

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: **545,436,288**

Date: **January 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.

On January 25, the Company announced that its subsidiary, Medical Marijuana Group (“MMG”), recently received its first shipment of genetics at

its St. Thomas, Ontario facility, marking the production facility's transition to a functioning and plant-growing unit.

GLH's leadership team oversaw the arrival of the first plants at the facility, which have acclimated well and are expected to be ready for cultivation in three months. The Company anticipates additional shipments in order to maintain a steady product flow once the "mothers" are ready. MMG has concurrent applications for oil extraction and wholesale licenses submitted to Health Canada and expects to receive its sales license by May.

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 has made continual progress and believes the remaining steps will be resolved shortly, but cautions that there can always be unforeseen and inexplicable delays when dealing with governmental regulatory agencies.

On January 8, the Company announced that it has entered into an agreement with Canaccord Genuity Corp. (the "Underwriter"), pursuant to which the Underwriter has agreed to purchase, on a bought deal private placement basis, 16,750,000 units of the Company (the "Units"), at a price of \$0.45 per Unit (the "Offering Price"), for aggregate gross proceeds to Golden Leaf of \$7,537,500 (the "Offering").

Each Unit will be comprised of one common share of the Company (a "Common Share") and one common share purchase warrant (each a "Warrant"). Each Warrant will be exercisable to acquire one common share (a "Warrant Share") for a period of 2 years following the closing date of the Offering at an exercise price of \$0.55 per Warrant Share, subject to adjustment in certain events.

Golden Leaf has also granted the Underwriter an option (the "Over-Allotment Option") exercisable at any time on or before the closing date to purchase up to 5,580,000 additional Units of the Company on the same terms as the Offering. If the Over-Allotment Option is exercised in full, the aggregate gross proceeds of the Offering will be \$10,048,500.

Net proceeds from the Offering will be used primarily for the Company's strategic growth initiatives and for general working capital purposes. Closing of the Offering is expected to occur on or about January 31, 2018 and is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and stock exchange approvals.

On January 10, the Company announced that it had increased the previously

announced financing to 33,400,000 Units of the Company at a price of \$0.45 for a total gross proceeds to the Company of \$15,030,000.

On January 31, the Company announced the closing of its previously announced offering (the "Offering") of units (the "Units") on a private placement bought deal basis. Pursuant to the Offering, the Company issued a total of 38,980,000 Units at a price per Unit of \$0.45, for gross proceeds of \$17,541,000, including 5,580,000 Units issued pursuant to the exercise of the underwriter's over-allotment option in full.

Net proceeds from the Offering will be used primarily for the Company's strategic growth initiatives and for general working capital purposes.

On January 15, the Company filed a Notice of Change of Auditor. The former auditor Grant Thornton LLP resigned effective January 8, 2018. The company has appointed Jackson & Co. as the auditor to fill the resulting vacancy.

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.

Not applicable

6. 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.

On January 2, GLH announced that it has closed its previously announced acquisition (the "Acquisition") of all of the issued and outstanding shares of

Medical Marijuana Group Consulting Ltd. (“MMC”). Pursuant to the Acquisition, the Company paid consideration of C\$5,000,000, which was satisfied through the issuance of 17,857,143 common shares of the Company at a price of C\$0.28 per share. Under the terms of the definitive agreement between GLH and MMC, the consideration was payable in the event that certain gross sales targets were met within a specified time frame (the “Earn-in Period”). The Company waived the Earn-in Period requirements, as MMC was close to achieving the sales targets and demonstrated strong growth. The Company believed it was commercially beneficial to integrate GLH and MMC prior to calendar year end.

MMC is a medical marijuana consulting company that secures high-value medical marijuana patients and educates and refers them to Licensed Producers for their product. MMC receives an education fee from the Licensed Producers in exchange for this service. MMC is a pioneer in finding and securing insurance coverage for medical cannabis and is a leader in cannabis treatment for veterans, a segment of the market that generates strong demand, and for which funding from the Canadian Department of Veteran Affairs makes cannabis 100 percent covered.

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

Not applicable

8. 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

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

Not applicable

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

Not applicable

11. 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, 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 \$1,052,403.19, 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 are in the

process of scheduling a judicial settlement conference in an attempt to see if a mutually agreeable settlement can be reached regarding this matter.

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

Not applicable

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

During the period, 29,456,452 shares were issued upon the exercise of warrants. 38,980,000 shares and 38,980,000 warrants were issued in conjunction with the bought deal private placement.

There were 25,350,000 options granted to employees of the Company.

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

Not applicable

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

On January 16, the Company announced the appointment of Craig Eastwood as its new Chief Financial Officer, effective January 15, 2018. The Company's outgoing CFO, Eugene Hill, is stepping down to pursue other opportunities. In his role as Chief Financial Officer, Mr. Eastwood will lead Golden Leaf's financial operations and be responsible for managing liquidity, balance sheet risk, and capital market transactions to ensure Golden Leaf remains well positioned to capitalize on growth opportunities. He will report directly to William Simpson, CEO.

Mr. Eastwood brings almost three decades of progressive financial leadership, which includes public company experience, to Golden Leaf Holdings. Most recently, Mr. Eastwood served as CFO at Powin Energy Corporation. Prior to that, Eastwood was the corporate controller at Erickson, a leading specialty aviation company. He has also held senior financial leadership positions with ESCO, Daimler Trucks, and Pharmaceutical Product Development. He started his career in public accounting with Deloitte, is a licensed CPA, and earned his accounting degree from the University of South Africa.

16. 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.

The Company is noticing saturation and price pressure in the Oregon marketplace and has responded competitively, however, this trend will limit margins given the company's current oil outsourcing strategy.

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 February 7, 2018

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.	January 2018	YY/MM/D 18/02/07
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.com	Web Site Address: http://goldenleafholdings.com/	