount of damages claimed are \$1,052,403, plus interest and certain other fees and costs. The Defendants deny all of the claims made and are preparing an Answer to file in response to the Plaintiff’s Complaint against the Defendant’s. The parties participated in a judicial settlement conference for Wednesday, March 14, 2018 in Portland, Oregon, for the purpose of attempting to reach a mutually agreeable settlement to resolve this matter. This attempt to settle was unsuccessful and on April 17, 2018 the Plaintiffs filed an Amended Complaint revising their prayed for damage amount from \$1,052,403 USD to \$3,210,328 USD. On May 1, 2018, the Defendants filed an Amended Answer denying the allegations in the Amended Complaint and dropping Defendant’s \$42,931 counterclaim.

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

Not applicable

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

Not applicable

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.

The Company continues to contemplate various options for potential cultivation, production and retail dispensary sites.

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: January 8, 2019

William Kulczycki
Name of Director or Senior
Officer

" William Kulczycki"
Signature
Chief Executive Officer
Official Capacity

Issuer Details	For Month End	Date of Report
Name of Issuer Golden Leaf Holdings Ltd.	December 2018	YY/MM/D 19/01/08
Issuer Address 82 Richmond Street East		
City/Province/Postal Code Toronto, ON M5C 1P1	Issuer Fax No. (416) 848-0790	Issuer Telephone No. 503-201-0659
Contact Name Craig Eastwood, CFO	Contact Position: Investor Relations	Contact Telephone No. 503-201-0659
Contact Email Address ir@goldenxtrx.com	Web Site Address: http://goldenleafholdings.com/	