

**JOINT MANAGEMENT INFORMATION CIRCULAR CONCERNING A PLAN OF
ARRANGEMENT INVOLVING NEXTLEAF SOLUTIONS LTD., LEGION METALS CORP. AND
MYRIAD METALS CORP., A WHOLLY OWNED SUBSIDIARY OF LEGION METALS CORP.**

**NOTICE OF ANNUAL AND SPECIAL MEETING AND JOINT MANAGEMENT INFORMATION
CIRCULAR FOR THE MEETING OF THE SHAREHOLDERS OF NEXTLEAF SOLUTIONS
LTD.**

**NOTICE OF SPECIAL MEETING AND JOINT MANAGEMENT INFORMATION CIRCULAR
FOR THE MEETING OF THE SECURITYHOLDERS OF LEGION METALS CORP.**

November 26, 2018

These materials are important and require your immediate attention. They require Nextleaf Shareholders and Legion Securityholders to make important decisions. If you are in doubt as to how to make such decisions, please contact your financial, legal or other professional advisors. Additionally, if you have questions or require assistance with voting your securities, you may contact:

NEXTLEAF

NEXTLEAF SOLUTIONS LTD.
("Nextleaf")

Tel: (604) 283-2301

Email: info@nextleafsolutions.com

LEGION METALS CORP.
("Legion")

Tel: 778-999-7030

Email: ifgsmith@yahoo.ca

YOUR VOTE IS IMPORTANT. PLEASE VOTE YOUR SECURITIES TODAY.

No securities regulatory authority has in any way passed upon the merits of the plan of arrangement described in this information circular.

November 26, 2018

Dear Nextleaf Shareholders,

You are invited to attend the Annual and Special Meeting (the “**Meeting**”) of the holders (“**Nextleaf Shareholders**”) of ordinary shares (“**Nextleaf Ordinary Shares**”) of Nextleaf Solutions Ltd. (“**Nextleaf**”) to be held at Suite 1780, 400 Burrard Street, Vancouver, British Columbia at 10:00 a.m. (Vancouver time) on January 2, 2019. At the Meeting, you will be asked to consider certain resolutions with respect to (i) the proposed acquisition by Legion Metals Corp. (“**Legion**”) of Nextleaf by way of a Plan of Arrangement (the “**Arrangement**”) under the *Business Corporations Act* (British Columbia) (the “**Nextleaf Arrangement Resolution**”); and (ii) other matters standard for an annual meeting of the Company.

The Board of Directors of Nextleaf has unanimously determined that the Arrangement is fair to Nextleaf Shareholders and Nextleaf Financing Securityholders (collectively, the “**Nextleaf Securityholders**”) and is in the best interests of Nextleaf and Nextleaf Securityholders. Accordingly, the Board of Directors is unanimous in recommending that you vote in favour of the Nextleaf Arrangement Resolution.

The accompanying Joint Management Information Circular contains a detailed description of the Arrangement and the Meeting, as well as detailed information regarding Nextleaf and Legion. Please read this information carefully, and if you require assistance, it is recommended that you consult your own legal, tax, financial or other professional advisor.

On behalf of the Board of Directors of Nextleaf, we would like to express our appreciation for the support our shareholders have demonstrated with respect to our decision to take the proposed arrangement with Legion forward.

On Behalf of the Board of Nextleaf Solutions Ltd.

“Paul Pedersen”

Paul Pedersen, Chief Executive Officer and Director

November 26, 2018

Dear Legion Securityholders,

You are invited to attend the Special Meeting (the “**Meeting**”) of the holders of common shares (“**Legion Shareholders**”) and the holder of an agent’s warrant (the “**Legion Agent’s Warrant**”) granted in connection with the initial public offering of Legion Metals Corp. (“**Legion**”) to be held at Suite 600, 1090 West Georgia Street, Vancouver, British Columbia at 10.00 a.m. (Vancouver time) on January 2, 2019. At the Meeting, you will be asked to consider certain resolutions with respect to the proposed acquisition by Legion of Nextleaf Solutions Ltd. (“**Nextleaf**”) by way of a Plan of Arrangement (the “**Arrangement**”) under the *Business Corporations Act* (British Columbia) (the “**Legion Arrangement Resolution**”).

