# 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: **438,947,556**

Date: **October 2017**

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.

   **The Company's Nevada operation is now licensed to distribute product in all of Nevada. The Company continues to push for increased market share in Oregon with its distillate, edibles and CO2 oil product lines.**

**The Company currently is not producing oil due to regulatory complication but expects to be restarting production when its processing facility becomes licensed. The Company continues outsourcing distillate oil to fulfill growing demand and is pursuing external sources for CO2 and BHO products as well.**

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 believes the remaining steps will take a matter of weeks to complete, but cautions that there can always be unforeseen and inexplicable delays when dealing with governmental regulatory agencies.**

**The Company continues to work towards full integration of GLH's Oregon operations and Chalice's Oregon operations at the Portland headquarters.**

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.

**6. On October 19 the Company announced that it has been granted business licenses by Henderson County and Washoe County, in the State of Nevada, to sell cannabis to the adult-use markets in these locations. The Company plans to commence sales in these jurisdictions immediately.**

**On October 31, The Company announced that it has been granted a business license by the City of Las Vegas, in the State of Nevada, to commence sales of its high quality cannabis-infused products to medical and adult-use dispensaries in the city.**

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.

**The Company closed on its previously announced acquisition of Medical Marijuana Group Corporation.**

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.

**Not applicable**

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

**On October 2, 2017 the Company announced that it has revised the terms of its previously announced private placement of convertible debenture units (the "Offering"). Under the revised Offering, the Company is offering up to C$15 million of debenture units (the "Units") of the Company, each Unit to be comprised of one C$1,000 principal amount 10% senior secured convertible debenture (each, a "Debenture" and collectively, the "Debentures") and 2,381 common share purchase warrants (each, a "Warrant" and collectively, the "Warrants"), at a price of C$1,000 per Unit, for aggregate gross proceeds of up to C$15 million. The Debentures will bear interest at the rate of 10% per annum and mature 24 months from the closing of the Offering. Each Debenture is convertible into common shares of the Company (each, a "Common Share") at a conversion price of C$0.21 per Common Share, subject to adjustment in certain events. Each Warrant will entitle the holder to acquire one Common Share at a price of C$0.28 per Common Share for a period of two years following the closing of the Offering, subject to adjustment in certain events. The net proceeds from the Offering are anticipated to be used for working capital, inventory and to repay existing indebtedness.**

**In addition, the Company is pleased to announce that it has secured commitments, and expects to secure additional commitments, from certain holders of the outstanding convertible debentures of the Company due in April, 2018, and has secured commitments from all of the lenders under the bridge loans obtained by the Company on September 5, 2017, to accept early repayment of such debts and to direct the funds received towards the purchase of Units. The effect of such agreements will be to effectively consolidate the majority of the Company's existing debt with the Debentures, putting all such debt into one instrument.**

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

**During the month the Company issued 8,035,167 common shares on conversion of debentures.**

**The Company also issued 35,714,285 shares as consideration for the acquisition of Medical Marijuana Group Corporation.**

**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

**There continues to be uncertainly 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.**

**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 November 7, 2017

William Simpson
Name of Director or Senior Officer

*"William Simpson"*
Signature
Chief Executive Officer
Official Capacity

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| ***Issuer Details***<br>Name of Issuer<br>Golden Leaf Holdings Ltd. | For Month End<br>October 2017 | Date of Report<br>YY/MM/D<br>17/11/07 |
| Issuer Address<br>82 Richmond Street East | | |
| City/Province/Postal Code<br>Toronto, ON M5C 1P1 | Issuer Fax No.<br>(416) 848-0790 | Issuer Telephone No.<br>503 388-7693 |
| Contact Name<br>Steve Silver | Contact Position:<br>Investor Relations | Contact Telephone No.<br>(221) -896-1220 |
| Contact Email Address<br>ssilver@kcsa.com | Web Site Address:<br>http://goldenleafholdings.com/ | |