# GOLDEN LEAF HOLDINGS LTD.

# FORM 2A LISTING STATEMENT

May 31, 2017

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## 1. FORWARD-LOOKING STATEMENTS

Unless otherwise indicated:

a. use of the term "**Longacre**" refers to Longacre Resources Inc. prior to the Transaction (as defined below);

b. use of the term "**GLHI**" refers to Golden Leaf Holdings Inc. prior to the Transaction;

c. use of the term "**Issuer**" or "GLH" or "Company" refers to Golden Leaf Holdings Ltd. (being Longacre following the Transaction), together with Greenpoint Canada Inc. ("**Amalco**"), its wholly-owned operating subsidiary.

The information provided in this listing statement (the "**Listing Statement**"), including information incorporated by reference, may contain "forward-looking statements" about Longacre, GLHI and the Issuer. In addition, the Issuer may make or approve certain statements in future filings with Canadian securities regulatory authorities, in press releases, or in oral or written presentations by representatives of the Issuer that are not statements of historical fact and may also constitute forward-looking statements. All statements, other than statements of historical fact, made by the Issuer that address activities, events or developments that the Issuer expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words.

Forward-looking statements may relate to future financial conditions, results of operations, plans, objectives, performance or business developments. These statements speak only as at the date they are made and are based on information currently available and on the then current expectations of the Issuer and/or GLHI and assumptions concerning future events, which are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from that which was expressed or implied by such forward-looking statements, including, but not limited to, risks and uncertainties related to:

- the availability of financing opportunities, legal and regulatory risks inherent in the medical marijuana industry, risks associated with economic conditions, dependence on management and currency risk; and

- other risks described in this Listing Statement and described from time to time in documents filed by the Issuer with Canadian securities regulatory authorities.

Consequently, all forward-looking statements made in this Listing Statement and other documents of the Issuer are qualified by such cautionary statements and there can be no assurance that the anticipated results or developments will actually be realized or, even if realized, that they will have the expected consequences to or effects on the Issuer and/or GLHI. The cautionary statements contained or referred to in this section should be considered in connection with any subsequent written or oral forward-looking statements that the Issuer and/or persons acting on its behalf may issue. The Issuer and/or GLHI undertake no obligation to update or revise any forward-looking

statements, whether as a result of new information, future events or otherwise, other than as required under securities legislation. See *Section 6.13 - Risks Related to the Company's Business*.

**Market and Industry Data**

This Listing Statement includes market and industry data that has been obtained from third party sources, including industry publications. The Issuer believes that its industry data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data is believed to be reliable, neither Longacre nor GLHI have independently verified any of the data from third party sources referred to in this Listing Statement or ascertained the underlying economic assumptions relied upon by such sources.

## 2. CORPORATE STRUCTURE

### 2.1(a) – Corporate Name and Head and Registered Office – Issuer

The Issuer was incorporated as "Longacre Resources Inc." on April 12, 2011. The Issuer changed its name to Golden Leaf Holdings Ltd. upon completion of the Transaction and the issuer's continuance into Ontario. The Issuer's head office and registered office is located at 82 Richmond Street East, Toronto, Ontario M5C 1P1.

### 2.1(b) – Corporate Name and Head and Registered Office – GLHI

GLHI was incorporated with the name "Golden Leaf Holdings Inc." on April 8, 2014. GLHI's head office and registered office is located at 82 Richmond Street East, Toronto, Ontario M5C 1P1.

### 2.2(a) – Jurisdiction of Incorporation – Issuer

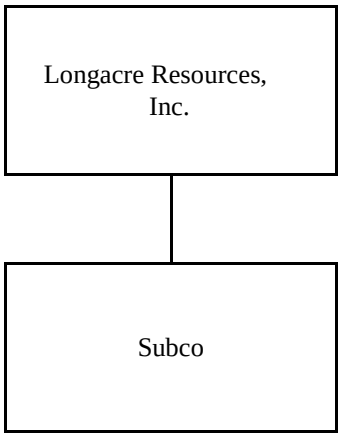
Issuer was incorporated under the *Business Corporations Act* (British Columbia). It continued under the *Business Corporations Act* (Ontario) on October 6, 2015 as part of the Transaction.

### 2.2(b) – Jurisdiction of Incorporation – GLHI

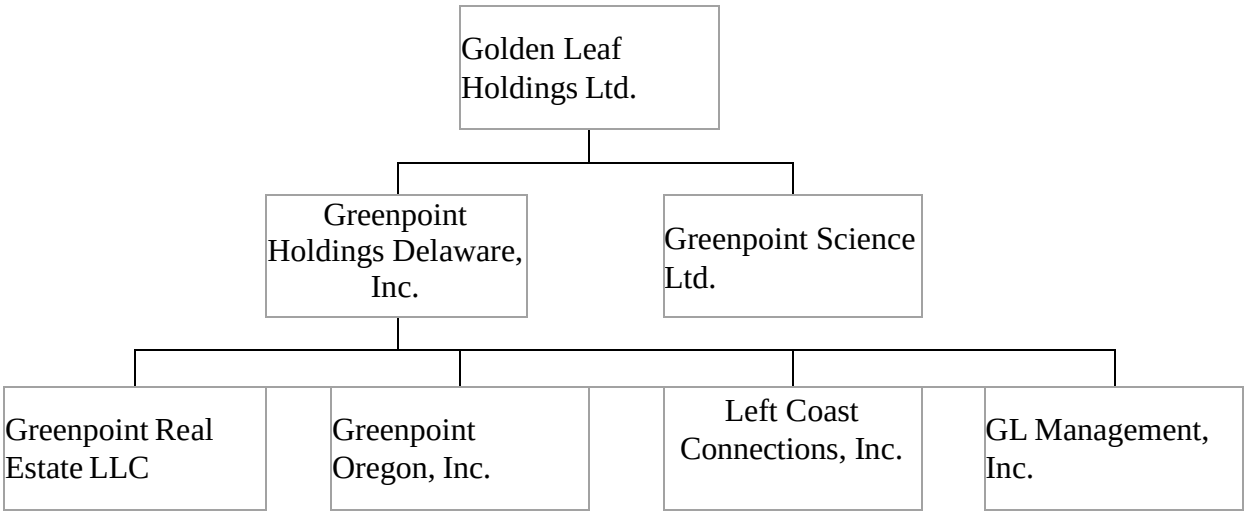
GLHI was incorporated on April 8, 2014 under the *Business Corporations Act* (Ontario).

### 2.3 – Inter-corporate Relationships

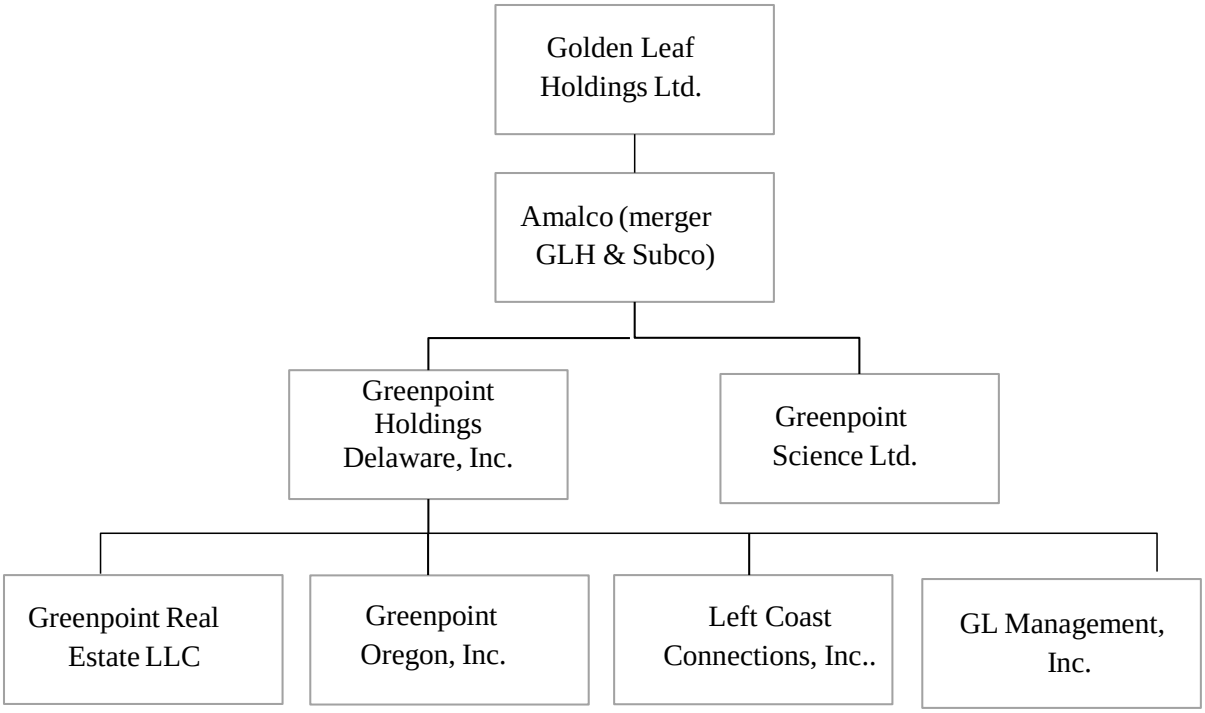
Prior to the Closing (as defined below) of the Transaction, Longacre had one wholly owned subsidiary 2470251 Ontario Inc. ("**Subco**").




Prior to the Closing of the Transaction, GLHI had six subsidiaries which were wholly owned either directly or indirectly. The following diagram presents the organizational chart for GLHI immediately preceding the Transaction.




