

## 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: **January 2019**

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 January 28, 2019, the Issuer announced that Larry H. Martin was appointed to the Company's Board of Directors, filling a previously vacated board position. With his addition to the Board, he will join the Audit and Compensation Committees.**

**On January 16, 2019, the Issuer announced that the Issuer has agreed with the Seller of the combined cultivation, production and retail license in San Jose, California to terminate the Contingent Asset Purchase Agreement ("Agreement") for the Company to acquire the multi-use "Sweet 16" license, as well as certain other assets. The agreement was originally announced on August 17, 2018.**

**On January 16, 2019, the Issuer announced that the Issuer and Tahoe Hydroponics Company ("Tahoe") have mutually agreed to terminate the definitive agreement ("Agreement") for the Company to acquire the assets of both Tahoe and its related company, 11T, Inc., a California corporation. The agreement was originally announced on August 13, 2018.**

#### **Subsequent event**

**On February 4, 2019, the Issuer announced the appointment of Karyn O. Barsa as its new Chief Financial Officer, effective February 4, 2019. The Company's outgoing CFO, Craig Eastwood, is leaving the Company to pursue other opportunities. In her role as Chief Financial Officer, Ms. Barsa 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. Ms. Barsa will report directly to William Kulczycki, CEO and President of Golden Leaf.**

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.

**The Issuer added Elysium Fields to its oil offerings. Elysium Fields is a soil-to-oil craft cannabis that combines high quality THC and terpene flavors.**

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.

**In January 2019, the Issuer has gained over 80 new wholesale customers.**

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.

**26 net reductions to staffing, consisting of 2 new hires and 28 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"). On February 1, 2019, the parties settled the case, and the case is awaiting the entry of a dismissal with prejudice. The Company paid an immaterial amount to settle the case.**

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: February 7, 2019

William Kulczycki  
 Name of Director or Senior  
 Officer  
  
" William Kulczycki"  
 Signature  
 Chief Executive Officer  
 Official Capacity

<b>Issuer Details</b>	For Month End	Date of Report
Name of Issuer Golden Leaf Holdings Ltd.	January 2019	YY/MM/D 19/02/07
Issuer Address 82 Richmond Street East		
City/Province/Postal Code Toronto, ON M5C 1P1	Issuer Fax No. (416) 848-0790	Issuer Telephone No. 971-371-2668
Contact Name Karyn Barsa, CFO	Contact Position: Investor Relations	Contact Telephone No. 971-371-2668
Contact Email Address ir@goldenxtrx.com	Web Site Address: <a href="http://goldenleafholdings.com/">http://goldenleafholdings.com/</a>	