

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: 861,875,023

Date: May 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

- (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 March 12, 2020, the World Health Organization (“WHO”) declared a global pandemic as a result of the spread of a virus known as COVID-19. The impacts on global commerce are expected to be far reaching. This has limited the Company's workforce from travelling to its various state specific jurisdictions.

This will likely impact demand for the Company’s products in the near term and will also likely impact the Company’s supply chains. It may also impact expected credit losses on trade receivables and may cause staff shortages and increased government regulations or interventions, which may negatively impact the financial condition or results of the Company. The Company has taken effective steps to ensure frequent sanitization, social distancing, and abstention from duty for employees with illnesses.

As of the date of this report, the Company has experienced minimal disruptions in staffing and none of the Company’s facilities have been forced to close. In Oregon, certain counties have been approved by the State to open, however, the Company’s primary operational area is in the tri-county region surrounding Portland which are the most densely populated areas of the state and will be delayed further in the process of opening. However, the Company experienced significant retail revenue growth during March 2020 despite this crisis and this growth was sustained during the month of April 2020. Overall demand in Oregon has been consistent through the date of this report and the Company expects that, without further restrictions from the government, its Oregon business will experience only a temporary increase in headcount cost to comply with federally mandated leave policies.

As of the date of this report, retail dispensary storefronts in Nevada have been allowed to open, however most retailers are significantly limiting traffic and are strongly encouraging curbside pickup or delivery for all sales. Despite these developments, however, upwards of 75% of Nevada’s cannabis revenue derives from tourism and this has impacted the Company’s Nevada business, especially in Las Vegas. Before COVID-19 the Company was already planning to transition its Nevada operations to a third-party manufacturing partner in the Reno area. This crisis expedited the Company’s plans to lay off much of its Nevada workforce and pause production until the Nevada market conditions improve for its wholesale business.

For additional information, please refer to the Interim Condensed Consolidated Financial Statements and Management’s Discussion and Analysis (MD&A) for the 3 months ended March 31, 2020 and the Audited Financial Statements for the years ended December 31, 2019 and 2018 and Management Discussion and Analysis (MD&A) filed on the SEDAR website at www.sedar.com.

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

Management continues to drive revenue in the wholesale and retail businesses in Oregon and focus on growth and optimization of operations in California, Nevada and Washington.

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 signed a Consulting Agreement, IP License Agreement and an Equipment Subleasing agreement with Ionic, Inc., a Washington Corporation ("Ionic"), that holds marijuana processor and distribution licenses in the state of Washington. The Company will utilize its expertise to provide various consulting services relating to the Company's intellectual property and other business activities. Using certain trademarks, tradenames and brands owned by the Company and licensed to Ionic will allow for the production and sale of its products in Washington by Ionic.

The Company also signed a Licensing, Manufacturing, and Distribution Agreement with Blacklist Holdings OR, Inc. ("Licensor"). In this arrangement the Company will license certain intellectual property of the Licensor and use its requisite licenses to serve as co-packer to manufacture certain of Licensor's proprietary products in the state of Oregon.

The Company signed a product manufacturing and distribution agreement with A New Leaf LLC ("Sugar Pine") in Reno, NV and has moved its existing inventory and staff in Nevada to this location. This relationship allows the Company to manufacture its full line of edible and extract products and to distribute them throughout the state of Nevada.

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.
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.

The Company filed a lawsuit against BMF Washington LLC ("BMF") and Peter Saladino ("Saladino") on January 21, 2020, in Multnomah County (Oregon) Circuit Court, Case No. 20CV03528, seeking to recover \$6,916,580 in damages. The Company asserted two claims for breach of contract, arising out of the parties' equipment leasing and intellectual property licensing agreements, seeking damages of \$676,580 and \$2,080,000, respectively, with alternative claims against both BMF and Saladino (collectively, the "Defendants") for unjust enrichment related to their improper use of the Company's equipment and intellectual property. The Company is also asserting claims against the Defendants for misappropriation of trade secrets under Oregon and Washington law, seeking additional damages of \$4,160,000.

A receiver was appointed to marshal the assets of BMF and liquidate them to pay the creditors of BMF. Consequently, the Company's claims against BMF are in the process of being dismissed without prejudice and a Proof of Claim is being sent to the receiver, in an attempt to obtain payment of the damages related to the claims alleged against BMF by the Company.

The claims against Mr. Saladino were removed to the Federal Court for the Western District of Washington and a Magistrate has been appointed to manage and hear the case.

Mr. Saladino filed an Answer to the Company's Complaint on May 29, 2020. Mr. Saladino admits or denies each allegation in the Complaint individually. He asserts several affirmative defenses. The Answer does not include any counterclaims against the Company.

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.

The Company issued 333,333 shares upon conversion of debentures.

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 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: June 7, 2020

Jeff Yapp
 Name of Director or Senior
 Officer

" Jeff Yapp "
 Signature
 Chief Executive Officer
 Official Capacity

Issuer Details		For Month End	Date of Report
Name of Issuer		May 2020	YY/MM/DD
Golden Leaf Holdings Ltd.			20/06/07
Issuer Address			
82 Richmond Street East			
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.	
Toronto, ON M5C 1P1	(416) 848-0790	971-371-2685	
Contact Name	Contact Position:	Contact Telephone No.	
John Varghese	Investor Relations	971-371-2685	
Contact Email Address	Web Site Address:		
ir@goldenxtrx.com	http://goldenleafholdings.com/		