On Closing of the Transaction described below in *Section 3 – General Development of the Business*, GLHI and Subco amalgamated to form Greenpoint Canada Inc. ("**Amalco**") which became a wholly-owned subsidiary of the Issuer, and the corporate structure of the Issuer is as follows:




### 2.4 – Fundamental Change

Immediately before listing on the Canadian Securities Exchange ("**CSE**"), Longacre, Subco and GLHI completed the Transaction. In conjunction with the Transaction, the Issuer continued under the *Business Corporations Act* (Ontario) and changed its name to "Golden Leaf Holdings Ltd." The Issuer now has one direct wholly owned subsidiary, Amalco, along with six indirect wholly owned subsidiaries (as shown in the corporate structure diagram in Section 2.3 above).

## 3. GENERAL DEVELOPMENT OF THE BUSINESS

### 3.1(a) – General Development of the Issuer's Business

The business of GLHI became the business of the Issuer upon Closing of the Transaction.

*General Description of Longacre's Business*

Prior to the Closing of the Transaction, Longacre had no active business operations and was seeking business opportunities. On May 22, 2015, Longacre entered into a merger agreement with GLHI outlining proposed terms of the Transaction. Closing of the Transaction (the "Closing") occurred on October 6, 2015 (the "Closing Date").

None of Longacre's securities were listed or posted for trading on any stock exchange or quotation system, but Longacre was a reporting issuer in the Provinces of Alberta and British Columbia. Longacre's financial year end is March 31.

The business of GLH is the wholesale and retail distribution of cannabis products within the state of Oregon. The main operating company is Greenpoint Oregon, Inc. which is based in the State of Oregon ("**GPO**"). GPO's products trade under the brand names Golden ™ and Proper™. Oregon is the first state in which GLHI commenced operations, with GLHI commencing sales in August of 2014. GLH operates a vertically integrated business, which includes the cultivation and growing of cannabis plants, oil extraction, the manufacture of cannabis oil based products and distribution of its oil based products and cannabis flower through wholesale and retail channels.

***The Transaction***

On May 22, 2015, Longacre, GLHI and Subco entered into a merger agreement (the "**Merger Agreement**") pursuant to which and subject to the satisfaction of certain conditions GLHI agreed to amalgamate with Subco to form Amalco, a wholly owned subsidiary of the Issuer (the "**Amalgamation**"). On October 6, 2015, GLHI, Subco and Longacre entered into an amalgamation agreement (the "**Amalgamation Agreement**") and completed the Amalgamation. Pursuant to the Amalgamation and the terms of the Merger Agreement and Amalgamation Agreement (a) the common shares of GLHI (the "**GLHI Shares**") were cancelled and each GLHI shareholder received one (1) common share of the Issuer ("**Issuer Share**") for each GLHI Share, and (b) Amalco, being the entity resulting from the Amalgamation, issued one (1) common share in the capital of Amalco to the Issuer for each Issuer Share issued to the former GLHI shareholders (the "**Transaction**"). Immediately following the Amalgamation, the former GLHI shareholders held 60,448,736 Issuer Shares, Amalco became a wholly owned subsidiary of the Issuer, and the Issuer continued under the OBCA under the name "Golden Leaf Holdings Ltd.". The number of Issuer Shares issued to the GLHI shareholders in connection with the Amalgamation was determined pursuant to arm's length negotiations between the management of each of Longacre and GLHI.

As of the transaction GLHI currently had common share purchase warrants outstanding exercisable into 32,989,115 GLHI Shares (the "**GLHI Warrants**"). In accordance with the terms of the GLHI Warrants, and as reflected in the Merger Agreement after the completion of the Transaction all GLHI Warrants are exercisable into Issuer Shares on identical terms *mutatis mutandis*. GLHI also had 5,595,000 common shares issuable upon the exercise of options under its stock option plan ("**GLHI Options**"). Upon completion of the Transaction, each GLHI Option became exercisable into one share of the Issuer. Additionally, GLHI also had US$2.190 million in principal amount of convertible debentures (the "**Debentures**") that are convertible into 2.190 million GLHI Shares. In accordance with the terms of these Debentures, upon the completion of the Transaction they shall be convertible into Issuer Shares on substantially the same terms, *mutatis mutandis*.

The deemed issue price of each Issuer Share issued to the former GLHI shareholders was USD$1.00. The Issuer Shares held by the officers, directors and insiders of GLHI are subject to escrow restrictions pursuant to the policies of the CSE.

***Transaction Mechanics***

Pursuant to the Merger Agreement, and as a condition of Closing, the following transactions occurred on or before the Closing Date:

*(a) Disposition of Longacre's Mineral Property Assets*

By agreement dated August 28, 2015, Longacre sold all of its right, title and interest in and to those three adjoining mineral tenures comprising 314.64 ha. located approximately 40 kilometers northeast of Hope, in south western British Columbia, referred to as the Christa – Aura Property, for nominal consideration. Following that disposition, Longacre had no material assets.

*(b) Consolidation of Longacre's Shares and Cancellation of Warrants*

On February 1, 2015, Longacre cancelled all of its 4,670,000 escrow shares (the "**Escrow Cancellation**") and on May 14, 2015 it completed a consolidation of its remaining shares (the "**Consolidation**") on a 1 for 2 basis. After the completion of the Consolidation, Longacre had 700,000 Issuer Shares issued and outstanding.

Prior to the completion of the Transaction, Longacre had common share purchase warrants ("**Longacre Warrants**") outstanding which were exercisable to acquire 4,570,000 shares of Longacre. On February 1, 2015, Longacre entered into warrant cancellation agreements with each holder of Longacre Warrants pursuant to which all outstanding Longacre Warrants were cancelled. After the cancellation of the Longacre Warrants, Longacre had no securities outstanding that were exercisable, convertible or exchangeable into common shares.

*(c) Debt Cancellation and Conversion*

In February 2015, the Issuer entered into debt cancellation agreements with its creditors pursuant to which debt of $101,250 was forgiven. On May 22, 2015, after completion of the Consolidation, a creditor of Longacre converted $3,750 of debt owing by Longacre into 75,000 Issuer Shares (the "**Debt Conversion**"). After the completion of the Consolidation and the Debt Conversion, Longacre had 775,000 common shares issued and outstanding.

*(d) Continuance of Longacre from British Columbia to Ontario*

On October 1, 2015, Longacre filed an application for continuance with the B.C. Registrar of Companies which was duly endorsed and authorized. On October 6, 2015, Longacre filed Articles of Continuance in Ontario and continued as a corporation governed under the laws of the Province of Ontario under the name Golden Leaf Holdings Ltd.

*(e) Treatment of GLHI Options*

All of the holders of stock options ("**GLHI Option holders**") of GLHI ("**GLHI Options**") that were not duly exercised prior to the Closing Date, became exercisable into shares of the Issuer on substantially the same terms as the GLHI Options, *mutatis mutandis*. The options will continue to be governed under the GLHI incentive stock option plan. For further

information, please see *Section 9 - Options to Purchase Securities*.

*(f) Lock-up Agreement*

GLHI asked certain of its shareholders to enter into a voluntary lock-up agreement (the "Lock-up Agreement"). Under the terms of the Lock-up Agreement, those shareholders who have become a party to the Lock-up Agreement have agreed to lock up 50% of their Issuer Shares. A portion of Issuer shares subject to the Lock-up Agreement will be released over a six month period commencing on January 1, 2016. 16.66% of the total amount of a shareholder's Issuer Shares subject to the Lock-up Agreement will be released on the first day of each month from January 1, 2016 to May 1, 2016. The remaining 16.7% of the Issuer Shares will be released from the lock- up on June 1, 2016. A total of 13,067,260 Issuer Shares have been locked-up, representing approximately 21.3% of the issued and outstanding Issuer Shares.

***Conditions to Closing the Transaction and Required Approvals***

The Transaction was subject to a number of approvals, which were obtained, and conditions, which were met, prior to its implementation, including, but not limited to the following:

(a) the acceptance for listing of the Issuer's Shares on the CSE;

(b) the election and appointment of certain directors and officers of the Issuer;

(c) the divestiture by the Issuer of its interests in all mining assets;

(d) completion of the Consolidation

(e) completion of the Debt Conversion;

(f) the issuance of the Exchange Options;

(g) all conditions precedent set forth in the Merger Agreement, having to be satisfied or waived by the appropriate party; and

(h) the receipt of all necessary corporate, regulatory and third party approvals including the approval of the CSE, and compliance with all applicable regulatory requirements and conditions in connection with the Transaction.

Longacre had 775,000 common shares issued and outstanding immediately prior to the Closing of the Transaction.

Upon the completion of the Transaction, the Issuer had 61,223,736 Issuer Shares issued and outstanding, with GLHI Shareholders holding 60,448,736 Issuer Shares or approximately 98.7% of the outstanding Issuer Shares.

In addition, after completion of the Transaction the Issuer had securities exchangeable or exercisable for, or convertible into, 40,774,115 Issuer Shares.

An updated capitalization table through Dec 31, 2015 can be found later in this document.

Certain of the Issuer Shares held by founders and management are subject to escrow that prohibits transfer for up to a three year period following the listing of the Issuer on the CSE (the "**Listing**") pursuant to the policies of the CSE and Form 46-201 Escrow Agreement, but will otherwise have all of the normal rights associated with Issuer Shares, such as entitlement to dividends, voting powers and participation in assets upon dissolution or winding up, until they are released from escrow.

