

Golden Leaf Holdings Ltd. Announces Financial Results for Third Quarter 2015

TORONTO, ONTARIO--(Marketwired – NOVEMBER 29, 2015) – Golden Leaf Holdings Ltd. ("GLH" or the "Company") (CSE:GLH) a vertically integrated cannabis extraction company, announced its financial results yesterday for the third quarter ended September 30, 2015. All amounts are expressed in US dollars.

Highlights

- Revenue for 3 months ended September 30 2015 of \$2.95m, a 900% increase from the third quarter the previous year
- Signs exclusive definitive agreement with Dixie Brands Inc. to enter edibles and beverage markets.
- Commences initial phase of capacity expansion at cultivation facility
- Prepares for US listing on the OTCQB

Q3 2015 Financial & Operational Highlights (\$ in 000)

Three-month period ended September 30, 2015

| | 3 Months Ended September 30, 2015 |
|--------------------|--------------------------------------|
| Revenue | \$2,950 |
| Gross Profit | \$1,231 |
| Operating Expenses | \$3,734 |
| Operating Loss | \$(2,502) |
| Net Loss | \$(3,127) |

Don Robinson, CEO, said "We continue to make operational improvements and invest in our facilities and equipment to improve yields, quality, sales and margins. We believe these investments will support our continued growth and development initiatives over the long-term".

Results of Operations

Revenue

Revenue for the third quarter ended September 30, 2015, was \$2,950,809. The Company's revenues increased approximately 900% from the third quarter the previous year. Year to date revenue totals \$7,834,711.

Gross Margin

Gross margin (including the unrealized gain on changes in fair value of biological assets, in accordance with IFRS) increased year on year in the 3rd quarter from 27% to 42%. The Company's gross profit for the third quarter was \$1,231,176. The Company's gross profit in the

3rd quarter excluding the unrealized gain in fair value of biological assets was \$1,051,635, with a gross margin of 36% .

In the 3rd quarter, the Company operated three Co2 extraction machines and two BHO extraction machines, at full capacity. Additionally, the Company ramped up testing on an additional two Co2 machines in the quarter. Extraction yields decreased in Q3 to 8.1%, from 9.3% in Q2 respectively, due to the quality of trim available. With the new harvest and consequent higher quality trim, it is anticipated that yields will increase in the 4th quarter.

Operating Expenses

In the 3rd quarter, general and administrative expenses were \$3,733,644. Of this, \$488,155 were for a non-cash expenses related to the reserve for warrant issuance. Operating expenses in the 4th quarter are expected to decrease as operating efficiencies are being realized.

Net Loss and Cash Position

Operating loss and net loss amounted to \$(2,502,468) and \$(3,127,358). The Company had \$1,133,339 cash on hand at the end of the 3rd quarter.

About Golden Leaf Holdings:

Golden Leaf Holdings is one of the largest cannabis oil and solution providers in North America. It is a leading cannabis products company built around recognized brands providing medical users with a superior value and experience. GLH leverages a strong management team and advanced research techniques, including R&D with its Israeli subsidiary Green Point Science Ltd. to complement its expertise in growing, extracting, refining and selling cannabis oil. As an industry leader committed to transparency and controls, GLH is dedicated to partnering with industries, communities and regulators.

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expectations of gross sales, the opinions or beliefs of management, and future business goals. Generally, forward looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Corporation to be materially different from those expressed or implied by such forward-looking information, including but not limited to general business, economic and competitive uncertainties, regulatory risks, market risks, risks inherent in manufacturing operations, risks relating to the receipt of additional extraction machines, and other risks of the cannabis industry. Although the Corporation has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. Forward-looking information is provided herein for the purpose of presenting information about management's current expectations relating to the future and readers are cautioned that such information may not be appropriate for other purpose. The Corporation does not undertake to update any forward-looking information, except in accordance with applicable securities laws.