

# LEGION METALS CORP. EXECUTES BINDING LETTER OF INTENT TO ACQUIRE NEXTLEAF SOLUTIONS LTD. BY WAY OF REVERSE TAKEOVER

**Vancouver, B.C. – August 27, 2018 – Legion Metals Corp.** (“**Legion**” or the “**Company**”) (CSE: **LEGN**) is pleased to announce that it has entered into a binding letter of intent (“**LOI**”) with Nextleaf Solutions Ltd. (“**Nextleaf**”) under which Legion will acquire all of the issued and outstanding shares of Nextleaf in a reverse takeover transaction by way of plan of arrangement (the “**Transaction**”). Legion and Nextleaf intend to negotiate and execute a definitive agreement (the “**Definitive Agreement**”) respecting the Transaction. The Transaction is a “fundamental change” under the policies of the Canadian Securities Exchange.

## The Transaction

The Transaction is expected to proceed by way of plan of arrangement. It is a condition to closing the Transaction that Nextleaf will complete a private placement equity financing (the “**Private Placement**”) having gross proceeds of no less than \$3,000,000 and of no more than \$7,000,000 (subject to the Over-Allotment Option). On closing, depending on the size of the Private Placement (and subject to, if applicable, the Over-Allotment Option), it is anticipated that Nextleaf shareholders will hold between 95.5% and 97% of the shares of the resulting issuer (the “**Resulting Issuer**”), and Legion shareholders will hold an aggregate of 3,647,029 shares of the Resulting Issuer, representing between 3.0% and 4.5% of the shares of the Resulting Issuer. Following closing, the outstanding options and warrants to purchase shares of Legion and Nextleaf will represent options and warrants to purchase shares of the Resulting Issuer, with the number of shares issuable upon exercise and the exercise price adjusted to reflect the terms of the Transaction.

On closing of the Transaction, it is anticipated that Legion will change its name to “Nextleaf Solutions Ltd.” and will carry on with the development of Nextleaf’s cannabis extraction technology business, more particularly described below. As part of the plan of arrangement, the key assets of Legion, namely its interest in the Millen Mountain Property and in its cryptocurrency assets, will be spun out of Legion into another company or companies, with Legion shareholders being pro rata shareholders of the new company or companies. The final structure of the Transaction and the Definitive Agreement will be subject to applicable corporate, securities and tax considerations.

In order to mitigate any potential or perceived conflicts of interest respecting the Transaction, Peter Smith, Legion’s President and Chief Executive Officer, has resigned from the Nextleaf board of directors, and Paul Pedersen, Nextleaf’s Chief Executive Officer, has resigned from the Legion board of directors.

The completion of the Transaction is subject to a number of conditions, including but not limited to the execution of the Definitive Agreement, the completion of satisfactory mutual due diligence, and the approval of the Transaction by the Canadian Securities Exchange and the board of directors and shareholders of each of Legion and Nextleaf (if and as applicable).

## About Nextleaf Solutions

Nextleaf Solutions Ltd. is a cannabis extraction & processing technology company that has developed a patented process for the commercial scale production of high-quality cannabis distillate, the precursor to every cannabis-infused product. Nextleaf owns and continually invests in an intellectual property portfolio of methodologies for the extraction and refinement of high-value extracts from cannabis and hemp biomass, as well as formulations for a plethora of cannabinoid-infused products.

Nextleaf's mission is to develop and deploy large-scale cannabis and hemp extraction technologies and provide turn-key processing solutions to help licensed cultivators maximize the value of every harvest. Nextleaf's patented technology and market-validated formulations help cultivators increase revenue and profitability through extraction, refinement, and purification of biomass into high-purity, tasteless, odourless distillate oil. Containing a cannabinoid concentration of up to 95%, the resulting distillate is easy to dose, formulate, and develop into innovative, value-added products for both the legal medicinal and recreational/adult-use markets.