The board of directors of the Issuer was reconstituted in conjunction with the Closing of the Transaction such that it consists of directors: Rick Miller, Don Robinson, Andy Hartogh, Philip van den Berg, Sam Pillersdorf and Elijah Cohl. In accordance with the Merger Agreement, on the Closing of the Transaction the constitution of the Issuer's senior management was changed to be Rick Miller as Chairman, Don Robinson as CEO and Brian Gentry as CFO.

**3.1(b) – General Development of GLHI's Business**

GLHI was incorporated in Canada on April 8, 2014 and, through its subsidiaries, commenced operations in August 2014 in the state of Oregon. GLHI produces and distributes medical cannabis and cannabis extracts within the State of Oregon. GLH is a vertically integrated business that cultivates and grows cannabis plants, extracts oil from the cannabis plant, prepares and packages the oils into various products for medicinal use and sells these cannabis oil based products along with the cannabis flower that it cultivates through both a wholesale distribution network and its own state-licensed retail dispensary.

On May 12, 2014 GLHI entered into an asset purchase agreement with Andy Hartogh, of Portland, Oregon to acquire certain cannabis cultivation and processing assets for total consideration of US$680,800. GLHI issued a promissory note in the amount of US$212,500, issued 2,925,000 common shares of GLHI, and issued 1,500,000 warrants with an exercise price CAD$0.02 as full consideration for the acquired assets. GLHI has used these assets to assemble its cultivation facility and its oil extraction and processing facility located just outside Portland, Oregon. As part of the transaction, Mr. Hartogh signed an employment agreement with Greenpoint Oregon, Inc. and also entered into a non-competition and non-solicitation agreement with GLHI.

In May of 2014, GLHI, through its wholly owned subsidiary, Left Coast Connections, Inc., acquired a license to operate a dispensary selling cannabis products directly to patients along with other assets from OMCC Oregon, LLC ("**OMCC")**. As consideration for the acquisition, GLHI paid OMCC 200,000 GLHI Shares and assumed US$27,000 of liabilities.

GLHI commenced sales and full operations in August of 2014, selling both cannabis flower and $CO_2$ extracted cannabis oil products under the brand name Golden XTRX™. Since commencing operations, GLH's products are being sold in approximately 200 dispensaries in Oregon which are licensed to sell medicinal cannabis directly to patients. In February of 2015, GLHI acquired a second $CO_2$ oil extraction machine which became operational in March of 2015, effectively allowing GLHI to double its $CO_2$ extracted cannabis oil production. A third $CO_2$ extraction machine became operational in May 2015 and GLHI ordered two more machines in June which became operational in September of 2015.

In January of 2015, GLHI acquired a hydro-carbon machine for the production of hydro-carbon extracted cannabis oils which became operational in February. GLHI launched its line of hydro-carbon extracted cannabis oil products in the same month under the brand name Proper™. In April of 2015, GLHI acquired a second hydro-carbon machine with a view to doubling its output of hydro-carbon extracted cannabis oils.

In January 2015, GLHI launched its R&D division through its wholly owned Israeli subsidiary, Greenpoint Science Ltd. In connection with the launch of its R&D division, Dr. Moshe Bar joined GLHI as head of the R&D division. Dr. Bar, was a former member of the vegetable R&D leadership team at Syngenta, the Swiss based global seeds company. The R&D division supports the cultivation process which enables GLHI to develop a differentiated product-mix with its own proprietary strains of cannabis.

On April 1, 2015 GPO entered into a 15 year sub-lease near Aurora, Oregon for a 96 acre property to build out GLHI's cultivation and grow activities (the "**Aurora Property**"). This sublease was terminated on June 30, 2015, however, an option to purchase the property was acquired by GLHI in consideration for 200,000 warrants exercisable at US$1.00 for a period for three years and 200,000 warrants exercisable at US$5.00 for a period of three years. The option to acquire the property was assigned to GLHI's wholly owned subsidiary, Greenpoint Real Estate, LLC and was exercised on September 28, 2015. The Aurora Property was acquired for a purchase price of US$3.3 million and was financed by (a) US$100,000 in cash from GLHI; (b) US$1.5 million secured 9% promissory note, maturing on September 14, 2017; (b) US$1.7 million in 12% convertible debentures, convertible at US$1.00 and maturing on September 17, 2017. A total of 100,000 bonus warrants were issued to the debenture holders which are exercisable at US$1.00 for a period of three years. In connection with the purchase and financing of the Aurora Property, Sam Pillersdorf, a director of GLHI, purchased a convertible debenture in the principal amount of US$1,000,000 and received 59,171 of the 100,000 bonus warrants.

GLH plans on moving its head office to the Aurora Property and all processing facilities and cultivation will ultimately migrate to the new site. A project is under development to refurbish and expand the existing greenhouse facilities on this site and enable the corporate office and processing facilities. However, it should be noted that the property is now subject to a county "opt-out" ordinance that will preclude cannabis related activities on the property as of approximately October 1, 2016 when the OLCC rules are adopted. This "opt-out" will be then subject to a county referendum in November 2016 at which point the "opt-out" will confirmed. GLH is confident that the moratorium will not survive, and that GLH's operations will be subject to minimal disruption. However, the company is pursuing contingency locations to ensure seamless operations in any scenario.

The Company completed an acquisition of certain assets from BMF Washington, LLC on January 20, 2016 for a price of $14.7 million, of which $3 million was to be paid in cash within 45 days and $12 million to be paid in the form of shares in Golden Leaf Holdings, plus the issuance of 300,000 warrants. This was amended on March 4, 2016, such that $1.5 million of cash would be in the form of a note payable @ 10% interest to be paid in installments over the next 9 months, provided that the company has sufficient cash flow, with a final maturity of January 14, 2017. Don Robinson, CEO and Board member, provided a personal guarantee for the note. The balance of cash, equity

consideration and warrants was paid in March upon closing of the company's previously announced convertible debenture financing (details below). BMF (specifically owner Peter Saladino) received 30,767,777 shares given the company share price of $0.54 CAD/$.39 USD at the date of issuance, and the 300,000 warrants @ 0.39 USD.

The assets acquired included fixed assets and the rights to Intellectual Property including BMF's brands. BMF and GLH also entered into a strategic partnership, whereby BMF entered into both equipment leasing and royalty agreements with GLH in exchange for the provision of certain goods and services. GLH also negotiated an option to purchase from BMF for a nominal fee the license to operate a cannabis business in the state of Washington, at such time when regulations allowed GLH to own the license.

GLH completed a convertible senior unsecured debt financing in Q1 and Q2 2016. The offering allowed for up to $10 million CAD of debentures at 10% interest paid semi-annually with a term to Sept 11, 2017 and a convertible provision to a common share at $0.67 CAD, through a syndicate of agents led by Dundee Capital and including Liberty North Capital as an advisor to the company. The company raised a gross total of $7,538,000 CAD in two tranches, the 1st of $5,863,000 CAD closing March 14, 2016 and the 2nd of $1,675,000 CAD closing April 5, 2016 and included $1,500,000 CAD from Board members Michael Cohl ($500,000 CAD) and Don Robinson ($1,000,000 CAD).

The 1st tranche resulted in proceeds of $5,502,432 CAD (less $360,568 CAD of fees), and also resulted in 573,671 warrants issued (382,447 @ $0.67 CAD and 191,224 @ $0.85 CAD) and shares issued of 853,164 to members of the syndicate. The 2nd tranche resulted in proceeds of $1,564,127 CAD (less $110,823 CAD of fees), and also resulted in 210,447 warrants issued (140,298 @ $0.67 CAD and 70,149 @ $0.85 CAD) and shares issued of 853,164 to members of the syndicate. Due to anti-dilution provisions triggered by the issuance of $0.54 CAD shares to Peter Saladino in the BMF transaction, there was also a "make whole" addition to the notes' payable of $582,000 CAD and $216,000 CAD for the 1st and 2nd tranche respectively for the lead institutions that participated in the financing resulting in total notes payable of $8,336,000 CAD.

During Q1 2016, Golden Leaf's Board of Directors with recommendations from management agreed to wind down the company's Israeli subsidiary Greenpoint Science (GPS) to refocus on US Operations. Employees were notified in February, including Dr. Moshe Bar President of GPS who is entitled to a 4-mnth severance to be earned while overseeing the wind-down of the enterprise

On January 20th, 2016, the Company's Board of Directors approved the issuance of 700,000 more stock options to new employees with an exercise price of $0.48 U.S. dollars. All the options vest evenly over 3 years and expire 10 years after issuance.

Since year end, the composition of the Company's Board of Directors has changed. During Q1, Rick Miller resigned as Chairman, Michael Cohl replaced Eli Cohl, and Peter Saladino was added to the Board. Q2 saw the resignation of Philip van den Berg from the Board.

**Significant Acquisitions and Dispositions**

Other than Longacre's acquisition of GLH, there have been no significant acquisitions or dispositions for which *pro forma* financial statements would be required under National Instrument 41-101 – *Prospectus Contents – Non-Financial Matters* if this Listing Statement were a prospectus.

## 3.2 – Trends, Commitments, Events or Uncertainties

The District of Columbia ("**D.C.**") and 23 U.S. states, including the state of Oregon have legalized cannabis for medical use. Cannabis has also been legalized for recreational use in Colorado, Washington and Alaska. In November of 2014, a measure was passed by Oregon voters in a referendum to legalize the recreational use of cannabis. *See Oregon State Regulation below*.

