



NEWLEAF BRANDS ANNOUNCES C\$2.0 MILLION BROKERED PRIVATE PLACEMENT LED BY CANACCORD GENUITY

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Vancouver, British Columbia (May 21, 2020) - NewLeaf Brands Inc. (CSE:NLB) (OTC: NLBIF) (FSE:ONF) (“**NewLeaf**” or the “**Company**”) is pleased to announce that it has entered into an agreement with Canaccord Genuity Corp. (the “**Agent**”) to act as lead agent and sole bookrunner to sell, by way of private placement, on a commercially reasonable efforts basis, up to 6,666,667 units of the Company (the “**Units**”) at a price of C\$0.30 per Unit (the “**Issue Price**”) for aggregate gross proceeds of up to C\$2,000,000 (the “**Offering**”), subject to receipt of all applicable regulatory approvals.

Each Unit shall consist of one common share of the Company (a “**Common Share**”) and one half of one common share purchase warrant (each whole warrant, a “**Warrant**”). Each Warrant will entitle the holder to acquire one Common Share at a price of C\$0.50 per Common Share (the “**Exercise Price**”) for a period of 24 months from the date of closing of the Offering (the “**Closing Date**”). If, at any time following the date that is four months and one day from the Closing Date, the daily volume weighted average trading price of the Common Shares on the Canadian Securities Exchange is greater than C\$1.00 per Common Share for the preceding 10 consecutive trading days, the Company shall have the right to accelerate the exercise of the Warrants at the Exercise Price. If the Company exercises its Warrant acceleration right, the new expiry date of the Warrants shall be the 30th day following the notice of such exercise.

The Company intends to use the net proceeds of the Offering to further its psychedelic medicine research programs in Canada, for investment in its recently acquired Colorado and Oregon-based mushroom and fungi lab facilities, and for general working capital purposes.

The Company will, upon closing of the Offering (i) pay a cash commission to the Agent equal to 7.0% of the aggregate gross proceeds of the Offering, and (ii) issue to the Agent compensation warrants (the “**Compensation Warrants**”) equal to 7.0% of the number of Units sold in the Offering, subject to compliance with all required regulatory approvals. Each Compensation Warrant will entitle the Agent to purchase a Unit at an exercise price per Unit that is equal to the Issue Price, exercisable for a period of 24 months from the Closing Date. The Company will also pay to the Agent a corporate finance fee of such number of Units which is equal to 2.5% of the aggregate number of Units sold pursuant to the Offering.

Pursuant to the terms of the Offering, the Agent has been granted an option to arrange for the sale of up to an additional 1,333,333 Units at the Issue Price for additional gross proceeds to the Company of up to C\$400,000, which option is exercisable by the Agent at any time prior to the Closing Date.

Closing of the Offering is expected to occur on or before June 18, 2020, subject to the receipt of all necessary regulatory approvals. All securities issued pursuant to the Offering will be subject to a four month hold period in accordance with applicable securities laws.

This news release does not constitute an offer to sell or a solicitation of an offer to sell any of the securities in the United States. The securities have not been and will not be registered under the U.S. Securities Act of 1933 (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons (as defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

About NewLeaf Brands

NewLeaf Brands Inc. is the parent company operating innovative product divisions in the Naturally Sourced Therapies (NST) space. While controlling a variety of Psilocybin and hemp-derived CBD brands that design, manufacture and distribute cutting edge products, NewLeaf Brands Inc. further enhances its portfolio with numerous cultivation properties, retail locations, and other land assets.

NewLeaf Brands Inc. is the progressive and innovative Naturally Sourced Therapies (NST) lifestyle group known around the globe. Focusing on the rapidly emerging psilocybin and psychedelic medicines market, the Company's wholly-owned subsidiary 1220611 B.C. Ltd. (operating as Mydecine Group) ("Mydecine") is a vertically integrated company engaged to utilize the vast medicinal, health and wellness capabilities of the various compounds found in mycology as a whole. Established to parallel the early emergence of the industry, Mydecine aims to be a pioneer in the cultivation, processing, product development, and research and development of mycology's exciting compounds through its three divisions, "Mydecine Farms," "Mydecine Wellness" and "Mydecine Labs." Furthermore, the Company's wholly-owned subsidiaries in the hemp-derived CBD space, We are Kured LLC, Drink Fresh Water LLC, Relyfe Brand LLC, Fresh Water CBD LLC and TeaLief Brand LLC have quickly developed into market leaders and maintain extensive retail and cultivation land investments in the United States.

For further information about NewLeaf Brands, please consult the Company's profile on SEDAR at www.sedar.com or visit the Company's website at www.nabrandsinc.com.

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Neither the Canadian Securities Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release.

This news release contains forward-looking statements, which relate to future events or future performance and reflect management's current expectations and assumptions. Such forward-looking statements reflect management's current beliefs and are based on assumptions made by and information currently available to the Company. Readers are cautioned that these forward looking statements are neither promises nor guarantees, and are subject to risks and uncertainties that may cause future results to differ materially from those expected including, but not limited to completion of planned improvements at both the Canadian and U.S. sites on schedule and on budget, the availability of financing needed to complete the Company's planned improvements on commercially reasonable terms, planned occupancy by the tenant-growers, commencement of operations, differences in yield on expected harvests, delays in obtaining statutory approval for marijuana production plans, issues that may arise throughout the grow period, outdoor crops affected by weather, the ability to mitigate the risk of loss through

appropriate insurance policies, and the risks presented by federal statutes that may contradict local and state legislation respecting legalized marijuana. There are no assurances that the business plans for NewLeaf described in this news release will come into effect on the terms or time frame described herein. These forward-looking statements are made as of the date hereof and the Company does not assume any obligation to update or revise them to reflect new events or circumstances save as required under applicable securities legislation. This news release does not constitute an offer to sell securities and the Company is not soliciting an offer to buy securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. Additional information regarding this and other risks and uncertainties relating to the Company's business are contained under the heading "Risks and Uncertainties" in the Company's Management Discussion and Analysis dated November 28, 2019 filed on its issuer profile on SEDAR at www.sedar.com.