

Golden Leaf Signs Binding Letter of Intent for Strategic Acquisition in Canada

TORONTO, ONTARIO--(Marketwired – March 14, 2017) – Golden Leaf Holdings Ltd. ("GLH" or the "Company") (CSE:GLH) (OTCQB:GLDFF), a leading cannabis oil solutions company built around recognized brands, is pleased to announce that the Company has signed a binding Letter of Intent (LOI) to acquire (the "Transaction") Canadian based Medical Marijuana Group Corporation ("MMGC").

Strategic Fit with GLH

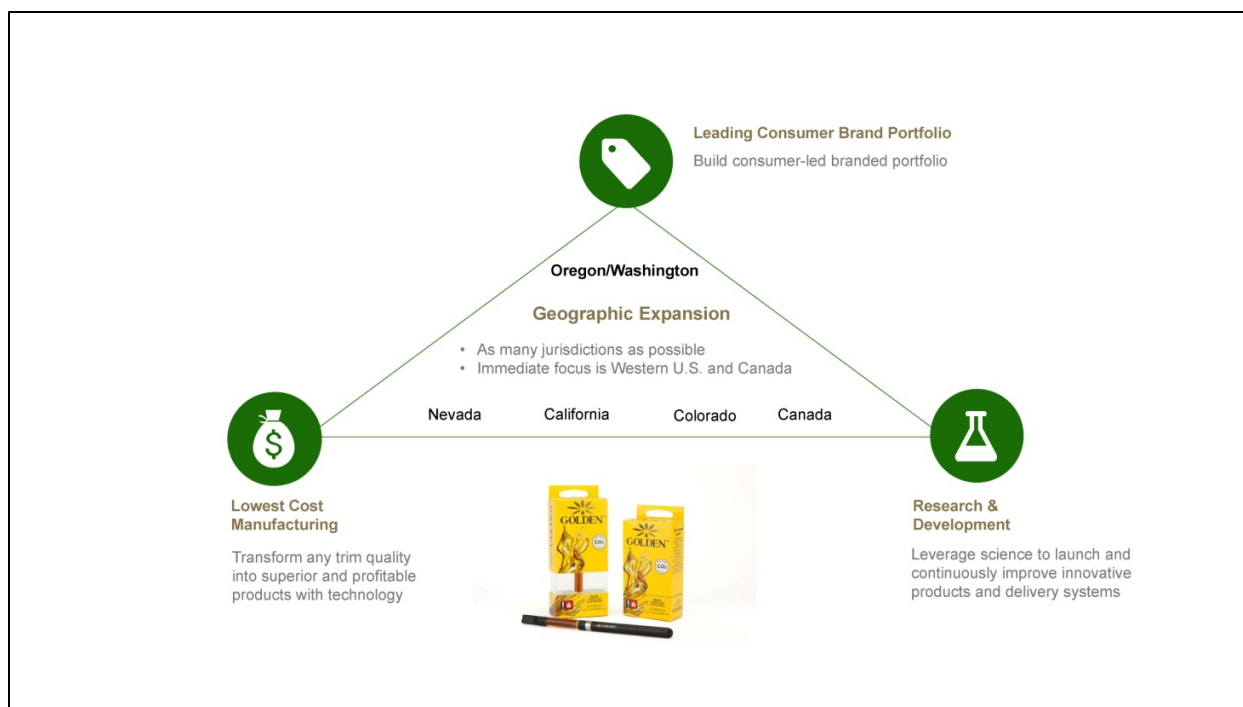
MMGC represents a strategic acquisition for Golden Leaf and provides key benefits to the Company, including:

- Access for the GLH brand platform into the rapidly expanding Canadian and international marketplaces;
- An international footprint across North America with access to the global marketplace through Canada;
- Allowance for GLH to participate in the Canadian marketplace which is anticipated to become fully legalized in 2018; and
- Leverage for GLH's growing, extraction, refining, sales and marketing expertise to provide a competitive advantage and head start with cannabis oil and related products in the Canadian market.

Don Robinson, Golden Leaf's CEO, commented, "The acquisition of Medical Marijuana Group is an exciting opportunity for our company and our shareholders. GLH becomes one of the first global competitors to operate across North America and international markets through Canada. It opens up new market opportunities, particularly in Canada, and enables us to expand our brands and development of oils/edibles into the Canadian market. We are very pleased to begin to execute on our strategic acquisition program with this announcement."

Golden Leaf's Competitive Strategy

The chart attached illustrates Golden Leaf's strategy to build a market leader in branded cannabis products that is backed by real science and a commitment to lowest cost manufacturing.



While GLH is currently executing this strategy on an organic basis, the Company and its board of directors believes that it can accelerate growth and market positioning through a strategic, targeted acquisition strategy. Among the acquisition targets that the Company will focus on are existing production/processing/distribution licenses in other states, proprietary oil extraction technologies, and existing leading brands. The strategic acquisition program is intended to drive financial and shareholder value by seeking acquisitions that build GLH’s brand portfolio, expand its regional presence and/or add technology and intellectual property.

The Transaction

Pursuant to the Transaction, and subject to adjustment in certain circumstances, shareholders of MMGC will receive an aggregate of C\$10 million of common shares of GLH on the closing date of the Transaction and contingent consideration of C\$5 million of common shares of GLH in the event that certain gross sales targets of GLH branded products in the Canadian medical cannabis market are met within 18 months of marketing efforts commencing in Canada.

In connection with the Transaction, GLH will enter into a licensing agreement with MMGC in an effort to leverage MMGC’s relationship in the Canadian medical cannabis market and expand GLH’s branded products into Canada. The intention is to introduce the Golden brand to Canadian patients in Q2-Q3 2017.

Pursuant to the Transaction, GLH has also agreed to fund the construction and build out of MMGC's cultivation facility, all of MMGC's marketing efforts of GLH's branded products in Canada and the working capital needs of MMGC pending closing of the Transaction.

The Transaction is subject to certain conditions, including CSE and regulatory approval, and will be completed within 5 business days of MMGC receiving the cultivation license from Health Canada.

Medical Marijuana Group is a Canadian company that has received its "license to build" approval and has filed an application for a cultivation license, which, subject to construction and build out of the cultivation facility, it anticipates receiving on or before Q1 2018. Its facility in Ontario has expansion capacity of over 50,000 square feet of grow/extraction space. MMGC will be positioned as a vertically integrated provider to the medical patient marketplace in Canada, focused on serving high value patients through the rehabilitation and legal personal injury networks.

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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