Currently the Company operates in the state of Oregon and has a strategic partnership agreement for operations in Washington. The Company intends to expand into other states within the U.S. that have legalized either medicinal or recreational cannabis use. Cannabis and cannabis extracts remain illegal under U.S. federal law and cannabis is listed as a Schedule I substance under the U.S. Controlled Substances Act. However, in 2009 the U.S. federal government adopted guidelines no longer making it a priority to use federal resources to prosecute people with serious illnesses or their caregivers who are complying with state medical marijuana laws. Additionally, in 2014 the Deputy U.S. Attorney General, James Cole, publicly announced that the federal government would generally not pursue the prosecution of cannabis producers that are in compliance with state law. The "Cole memorandum" is the guiding principle that many cannabis businesses, regulators and legislators use to establish policies to operate in this space.

Passage of the federal spending bill on December 15, 2014 marked the first time in history that Congress eased up on the potential federal prosecution of medicinal cannabis cultivators, sellers and patients. The bill includes an amendment that prohibits the Department of Justice — which includes the Drug Enforcement Administration — from using funds to interfere with state medical marijuana laws. The U.S. House of Representative finally approved the bill in May of 2014 as an amendment to the Commerce, Justice, Science, and Related Agencies Appropriations Act. This federal spending bill also prohibits the U.S. Justice Department from interfering with state-level cannabis laws. The bill works to protect the medical marijuana programs in the 23 states that have legalized marijuana for medical purposes, as well as 11 additional states that have legalized cannabidol ("CBD") oils, a non-psychoactive ingredient in cannabis which, among other things, has shown to be beneficial in some severe cases of epilepsy.

As marijuana remains a Schedule I narcotic under U.S. federal law, U.S. federal law also makes it illegal for financial institutions that depend on the Federal Reserve's money transfer system to take any proceeds from marijuana sales as deposits. Banks and other financial institutions could be prosecuted and possibly convicted of money laundering for providing services to cannabis businesses. Under U.S. federal law, banks or other financial institutions that provide a cannabis business with a checking account, debit or credit card, small business loan, or any other service could be found guilty of money laundering or conspiracy. There has been no change in U.S. federal banking laws notwithstanding that 23 states have legalized medical marijuana. Colorado, Alaska and Washington have legalized marijuana for recreational use, and Oregon voters voted on a referendum requiring the Oregon State government to promulgate rules of the recreational use of marijuana by July 1, 2015.

Due to banks' fears of being implicated in or prosecuted for money-laundering, marijuana businesses are often forced into becoming “cash-only” businesses. As banks and other financial institutions in the U.S. are generally unwilling to risk a potential violation of federal law without guaranteed immunity from prosecution, most refuse to provide any kind of services to marijuana businesses. The Treasury Department’s Financial Crimes Enforcement Network (“FinCEN”) has issued guidance advising prosecutors of money laundering and other financial crimes not to focus their enforcement efforts on banks that serve marijuana-related businesses, so long as that business is legal in their state and none of the federal enforcement priorities are being violated (such as keeping marijuana away from children and out of the hands of organized crime). The guidance also lays out a process for financial institutions to provide services to marijuana businesses, but makes it clear that they are doing so at their own risk. Despite the attempt by FinCEN to legitimize marijuana banking, in practice this guidance has not made banks much more willing to provide services to marijuana businesses. This is because the current law does not guarantee banks immunity from prosecution, and it also requires banks and other financial institutions to undertake time-consuming and costly due diligence on each marijuana business it takes on as a client. Recently, some banks that have been servicing marijuana businesses have been closing accounts operated by marijuana businesses and are now refusing to open accounts for new marijuana businesses as they are unwilling to take on the associated risks or conduct the proper due diligence that would be required to ensure none of the federal priorities are being violated.

The few credit unions who have agreed to work with marijuana businesses are limiting those accounts to no more than 5% of their total deposits to avoid creating a liquidity risk. Since the federal government could change the banking laws as it relates to marijuana businesses at any time and without notice, these credit unions must keep sufficient cash on hand to be able to return the full value of all deposits from marijuana businesses in a single day, while also servicing the need of their other customers.

A small number of credit unions in Washington State have announced they will serve marijuana-related business, but they are limiting their services to only those at the front end of the market; producers and processors whose sales are limited to licensed distributors and can easily be tracked by the state (relieving the banks of the burden to do so directly). However, these credit unions will not service dispensaries because the required due diligence is too cumbersome when marijuana is being sold by a licensed dispensary to the public.

To solve the current banking problem, a bill has been tabled in the U.S. Congress to create the *Marijuana Business Access to Banking Act*. If passed, this legislation would grant banks and other financial institutions immunity from federal criminal prosecution for servicing marijuana- related businesses if the underlying marijuana business is in compliance with state law. The legislation would also prohibit the Treasury Department from requiring banks to report a transaction as suspicious solely because it came from a marijuana-related business that operates in compliance with state law. Additionally, the bill would prohibit regulators from terminating a bank’s depository insurance because it services marijuana businesses in compliance with state law. This bill has not been passed and there can be no assurance with that it will be passed in its current form or at all.

Currently, GLH operates through two banks in Canada and two banks in the U.S. GLH maintains close ties and strong relationships with its current bankers and continues to build relationships with other banks and credit unions servicing the marijuana industry.

GLHI takes regulatory compliance very seriously and has included the Cole Memorandum at the beginning of the employee handbook to ensure all employees understand and acknowledge these rules and understand their importance.

Although civil in nature, administrative rules in Washington and Oregon define the regulatory compliance guidelines, and if violated could potentially have a serious impact on the business. GLHI regularly reviews the rules and communicates changes to the employees as appropriate. Regular internal audits are conducted as well to monitor compliance related issues.

There are significant risks associated with the business of the Company, as described above and in *Section 6.13 - Risks Related to the Company's Business*. Readers are strongly encouraged to carefully read all of the risk factors contained in *Section 6.13 - Risks Related to the Company's Business.*

### 3.3 - Legal Proceedings

As of the date of this report, there are no legal proceedings material to the Company to which the Company is a party or of which any of their respective property is the subject matter.

## 4. NARRATIVE DESCRIPTION OF THE BUSINESS

### 4.1(a) – Narrative Description of GLH's Business

GLH was incorporated in Canada on April 8, 2014 and commenced active business operations in August of 2014. GLH's primary objective is to be the leading cultivator, grower and extractor of cannabis oil products in the State of Oregon. GLH intends to expand into other states that have legalized the use of cannabis with a view to becoming a leader in the industry.

Refer to the most recent managements' discussion and analysis at www.sedar.com for further details about the Company's business.

## 5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

### 5.1 – Selected Financial Information - Consolidated

| | For the financial period: | |
|---|---|---|
| | Year ended December 31, 2016 | Year ended December 31, 2015 |
| | $ | $ |
| Sales | 7,661,488 | 9,925,137 |
| Gross profit | 65,883 | 2,035,646 |
| Total expenses | 11,546,835 | 14,062,212 |
| Net loss comprehensive loss | (21,329,817) | (17,455,695) |
| Basic and diluted loss per share | (0.23) | (0.31) |
| Weighted average number of common shares outstanding | 91,207,720 | 55,679,926 |
| | | |
| Total assets | 24,841,792 | 9,178,241 |
| Long-term financial liabilities | 12,241,905 | 8,135,162 |

### 5.2– Dividends

The Company has not paid dividends in the past and it has no present intention of paying dividends. Future dividends, if any, will be determined by the directors on this basis of earnings, financial requirements and other conditions existing at the time.

### 5.3– Foreign GAAP

The financial statements of the Company are both prepared in accordance with IFRS.

## 6. MANAGEMENT'S DISCUSSION AND ANALYSIS

Please see the management's discussion and analysis for the years ended December 31, 2016 and 2015, a copy of which can be found on SEDAR website at www.sedar.com.

## 7. MARKET FOR SECURITIES

### 7.1– Listings

The Company is currently listed on the CSE under the symbol "GLH".

## 8. CONSOLIDATED CAPITALIZATION

### 8.1(a) – Consolidated Capitalization

Other than the conversion of 8,563,000 debentures into 28,543,333 common shares, there has been no material change in our share and loan capital since the date of the consolidated financial statements of our most recently completed financial year ended December 31, 2016.

## 9. OPTIONS TO PURCHASE SECURITIES

### 9.1 – Stock Option Plan

Stock options granted pursuant to the Plan will not exceed a term of ten years and are granted at an option price and on other terms which the directors determine are necessary to achieve the goal of the Plan and in accordance with regulatory policies. The option exercise price will not be less than the fair market value of each Share issuable on the exercise of such option.

The Plan limits the granting of options and shares pursuant to options as follows:

(a) the aggregate number of Shares reserved for issuance under the Plan may not exceed 10% of the issued and outstanding Shares from time to time;

(b) the aggregate number of Shares reserved for issuance to any Related Person (as such term is defined in Section 2.2 of National Instrument 45-106 of the Canadian Securities Administrators) shall not exceed 5% of the issued and outstanding Shares from time to time;

(c) the aggregate number of Shares issued within any 12 month period to Related Persons shall not exceed 10% of the issued and outstanding Shares from time to time; and

(d) the aggregate number of Shares issued within any 12 month period to a Related Person and associates of such Related Person shall not exceed 5% of the issued and outstanding Shares from time to time.

Unless otherwise determined by the Board or specified in the relevant option agreement, options will vest immediately.

