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: **861,541,690**

Date: **January 2020**

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**

1. 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.
2. The term “Issuer” includes the Issuer and any of its subsidiaries.
3. 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.

**For the first three quarters of 2019, total revenue was US$13.1 million, a 9% period-over-period increase compared to US$12.0 million for the first three quarters of 2018.**

**For the nine months ended September 30, 2019, gross profit grew to $5.1M or 39% of revenue, compared with $1.7M, or 14% of revenue, for the nine months ended September 30, 2018. The strong gross margin run-rate in the first nine months of 2019 is primarily due to significant cost reductions and utilization of improved inventory controls and processes.**

**For additional information, please refer to the Interim Condensed Consolidated Financial Statements as of and for the three and nine months ended September 30, 2019 and Management Discussion and Analysis (MD&A) filed on the SEDAR website at** [**www.sedar.com**](http://www.sedar.com)**.**

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

**The Issuer signed a definitive agreement to acquire Tozmoz, LLC, an Oregon limited liability company. Tozmoz has established itself as one of the premier cannabis extractors in the state, offering multiple extraction processes including CO2, hydrocarbon and ethanol, and both short path and wiped film distillation. Additionally, Tozmoz provides product manufacturing and formulation, as well as packaging services, providing clients with products ready for wholesale distribution and retail sale. The Company has been working with Tozmoz for years and the acquisition fits squarely into our product-focused business strategy. Additional terms of the arrangement will be finalized and disclosed upon the formal closing of the acquisition.**

**Through our wholesale distribution operations, our products are now available through 237 wholesale customers in Oregon, 21 wholesale customers in Nevada and are sold in 25 dispensaries in California.**

1. 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 Company announced the launch of its RXO product line containing an ultra-pure pharmaceutical grade, full spectrum version of the popular Rick Simpson cannabis oil extract. The oil is available in multiple consumption methods, including concentrated cannabis shatter for dabbing, pre-filled vape cartridges, and liquid concentrate for oral consumption.**

1. 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.**

1. 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.**

1. 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.**

1. 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.**

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

**In January 2020, the Issuer gained 5 new wholesale customers in Oregon and its products are sold in 15 new dispensaries in California.**

1. 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.**

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

**Not applicable.**

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

**Not applicable.**

1. 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 Issuer has filed a lawsuit against BMF Washington LLC (“BMF”) and Peter Saladino (“Saladino”) in Multnomah County (Oregon) Circuit Court, seeking to recover US$‎6,916,580 in damages. As to BMF, the Plaintiffs assert two claims for breach of contract, arising out of the parties’ equipment leasing and intellectual property licensing agreements, seeking damages of US$676,580 and  US$2,080,000, respectively, with alternative claims against both BMF and Saladino (collectively, the “Defendants”) for unjust enrichment related to their improper use of Plaintiffs’ equipment and intellectual property. The Plaintiffs are also asserting claims against both Defendants for misappropriation of trade secrets under Oregon and Washington law, seeking additional damages of US$4,160,000.**

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

**Not applicable.**

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

**In January 2020, The Company issued 7,157,052 shares of common stock at US$0.0153 per share for its December 31, 2019 interest obligation related to consideration payable in connection with the Chalice Farms acquisition.**

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

**Not applicable.**

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

**Not applicable.**

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

**The Issuer 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 was 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, 2020

Jeff Yapp Name of Director or Senior Officer

*”* *Jeff Yapp”*

Signature

Chief Executive Officer Official Capacity

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| ***Issuer Details***  Name of Issuer  Golden Leaf Holdings Ltd. | For Month End  January 2020 | Date of Report  Y Y/MM/DD  20/02/07 |
| Issuer Address  82 Richmond Street East | | |
| City/Province/Postal Code  Toronto, ON M5C 1P1 | Issuer Fax No. Issuer Telephone No. (416) 848-0790 971-371-2685 | |
| Contact Name  John Varghese | Contact Position: Contact Telephone No. Investor Relations 971-371-2685 | |
| Contact Email Address ir@goldenxtrx.com | Web Site Address:  <http://goldenleafholdings.com/> | |