Nextleaf is currently constructing a centralized processing and manufacturing facility in Coquitlam, British Columbia, tentatively scheduled to open prior to Canada's legalization of edibles and other cannabis derivative products. Nextleaf's facility will house large volume production lines that provide the requisite expertise and equipment to accommodate harvest sizes ranging from micro cultivators to large licensed producers. Nextleaf's facility also includes dedicated research and laboratory infrastructure, allowing for the continued and rapid development of novel, scalable cannabis processing technologies. In addition, Nextleaf has designed and built a fully-capable mobile extraction lab, which allows licensed clients to produce high-quality distillate, minimizing capital expenditures and increasing speed to market.

Nextleaf Solutions Ltd. is a private company incorporated under the laws of the Province of British Columbia, and has a head office in Coquitlam, British Columbia.

#### Proposed Directors and Officers of the Resulting Issuer

Upon completion of the Transaction, it is anticipated that Legion's current management and board will resign and that representatives of Nextleaf with the requisite experience to manage the Resulting Issuer post-closing will replace them.

#### Nextleaf Financing

As a condition to closing the Transaction, Nextleaf will complete the Private Placement for gross proceeds of no less than \$3,000,000 and of no more than \$7,000,000. Mackie Research Capital Corporation (the "**Agent**") will act as lead agent and sole bookrunner, with Hunter Capital Advisors Pty Ltd acting as special selling group member, to conduct the brokered Private Placement under which Nextleaf will issue units ("**Units**") at a price of \$0.35 per Unit. Each Unit will be comprised of one share and one share purchase warrant, with each warrant exercisable for an additional share at a price of \$0.70 per share for 24 months, provided however that if the shares trade above \$1.25 per share for 20 consecutive trading days, then the expiry date of the warrants will be accelerated to the date which is 30 days after such 20 consecutive trading days. Nextleaf will pay a commission equal to 6% of the gross proceeds received by Nextleaf and issue such number of broker warrants equal to 6% of the number of Units sold in the Private Placement, with each such broker warrant exercisable to purchase one Unit at a price of \$0.35 per Unit for a period of 24 months from closing of the Private Placement. In addition, Nextleaf will pay to the Agent a corporate finance fee in the amount of \$40,000 and an advisory fee equal to 2% of the gross proceeds received by Nextleaf and such number of broker warrants equal to 2% of the number of Units sold in the Private Placement.

The Agent has been granted an over-allotment option in connection with the Private Placement to increase the size of the Private Placement by 15% (the "**Over-Allotment Option**"), exercisable in whole or in part at any time up to and including at closing.

The proceeds of the Private Placement will be used by the Resulting Issuer to fund the expansion of Nextleaf's centralized processing facility, general corporate purposes and the costs related to the Transaction and Private Placement, including selling concessions and fees, and unallocated working capital.

## Trading Update

Trading of Legion's shares are expected to remain halted until completion of the Transaction or until satisfactory documentation is filed with the Canadian Securities Exchange. Additional information about the Transaction will be provided by way of a subsequent news release(s).

## About Legion

Legion is a Vancouver-based mineral exploration company currently focused on the exploration and development of its Millen Mountain Property, which is comprised of 80 mineral claims covering approximately 1,280 hectares in Nova Scotia, Canada. For further information, please refer to Legion's disclosure record on SEDAR ([www.sedar.com](http://www.sedar.com)) or contact the Company by telephone at 778.999.7030.

ON BEHALF OF THE BOARD OF LEGION METALS CORP.

*"Peter Smith"*

Peter Smith, President and CEO

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This press release contains "forward-looking information" that is based on the Company's current expectations, estimates, forecasts and projections. This forward-looking information includes, among other things, the Company's business, plans, outlook and business strategy. The words "may", "would", "could", "should", "will", "likely", "expect", "anticipate," "intend", "estimate", "plan", "forecast", "project" and "believe" or other similar words and phrases are intended to identify forward-looking information. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Such factors include, but are not limited to: changes in economic conditions or financial markets; increases in costs; litigation; legislative, environmental and other judicial, regulatory, political and competitive developments; and technological or operational difficulties. This list is not exhaustive of the factors that may affect our forward-looking information. These and other factors should be considered carefully and readers should not place undue reliance on such forward-looking information. The Company does not intend, and expressly disclaims any intention or obligation to, update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required by applicable law.

The CSE has not reviewed, approved or disapproved the contents of this press release.