Should a participant in the Plan cease to be eligible for such participation, any unvested portion of any options granted to the participant will be immediately forfeited. The participant's vested options will terminate on the earlier of the date of the options' expiry pursuant to the Plan and the date which is 90 days after the participant ceasing to be eligible for participation in the Plan (in the case of termination of employment by the Company without cause, the failure of a director of the Company standing for election to be re-elected or the failure by the Company to renew a contract for services at the end of its term). The Plan also provides that estates of deceased participants and participants who retire or become disabled can exercise their options

for a period not exceeding one year following death.

The Board of the Company may from time to time make rules, regulations and amendments to the Plan.

## 10. DESCRIPTION OF THE SECURITIES

### 10.1 – Description of the Company's Securities

The Company is authorized to issue an unlimited number of common shares. All of the common shares of the Company are of the same class and, once issued, rank equally as to entitlement to dividends, voting powers (one vote per share) and participation in assets upon dissolution or winding up. No common shares of the Company have been issued subject to call or assessment.

There are no pre-emptive rights, no conversion or exchange rights, no redemption, retraction, purchase for cancellation or surrender provisions. There are no sinking or purchase fund provisions, no provisions permitting or restricting the issuance of additional securities or any other material restrictions, and there are no provisions which are capable of requiring a security holder to contribute additional capital.

As at the date of this Listing Statement, there are a total of 141,620,823 Company Shares outstanding.

### 10.2 – 10.7 – Miscellaneous Securities Provisions

The matters set out in sections 10.2 to 10.7 of CSE - Form 2A are not applicable or are disclosed in previous issued filings of the Company.

### 10.8 – Stock Exchange Price

None of the matters set out in sections 10.8 of CSE Form – 2A are applicable to the Company Shares.

## 11. ESCROWED SECURITIES

### 11.1 – Escrow of Principals' Securities

The table below sets out the number of shares held by principals and certain other shareholders of the Company that are currently held in escrow:

| Designation of Class Held in Escrow | Number of Securities Held in Escrow | Percentage of Class |
|---|---|---|
| Common Shares | 3,445,775 | 2.438% |
| Warrants | 3,554,629 | N/A |

| | | |
|---|---|---|
| Options to purchase Common Shares | 360,000 | N/A |

The Company is classified as an emerging issuer pursuant to NP 46-201, and as such the securities listed above will be released from escrow in stages over a 36 month period from the date of Closing of the Transaction, with 10% having been released and an additional 15% of such escrowed shares to be released on the 6, 12, 18, 24, 30 and 36 month anniversaries of the Closing.

## 12. PRINCIPAL SHAREHOLDERS

### 12.1 and 12.2 – Principal Shareholders

Peter Saladino, Director, owns 30,769,777 common shares. No other shareholders own more than 10% of the voting shares as of the date of this report.

### 12.3 – Voting Trusts

To the knowledge of the Company, no voting trust exists with respect to any Company Shares.

## 13. DIRECTORS AND OFFICERS

### 13.1 – 13.3, 13.5, 13.11 – Directors and Officers

The following table sets forth the name of all current directors and officers of the Company, their municipalities of residence, their current positions with the Company, their principal occupations during the past five years and the number and percentage of Company Shares beneficially owned, directly or indirectly, or over which control or direction is exercised:

***Name, Address, Occupation and Security Holdings***

| Name and Residence | Position with the Corporation and Period Served as a Director | Principal Occupation | Number of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly |
|---|---|---|---|
| Donald Robinson<br>Ontario, Canada | Chief Executive Officer, Interim Chairman and Director since October 6, 2015 | President and Chief Executive Officer of Cara Operations Limited; Chief Executive Officer of Golden Leaf | 3,380,800[(2)] |
| Alex Winch,<br>Ontario,<br>Canada | Director since October 3, 2016 | Businessman, retired hedge fund owner | 1,200,000[(7)] |
| Andy Hartogh<br>Oregon, United States | President and Director since October 6, 2015 | President and Chief Agricultural Officer of Greenpoint Oregon, Inc. | 1,879,500[(3)] |

| Name and Residence | Position with the Corporation and Period Served as a Director | Principal Occupation | Number of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly |
|---|---|---|---|
| Michael Cohl[1]<br>Ontario, Canada | Director since February 1, 2016 | Producer of Live Entertainment | 6,000,000[4] |
| Solomon (Sam) Pillersdorf[1]<br>Ontario, Canada | Director since October 6, 2015 | Businessman, retired medical doctor | 1,767,500[5] |
| Peter Saladino[1]<br>Washington, United States | Director since March 4, 2016 | Founder and Chief Executive Officer of BMF Washington LLC, one of the largest cannabis producer processors in the state of Washington | 30,769,777[6] |

Notes:

(1) Member of the Audit Committee. Dr. Pillersdorf is the Chair.

(2) Mr. Robinson also holds 1,000,000 Common Share purchase warrants of the Corporation each exercisable for one Common Share at a price of US$1.00 until June 1, 2014. Mr. Robinson also holds $1,000,000 aggregate principal amount of convertible debentures with a maturity date of September 11, 2018.

(3) Mr. Hartogh also holds 1,500,000 Common Share purchase warrants of the Corporation each exercisable for one Common Share at a price of $0.02 until 2024.

(4) Mr. Cohl holds 1,500,000 Common Shares directly and 4,500,000 Common Shares jointly and also holds 882,500 Common Share purchase warrants of the Corporation each warrant is exercisable for one Common Share at a price of $0.50 until May 25, 2018.

(5) Dr. Pillersdorf holds 895,500 Common Shares directly and 872,000 Common Shares through La Prima Investments Ltd. ("**La Prima**"), a corporation controlled by Dr. Pillersdorf. Mr. Pillersdorf also holds 385,000 Common Share purchase warrants of the Corporation each exercisable for one Common Share at a price of $0.50 until November 2017. La Prima also holds 434,171 Common Share purchase warrants of the Corporation each exercisable for one Common Share at a price of $0.50 (375,000) until November 2017, US$1.00 (59,171) until November 2017 and $1,000,0000 aggregate principal amount of convertible debentures with a maturity date of September 18, 2017.

(6) Mr. Saladino also holds 250,000 Common Share purchase warrants of the Corporation. Each warrant is exercisable for one Common Share at a price of US$0.39 until March 15, 2018.

(7) Mr. Winch also holds 200,000 options exercisable at $0.30 per Common Share, pursuant to the Stock Option Plan (as defined herein).

## Management and Directors

The following are brief biographical descriptions of the management and directors of the Company's pool of Management.

### Don Robinson.

Mr. Robinson has over 30 years of management and leadership experience in the consumer packaged goods and hospitability industries. He began his career in a general management and marketing role with Nabisco Brands, and then spent more than 20 years with Mars Incorporated before his role as President and Chief Executive Officer of Cara Operations Limited. Mr. Robinson was Executive Director of The Food & Consumer Products of Canada, and the Chairman of the Board of the Confectionery Manufacturers Association of Canada. Mr. Robinson has been a member of various academic councils, including Ted Rogers School of Management Advisory Council, University of Guelph School of Hospitability & Tourism Management Policy Advisory Board and the Queen's University School of Business Advisory Board.

**Andy Hartogh**

Mr. Hartogh is the President and Chief Agricultural Officer of Greenpoint Oregon, Inc. and a co-founder of GLHI. Mr. Hartogh is an expert and a visionary in the area of Cannabis growing and processing. He has nine years of progressive experience in the Oregon market and is highly respected in the cannabis industry. Mr. Hartogh has developed proprietary growing techniques that set GLHI and now sets the Corporation apart in terms of quality and production. In November of 2013, Mr. Hartogh created a CO2 extraction company turning excess marijuana material into a usable, highly profitable product.

**Michael Cohl**

Mr. Cohl's career spans over 45 years in the entertainment business, producing worldwide music tours including The Rolling Stones, Pink Floyd, U2, Barbra Streisand, and many more, as well as films such as Pete Seeger: Power of Song (Emmy Award), LENNONYC (Peabody and Emmy Awards), Big Easy Express (Grammy Award), a film about Harry Belafonte, Sing Your Song (NAACP Image Award), and The Rolling Stones classics Live at the Max and Shine a Light. Mr. Cohl has also produced live shows such as the children's show Yo Gabba Gabba! Live! (2010 Billboard Touring Award for Creative Content) and has spent decades on and off Broadway with shows including Spider Man: Turn Off The Dark (for which Mr. Cohl was voted Producer of the Year 2011), Rock of Ages, and Spamalot (Tony Award). Mr. Cohl was previously the chairman of Live Nation, was inducted into the Canadian Rock n Roll/Music Hall of Fame, and has received a star on Canada's Walk of Fame. Among his many other awards, Mr. Cohl's has also been honored with the Billboard Legend of Live Award, the TJ Martell Foundation Man of the Year Award, and a JUNO Award for Special Achievement. Mr. Cohl's is the founder and chairman of Iconic Entertainment Studios and is currently developing, producing, and promoting over a dozen properties.

**Solomon (Sam) Pillersdorf**

Dr. Pillersdorf has been involved in various facets of business for over 15 years, having accumulated a broad base of experience as a successful investor and entrepreneur. He has been involved in the funding and formation of start-up companies, and the funding of various companies at different stages of their growth. He has been and is currently a director of a TSX Venture Exchange ("**TSXV**") listed junior resource company, and serves on the advisory committee of several companies in different sectors. Dr. Pillersdorf is the President and Chief Executive Officer of Shadchen Resources Intermediaries Inc., which has successfully facilitated the takeover of several Canadian mining resources by foreign investors. Dr. Pillersdorf has also served for over five years on the audit committees of Canadian Golden Dragon/White Metals and Grizzly Discoveries, both publicly-traded companies. Dr. Pillersdorf has retired from a successful medical practice where he was the Head of the Outpatient Rheumatology Clinic and Head of Rheumatology Training at the McMaster University Medical Centre. He is President of several companies involved in commercial real estate, farming, securities investments, and start-up venture opportunities.

