

Washington State Liquor and Cannabis Board Allows Release of \$1.2 Million of Cannabis after Test Shows No Pesticide Issues

TORONTO, ONTARIO-(Marketwired – June 28, 2016) – Golden Leaf Holdings Ltd. ("GLH" or the "Company") (CSE:GLH), is pleased to announce that on Thursday, June 23, 2016 the Washington State Liquor and Cannabis Board (WSLCB) released approximately \$1.2 million USD of cannabis it had earlier ordered held after tests found no pesticide residues present, clearing the way for BMF of Washington to market the product to Washington retailers.

The WSLCB initially ordered the cannabis in question be placed on an administrative hold after WSLCB testing showed plant clippings contained residue from pesticides not approved for use on cannabis. BMF contested that order believing that the product was not treated with the pesticides in question. BMF asked - and the WSLCB agreed - to retest the approximately 800 pounds of cannabis. That second round of testing showed that the cannabis was not, in fact, treated with any of the pesticides in question.

The release order allows BMF to finish production of the cannabis and market it to retailers throughout Washington under the Liberty Reach brand, which it expects to do in the coming weeks.

The WSLCB has continued its administrative hold of a smaller tranche of cannabis, and has ordered its destruction based on the first round of state testing. BMF is considering appealing that order and asking for a similar retesting process. The state also extended the hold to include a small quantity of cannabis concentrate.

“We understand and appreciate that the WSLCB has been given the daunting task of creating and enforcing a completely new set of standards and rules for an industry that is growing very, very quickly,” said Peter Saladino. “We appreciate their willingness to go the extra step to ensure fairness in dealing with responsible growers as they’ve done with BMF.”

Since the issue began, BMF has taken an industry-leading role in providing its retailers and their customers with only the highest quality cannabis along with adopting first-of-their-kind purity and transparency protocols. Among many steps, BMF has implemented a rigorous independent testing regimen that far exceeds state requirements, allowing consumers to view quality and pesticide-compliance test results online for each retail package of cannabis.

The WSCLB ordered the administrative holds on December 11, 2015 and February 11, 2016.

About Golden Leaf Holdings:

Golden Leaf Holdings Ltd. is one of the largest cannabis oil and solution providers in North America. It's a leading cannabis products company in Oregon built around recognized brands. GLH leverages a strong management team with cannabis and food industry experience to complement its expertise in extracting, refining and selling cannabis oil.

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