**Peter Saladino**

Mr. Saladino is a passionate entrepreneur who has built and managed a variety of successful companies, including BMF Washington LLC ("**BMF**"). He has designed and developed turn-key marijuana facilities in Seattle and Raymond, Washington, and is the principal owner of South Fork Business Park which is a 20 acre site zoned exclusively for cannabis production. He helped found the Washington CannaBusiness Association which has played a significant role in supporting the growth and evolution of the legal cannabis industry in Washington. Mr. Saladino is also currently President of Charter Construction, a multi-state construction company with over 300 employees and sales of $150 million annually. He is a graduate of the University of Washington and sits on the board of Big Brothers and Big Sisters of King County.

## 13.4 – Board Committees of the Company

The Company has established an audit committee as of 12/31/15 consisting of Philip van den Berg (chair, since departed), Sam Pillersdorf and Elijah Cohl (since departed). The Company will establish the following committees of its board:

1. a Compensation Committee;
2. a Governance Committee;
3. a Nominating Committee; and
4. a reconstituted Audit Committee.

Other committees of the board of directors may be instituted as the Company deems necessary or advisable.

## 13.6 – Corporate Cease Trade Orders or Bankruptcies

Other than as set forth below, no proposed director of the Corporation is, as at the date hereof, or has been, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

(i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

(ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

On May 4, 2016, the Ontario Securities Commission issued a management cease trade order against Mr. Robinson and Mr. Gentry for failure by the Corporation to file the audited annual financial statements and the associated management's discussion and analysis for its financial year ended December 31, 2015, as well as the related certifications and Form 13-502F1 (the "**Required Filings**"), which were required to be filed on or before April 29, 2016. The management cease trade order prohibits Mr. Robinson and Mr. Gentry from trading in the securities of the Corporation until such time as the Corporation files the Required Filings. The management cease trade order lapsed on June 2nd, 2016 and is no longer in effect.

**13.7 , 13.8 – Penalties or Sanctions**

No proposed director of the Corporation has been subject to:

(i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important in deciding whether to vote for a proposed director.

**13.9 – Personal Bankruptcies**

No proposed director of the Corporation is, as at the date hereof, or has been within 10 years prior to the date hereof, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No proposed director of the Corporation has, within the 10 years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

**13.10 – Conflicts of Interest**

To the best knowledge of the Company, and other than as disclosed herein, there are no known existing or potential material conflicts of interest between the Company or a subsidiary of the Company and a director, officer or promoter of the Company except that certain of the directors, officers and promoters of the Company serve as directors, officers and promoters of other companies and therefore it is possible that a conflict may arise between their duties as a director, officer or promoter of the Company and their duties as a director, officer and promoter of such other companies. See *Section 6.13 - Risks Related to the Company's Business*.

The directors, officers and promoters of the Company are aware of the existence of laws

governing accountability of directors and officers for corporate opportunity and requiring disclosure by directors of conflicts of interest and the Company will rely upon such laws in respect of any directors' and officers' conflict of interest or in respect of any breaches of duty by any of its directors or officers. All such conflicts will be disclosed by such directors or officers in accordance with applicable law and they will govern themselves in respect thereof to the best of their ability in accordance with the obligation imposed upon them by law.

## 14. CAPITALIZATION

### 14.1 – Issued Capital

As at the date of this document, the Company has the following issued and outstanding securities according to the below table. Additional details can be found in previously released filings:

| | Number of Shares |
|---|---|
| Common Shares issued and outstanding | 141,620,823 |
| Warrants (reserved) | 28,986,154 |
| Options (reserved) | 7,175,278 |
| Other (reserved) | 777,777 |
| Convertibles (reserved) | 43,876,574 |
| Shares Reserved for Issuance | 80,815,783 |
| Total Shares Issued and Reserved for Issuance | 222,436,606 |

**14.2 – Convertible securities** – information has been provided in previously released filings

### 14.3 Other Securities reserved for Issuance

In accordance with the terms of Don Robinson's employment contact, Mr. Robinson is entitled to receive 2 million shares in equal installments over 36 months on the last day of each calendar month, commencing June 30, 2015. To date, Mr. Robinson has received or vested 1,222,223 shares and may earn an additional 777,777. All of the non-earned shares would become immediate payable to Mr. Robinson if his employment is terminated without cause or there is a change of control.

Other than the foregoing or disclosed elsewhere in this document, there are no other securities of the Company reserved for issuance.

## 15. EXECUTIVE COMPENSATION

### 15.1 – Compensation of Executive Officers Executive Compensation

The following table sets out all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company to each current and former NEO and director, in any capacity, for the last two years ended December 31, 2014 and 2015.

| Name and position | Year | Salary, consulting fee, retainer or commission ($) | Bonus ($) | Committee or meeting fees ($) | Value of perquisites ($) | Value of all other compensation ($) | Total compensation ($) |
|---|---|---|---|---|---|---|---|
| Don Robinson[1] *CEO and Director* | 2016 | 300,000 | Nil | Nil | Nil | Nil | 300,000 |
| | 2015 | 200,000[2] | Nil | Nil | Nil | Nil | 200,000 |
| Andy Hartogh[3] *President and Director* | 2016 | 250,000[4] | Nil | Nil | Nil | Nil | 250,000 |
| | 2015 | 250,000[4] | Nil | Nil | Nil | Nil | 250,000 |
| Eugene Hill[5] CFO | 2016 | 30,077 | Nil | Nil | Nil | Nil | 30,077 |
| | 2015 | N/A | N/A | N/A | N/A | N/A | N/A |
| Brian Gentry[6] *Former CFO* | 2016 | 215,001 | Nil | Nil | Nil | Nil | 215,001 |
| | 2015 | 89,583[7] | Nil | Nil | Nil | Nil | 89,583 |
| Andreas Moppin[8] *VP, Sales of GPO* | 2016 | 185,000 | Nil | Nil | Nil | Nil | 185,000 |
| | 2015 | 15,416 | Nil | Nil | Nil | Nil | 15,416 |
| Tim Fitzpatrick[9] *VP, Operations of GPO* | 2016 | 195,000 | Nil | Nil | Nil | Nil | 195,000 |
| | 2015 | 65,000 | Nil | Nil | Nil | Nil | 65,000 |
| Solomon (Sam) Pillersdorf *Director* | 2016 | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2015 | Nil | Nil | Nil | Nil | Nil | Nil |
| Michael Cohl *Director*[10] | 2016 | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2015 | N/A | N/A | N/A | N/A | N/A | N/A |
| Peter Saladino *Director*[11] | 2016 | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2015 | N/A | N/A | N/A | N/A | N/A | N/A |

| Name and position | Year | Salary, consulting fee, retainer or commission ($) | Bonus ($) | Committee or meeting fees ($) | Value of perquisites ($) | Value of all other compensation ($) | Total compensation ($) |
|---|---|---|---|---|---|---|---|
| Alexander Winch *Director*[12] | 2016 | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2015 | N/A | N/A | N/A | N/A | N/A | N/A |
| Philip van den Berg[13] *Former Director and VP of Business Development* | 2016 | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2015 | 215,000[14] | Nil | Nil | Nil | Nil | 215,000 |
| Elijah Cohl[15] *Former Director* | 2016 | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2015 | Nil | Nil | Nil | Nil | Nil | Nil |
| Rick Miller[16] *Former Chairman and Director* | 2016 | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2015 | Nil | Nil | Nil | Nil | Nil | Nil |

Notes:

(1) Mr. Robinson previously served as the Chief Executive Officer of GLHI, having been appointed on May 20, 2015. Mr. Robinson was appointed as Chief Executive Officer and a director of the Corporation following completion of the RTO. Mr. Robinson was both a director and Named Executive Officer during the years ended December 31, 2016 and 2015. He did not receive any compensation in his role as a director of the Corporation.

(2) Mr. Robinson received $125,000 in his capacity as Chief Executive Officer of GLHI and $75,000 in his capacity as Chief Executive Officer and director of the Corporation, respectively.

(3) Mr. Hartogh previously served as the President of Greenpoint Oregon, Inc., a wholly-owned subsidiary of the Corporation, having been appointed on April 8, 2014. Mr. Hartogh was appointed as President and a director of the Corporation following completion of the RTO.

(4) Mr. Hartogh received $187,500 in his capacity as President of Greenpoint Oregon, Inc. and $62,500 in his capacity as President of the Corporation, respectively.

(5) Mr. Hill was appointed as Chief Financial Officer of the Corporation on October 26, 2016.

(6) Mr. Gentry previously served as the Chief Financial Officer of GLHI, having been appointed on August 3, 2015. Mr. Gentry was appointed as Chief Financial Officer of the Corporation following completion of the RTO and resigned from this position effective August 5, 2016.

(7) Mr. Gentry received $35,833 in his capacity as Chief Financial Officer of GLHI and $53,750 in his capacity as Chief Financial Officer of the Corporation, respectively.

(8) Mr. Moppin was appointed as Vice President of Sales of GPO on November 30, 2015.

(9) Mr. Fitzpatrick was appointed as Vice President of Sales of GPO on September 1, 2015.

(10) Mr. Michael Cohl was appointed as a director of the Corporation on January 20, 2016.

(11) Mr. Saladino was appointed as a director of the Corporation on March 2, 2016.

(12) Mr. Winch was appointed as a director of the Corporation on October 3, 2016.

(13) Mr. van den Berg previously served as the Chief Financial Officer of GLHI, having been appointed on January 15, 2015 and resigned on August 3, 2015. Mr. van den Berg also served as Vice President of Business Development for GLHI. Mr. van den Berg was appointed as Vice President of Business Development and a director of the Corporation following completion of the RTO. Mr. van den Berg resigned as an employee of the Corporation on March 31, 2016 and as a director of the Corporation effective May 19, 2016.

(14) Mr. van den Berg received $125,417 in his capacity as Chief Financial Officer of GLHI and $89,583 as Vice President of Business Development, respectively.

(15) Mr. Elijah Cohl previously served as a director of GLHI and was appointed a director of the Corporation following completion of the RTO**.** Mr. Elijah Cohl resigned from his position as a director of the Corporation effective January 20, 2016.

[16] Mr. Miller was appointed a director of the Corporation and Chairman of the Board following completion of the RTO. Mr. Miller resigned from his position as Chairman and as a director of the Corporation effective March 4, 2016.

## Stock Options and Other Compensation Securities

The following table provides information regarding all compensation securities granted or issued to each Named Executive Officer and director by the Corporation for services provided or to be provided, directly or indirectly, to the Corporation or any of its subsidiaries during the year ended December 31, 2016.

| Name and position | Type of compensation security | Number of compensation securities, number of underlying securities, and percentage of class | Date of issue or grant | Issue, conversion, or exercise price | Closing price of security or underlying security on date of grant | Closing price of security or underlying security at year end[1] | Expiry date |
|---|---|---|---|---|---|---|---|
| Don Robinson[2] *CEO and Director* | Nil | Nil | Nil | Nil | Nil | N/A | N/A |
| Andy Hartogh[3] *President and Director* | Nil | Nil | Nil | Nil | Nil | N/A | N/A |
| Eugen Hill[4] CFO | Options[15] | 600,000 (8%) | Dec. 22, 2016 | $0.30 | $0.30 | $0.355 | Dec. 22, 2016 |
| Brian Gentry[5] *Former CFO* | Nil | Nil | Nil | Nil | Nil | N/A | N/A |
| Andreas Moppin[6] *VP, Sales of GPO* | Nil | Nil | Nil | Nil | Nil | N/A | N/A |
| Tim Fitzpatrick[7] *VP, Operations of GPO* | Nil | Nil | Nil | Nil | Nil | N/A | N/A |
| Solomon (Sam) Pillersdorf[8] *Director* | Nil | Nil | Nil | Nil | Nil | N/A | N/A |
| Michael Cohl *Director*[9] | Nil | Nil | Nil | Nil | Nil | N/A | N/A |
| Peter Saladino *Director*[10] | Nil | Nil | Nil | Nil | Nil | N/A | N/A |
| Alexander Winch *Director*[11] | Options[15] | 200,000 (2.7%) | Dec. 22, 2016 | $0.30 | $0.30 | $0.355 | Dec. 22, 2016 |

| Name and position | Type of compensation security | Number of compensation securities, number of underlying securities, and percentage of class | Date of issue or grant | Issue, conversion, or exercise price | Closing price of security or underlying security on date of grant | Closing price of security or underlying security at year end[1] | Expiry date |
|---|---|---|---|---|---|---|---|
| Philip van den Berg[12] *Former Director and VP of Business Development* | Nil | Nil | Nil | Nil | Nil | N/A | N/A |
| Elijah Cohl[13] *Former Director* | Nil | Nil | Nil | Nil | Nil | N/A | N/A |
| Rick Miller[14] *Former Chairman and Director* | Nil | Nil | Nil | Nil | Nil | N/A | N/A |

Notes:

(1) Reflects the closing price of the Common Shares on the CSE on December 30, 2016.
(2) As at December 31, 2016, Mr. Robinson held 1,000,000 warrants (416,667 vested) and 2,000,000 compensation shares (1,000,000 vested).
(3) As at December 31, 2016, Mr. Hartogh held 1,500,000 warrants, all of which had vested.
(4) Mr. Hill was appointed as Chief Financial Officer of the Corporation on October 26, 2016. As at December 31, 2016, Mr. Hill held 600,000 options (nil vested).
(5) Mr. Gentry resigned as Chief Financial Officer of this Corporation effective August 5, 2016. As at December 31, 2016, Mr. Gentry held 600,000 warrants (216,777 vested).
(6) As at December 31, 2016, Mr. Moppin held 300,000 options (135,278 vested).
(7) As at December 31, 2016, Mr. Fitzpatrick held 600,000 options (321,111 vested).
(8) As at December 31, 2016, Dr. Pillersdorf held 200,000 options and 20,000 warrants, all of which had vested.
(9) Mr. Michael Cohl was appointed as a director of the Corporation on January 20, 2016. As at December 31, 2016, Mr. Michael Cohl held 3,522,500 warrants, all of which had vested.
(10) Mr. Saladino was appointed as a director of the Corporation on March 2, 2016. As at December 31, 2016, Mr. Saladino did not hold any compensation securities.
(11) Mr. Winch was appointed as a director of the Corporation on October 3, 2016. As at December 31, 2016, Mr. Winch held 200,000 options, all of which had vested.
(12) Mr. van den Berg resigned as an employee of the Corporation on March 31, 2016 and as a director of the Corporation effective May 19, 2016. As at December 31, 2016, Mr. van den Berg did not hold any compensation securities.
(13) Mr. Elijah Cohl resigned from his position as a director of the Corporation effective January 20, 2016. As at December 31, 2016, Mr. Elijah Cohl held 200,000 options, all of which had vested.
(14) Mr. Miller resigned from his position as Chairman and as a director of the Corporation effective March 4, 2016. As at December 31, 2016, Mr. Miller held 200,000 options and 4,500,000 warrants, all of which had vested.
(15) Each option entitles the holder to acquire one Common Share upon exercise. Other than as set out herein, all options vest in accordance with the following vesting schedule: monthly vesting over 36 months from date of employment. For further details regarding vesting and restrictions and conditions of exercise, see "*Executive Compensation - Stock Option Plans and Other Incentive Plans*".

No Named Executive Officer or director of the Corporation exercised compensation securities during the fiscal year ended December 31, 2016.

## Compensation of Executives

GLH's executive compensation program and strategy is designed to be competitive in order to attract and retain the talent needed to lead and grow GLH's business, provide a strong incentive for executives and key employees to work toward achievement of GLH's goals and strategic objectives, and ensure that the interests of management of GLH and its shareholders are aligned.

GLH's compensation program for its executive officers consist of three main elements: base salary and other compensation, an annual cash incentive and equity based compensation.

The base salary level and other compensation is based on overall experience and responsibilities. It is determined after considering salary levels of other executives with similar responsibilities and experience and comparison of salary levels of comparable executives at a variety of companies. The CEO salary is approved by the Board, which seeks advice from the Compensation Committee. Pursuant to the terms of the CEO's employment contract, the salary is reviewed annually by the Board. The base salary and other compensation for other GLH named executives are based on the executive's overall experience and responsibilities. The salaries and other compensation are reviewed annually. They are determined primarily on the basis of a review of the CEO's assessment of each executive's officer's performance during the prior year. The salaries are approved by the Board, together with recommendations from the CEO. The Compensation Committee is consulted when necessary or desirable.

The CEO may be entitled to receive an annual cash incentive bonus based on the CEO achieving certain milestones of corporate and personal objectives. The milestones are annually established and approved by the Board and the milestones and portions of the bonus awarded in respect thereof are annually agreed to between the CEO and the Board. Executives other than the CEO may be entitled to receive an annual cash incentive bonus if certain milestones of corporate and personal objectives are achieved. The milestones are established annually with recommendations from the CEO and agreed to with the executive officer.

As a matter of normal practice, GLH determines milestones of corporate and personal objectives for each year during the first quarter of the fiscal year and then, following the end of the year, the Board makes a subjective discretionary assessment regarding the extent to which such milestones have been achieved. Based on that assessment the Board awards annual cash incentive bonuses for the CEO and in consultation with the CEO in its discretion the Board wards annual cash incentive bonuses to the other executives.

The Board believes that in order to assist GLH in attracting and retaining management and key employees and non-management directors and providing such employees and directors with incentives to serve GLH, in addition to base salary and annual cash incentive payable to executive officers, equity based compensation should be included. The Board generally grants options or warrants to executive officers and employees following consultation with the CEO to determine whether the performance and contribution of non-management employees merit options or warrants. In granting options and warrants, the Board determines the portion of potential ownership of GLH that the Board wishes to grant as compensation and then determines the value of the options and warrants. Allocation is calculated by applying a standard Black- Scholes-Merton model.

## Termination and Other Employment Arrangements

The following is a summary of the current management contracts in place with the Company or GLH.

### *Don Robinson – Chief Executive Officer and Director*

The Corporation is party to an employment agreement with Don Robinson pursuant to which Mr. Robinson provides his services as Chief Executive Officer of the Corporation in consideration of a gross annual salary in the amount of US$300,000, as well as participation in any employee benefit plans maintained by the Corporation and entitlement to reimbursement from the Corporation for reasonable costs and expenses in accordance with the Corporation's expense reimbursement policy. Upon entering into the employment agreement, Mr. Robinson was also awarded 2,000,000 Common Shares as a one-time signing bonus, which vest equally in monthly installments over a three-year period, and 1,000,000 common share purchase warrants of the Corporation with an exercise price of US$1.00 per Common Share which vest equally in monthly installments over a three-year period.

In the event Mr. Robinson's employment is terminated for cause, he would not be entitled to any further compensation or benefits under his employment agreement as of the termination date unless otherwise required by law. Other than for cause, Mr. Robinson's employment agreement may be terminated by the Corporation upon delivery of a written notice of termination at least 90 days prior to the specified termination date, and Mr. Robinson would be entitled to payment of his salary and any benefits payable under applicable benefit plans of the Corporation during such notice period.

Assuming Mr. Robinson's employment was terminated, other than for cause, effective December 31, 2016, Mr. Robinson would have been entitled to receive approximately US$73,972 in salary during the 90-day notice period.

In the event Mr. Robinson's employment is terminated other than voluntarily or for cause, or as a result of a change of control (as defined in Mr. Robinson's employment agreement), all Common Shares awarded to Mr. Robinson which have not yet vested will immediately vest.

### *Andy Hartogh – President and Director*

The Corporation is party to an employment agreement with Andy Hartogh pursuant to which Mr. Hartogh provides his services as President of the Corporation in consideration of a gross annual salary in the amount of US$250,000, as well as participation in any employee benefit plans maintained by the Corporation and entitlement to reimbursement from the Corporation for reasonable costs and expenses in accordance with the Corporation's expense reimbursement policy. Mr. Hartogh is also eligible for discretionary bonuses as may be determined by the Board.

In the event Mr. Hartogh's employment is terminated for cause, he would not be entitled to any further compensation or benefits under his employment agreement as of the termination date unless otherwise required by law. Other than for cause, Mr. Hartogh's employment agreement may be terminated by the Corporation upon delivery of a written notice of termination at least 30 days prior to the specified termination date, and Mr. Hartogh would be entitled to payment

of his salary at the rate in effect upon the date of termination for the remaining term of the employment agreement as if the employment agreement had not been terminated. Mr. Hartogh would not, however, be entitled to any other post-employment benefits except for benefits payable under applicable benefit plans of the Corporation during such notice period.

Assuming termination of Mr. Hartogh's employment other than for cause, with provision of a 30 day notice period and a termination date effective December 31, 2016, Mr. Hartogh would have been entitled to continue to receive his then currently annual salary, payable on a monthly basis, until May 12, 2019, and any options and warrants granted or held by Mr. Hartogh which had not yet vested would immediately vest.

### *Eugene Hill – Chief Financial Officer*

The Corporation is party to an employment agreement with Eugene Hill pursuant to which Mr. Hill provides his services as Chief Financial Officer of the Corporation in consideration of a gross annual salary in the amount of US$200,000, as well as participation in any employee benefit plans maintained by the Corporation. Upon entering into the employment agreement, Mr. Hill was also awarded 600,000 options to purchase Common Shares with an exercise price of C$.30 per Common Share, which vests 33% after 1 year, then monthly thereafter for the remaining 24 months.

Mr. Hill's employment agreement may be terminated at any time, with or without notice, and with or without cause. In the event Mr. Gentry's employment is terminated for cause he would not be entitled to any further compensation or benefits under his employment agreement as of the termination date unless otherwise required by law.

### *Andreas Moppin – Vice President of Sales of GPO*

The Corporation, through its wholly-owned subsidiary, GPO, is party to an employment agreement with Andreas Moppin pursuant to which Mr. Moppin provides his services as Vice President of Sales of GPO in consideration of a gross annual salary in the amount of US$200,000, as well as participation in any employee benefit plans maintained by Greenpoint Oregon, Inc. and entitlement to standard mileage reimbursement. Upon entering into the employment agreement, Mr. Moppin was also awarded 300,000 options to purchase Common Shares with an exercise price of US$0.48 per Common Share, which vest over a three-year period.

Mr. Moppin's employment agreement may be terminated at any time, with or without notice, and with or without cause. Mr. Moppin's employment agreements does not include provisions for change of control, severance, termination or constructive dismissal.

### *Tim Fitzpatrick – Vice President of Operations of GPO*

The Corporation, through its wholly-owned subsidiary, GPO, is party to an employment agreement with Tim Fitzpatrick pursuant to which Mr. Fitzpatrick provides his services as Vice President of Operations of GPO in consideration of a gross annual salary in the amount of US$195,000, as well as participation in any employee benefit plans maintained by Greenpoint Oregon, Inc. Upon entering into the employment agreement, Mr. Fitzpatrick was also awarded

600,000 options to purchase Common Shares with an exercise price of US$1.00 per Common Share.

Mr. Fitzpatrick's employment agreement may be terminated at any time, with or without notice, and with or without cause. In the event Mr. Fitzpatrick's employment is terminated for cause, he would not be entitled to any further compensation or benefits under his employment agreement as of the termination date unless otherwise required by law. Other than for cause, Mr. Fitzpatrick's employment agreement may be terminated by the Corporation and the Corporation may elect to provide written notice of termination at least 90 days prior to a specified termination date, and Mr. Fitzpatrick would be entitled to payment of his salary and any benefits payable under applicable benefit plans of the Corporation during such notice period.

Assuming Mr. Fitzpatrick's employment was terminated, other than for cause, effective December 31, 2016, Mr. Fitzpatrick would have been entitled to receive approximately US$48,082 in salary during the 90-day notice period.

### 15.2 – Compensation of Directors

Prior to the completion of the RTO, the compensation paid to directors of Longacre and GLHI was determined on a case-by-case basis with reference to the role that each director provided to each respective entity.

Subsequent to the completion of the RTO, the Board is responsible for approval all forms of compensation to be granted and paid to the directors of the Corporation. The form and amount of compensation for directors is determined after consideration of various relevant factors, including an individual's current and expected future performance, level of responsibilities, comparison with compensation paid by other issuers of a similar size and stage of development and in the same or similar industries as the Corporation operates in, as well as the availability of financial and other resources of the Corporation. No formal compensation policy or benchmarking has been established given the size and stage of the Corporation.

Director compensation can consist of annual cash retainers and cash retainers for acting on the various committees, with additional amounts for acting as chair of a committee. Compensation also includes eligibility for participation in the Stock Option Plan. Non-executive directors do not currently receive directors' fees or fees for participation on Board committees. Long-term incentives in the form of options are granted to non-executive directors from time to time, based on an existing complement of long term-incentives, corporate performance and to be competitive with other companies of similar size and scope.

The Board will periodically review the responsibilities and risks involved in being an effective director, and will report and make recommendations accordingly.

## 16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Circular, no executive officer, director, employee or former executive officer, director or employee of the Corporation or any of its subsidiaries is indebted to the Corporation, or any of its subsidiaries in connection with a purchase of securities or otherwise. In addition, no indebtedness of these individuals to another entity has been the

subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding of the Corporation or any of its subsidiaries.

No person who is, or at any time during the most recently completed financial year was, a director or executive officer of the Corporation, a proposed nominee for election as a director of the Corporation or any associate of any one of the foregoing persons is, or at any time since the beginning of the most recently completed financial year has been, indebted to the Corporation or any of its subsidiaries. In addition, neither the Corporation nor any of its subsidiaries has provided a guarantee, support agreement, letter of credit or other similar arrangement for any indebtedness of any of these individuals to any other entity.

## 17. PROMOTERS

No promoters are currently involved in management or direction of the Company.

## 18. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The Corporation is not aware of any informed person of the Corporation, any proposed director of the Corporation, or any associate or affiliate of any informed person or proposed director, who has had a material interest, direct or indirect, in any transaction involving the Corporation since January 1, 2016 or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries, other than: (i) Mr. Saladino, who was also the Co-Founder and Chief Executive Officer of BMF, an entity that entered into a strategic partnership with the Corporation pursuant to which the Corporation paid BMF the equivalent of US$12 million through the issuance of Common Shares, US$3 million in cash; (ii) Mr. Saladino participated in the Corporation's private placement of convertible debentures completed on June 14, 2016 and August 8, 2016 purchasing $318,000 and $129,000, respectively, aggregate principal amount of debentures; (iii) Mr. Saladino holds 51% of the outstanding membership interests of JJ 206, LLC ("JuJu" and holds 18.75% of the outstanding membership interests of NevWa, LLC, doing business as Grassroots ("NevWa"). The Corporation has announced that it is acquiring all of the outstanding membership interests of JuJu and certain assets of NevWa and Mr. Saladino will receive consideration for his interests pursuant to these transactions; (iv) Mr. Robinson participated in the Corporation's private placement of convertible debentures completed on March 11, 2016 and July 14, 2016, purchasing $1,000,000 and $500,000, respectively, aggregate principal amount of debentures; (v) Mr. Cohl participated in the Corporation's private placement of convertible debentures completed on April 4, 2016 and June 22, 2016, purchasing $500,000 and $319,000, respectively, aggregate principal amount of debentures; (vi) La Prima, a corporation controlled by Dr. Pillersdorf, participated in the Corporation's private placement of convertible debentures completed on June 22, 2016, purchasing $100,000 aggregate principal amount of debentures; (vii) Mr. Yeoman, who is standing for election at the Meeting, is a current insider of Medical Marihuana Group Corporation ("MMGC"). The Corporation has announced that it is acquiring all of the issued and outstanding shares of MMGC and Mr. Yeoman will receive consideration for his interest pursuant to this transaction.

## 19. OTHER MATERIAL FACTS

Other than as set out elsewhere in this Listing Statement, there are no other material facts about the Company and its securities which are necessary in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to the Company and its securities.

## 20. FINANCIAL STATEMENTS

Consolidated financial statements of the issuer for the years ended December 31, 2016 and December 31, 2015 and interim financial statements can be found on the SEDAR website at www.sedar.com.