The Board of Directors of Legion has unanimously determined that the Arrangement is fair to the Legion Shareholders and the holder of the Legion Agent’s Warrant (collectively, the “**Legion Securityholders**”) and is in the best interests of such parties. Accordingly, the Board of Directors is unanimous in recommending that you vote in favour of the Legion Arrangement Resolution.

The accompanying Joint Management Information Circular contains a detailed description of the Arrangement and the Meeting, as well as detailed information regarding Legion and Nextleaf. Please read this information carefully, and if you require assistance, it is recommended that you consult your own legal, tax, financial or other professional advisor.

On behalf of the Board of Directors of Legion, we would like to express our appreciation for the support our shareholders have demonstrated with respect to our decision to take the proposed arrangement with Nextleaf forward.

On Behalf of the Board of Legion Metals Corp.

“Peter Smith”

Peter Smith, President, Chief Executive Officer and Director

NEXTLEAF SOLUTIONS LTD.

NOTICE OF ANNUAL AND SPECIAL MEETING

TAKE NOTICE that the Annual and Special Meeting (the “**Meeting**”) of the shareholders of Nextleaf Solutions Ltd. (hereinafter called “**Nextleaf**”) will be held at Suite 1780, 400 Burrard Street, Vancouver, British Columbia, on January 2, 2019 at the hour of 10:00 o’clock in the morning (PDT) for the following purposes:

1. to receive and consider the audited financial statements of Nextleaf for the fiscal years ended September 30, 2016 and 2017, together with the auditor’s reports thereon; and
2. to consider, in accordance with the interim order of the British Columbia Supreme Court dated November 23, 2018, and if thought advisable, to pass, with or without variation, a special resolution (the “**Arrangement Resolution**”), the full text of which is set out in Schedule “A” to the accompanying joint management information circular (the “**Circular**”), to approve an arrangement (the “**Arrangement**”) under the provisions of Division 5 of Part 9 of the, *Business Corporations Act* (British Columbia) (“**BCA**”) involving Legion Metals Corp. (“**Legion**”), Myriad Metals Corp., Legion’s wholly owned subsidiary, and Nextleaf, as more particularly described in the accompanying Information Circular.

TAKE FURTHER NOTICE that at the Meeting, the holders of ordinary shares of Nextleaf (“**Nextleaf Shareholders**”) will also consider the following:

1. appointing auditors for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditors;
2. fixing the number of directors at four (4);
3. electing the directors to hold office until the next Annual General Meeting; and
4. to transact such other business as may properly come before the Meeting.

Accompanying this Notice of Meeting are: (i) the Circular, which provides additional information relating to the business to be conducted at the Meeting; and (ii) the form of proxy or voting instruction form. The accompanying Circular provides additional information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this Notice of Meeting.

The Board has fixed November 26, 2018 as the record date for the determination of Nextleaf Shareholders entitled to notice of and to vote at the Meeting and at any adjournment or postponement thereof. Each registered Nextleaf Shareholder at the close of business on that date is entitled to such notice and to vote at the Meeting in the circumstances set out in the accompanying Circular.

If you are a registered Nextleaf Shareholder and unable to attend the Meeting in person, please complete, date and sign the accompanying form of proxy. Delivery should be made to the offices of Fang & Associates, Suite 1780, 400 Burrard Street, Vancouver, B.C. V6C 3A6 by mail or facsimile: (604) 688-6995, Attn: Nextleaf Management (only if the Shareholder has confirmed he or she has sent such fax by sending an email to: pmf@falawyers.ca not later than 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the time set for the Meeting or any adjournment thereof. To be effective, the Arrangement Resolution must be approved by not less than 2/3rds or 66.67% of the votes cast by all Nextleaf Shareholders present in person or represented by proxy at the Meeting. The Arrangement is also subject to the approval of the Supreme Court of British Columbia. The hearing in respect of the Final

Order is scheduled for 9:45 a.m. (PDT) on January 4, 2019, or as soon thereafter as counsel may be heard at 800 Smithe Street, Vancouver, British Columbia, Canada.

The Board unanimously recommend that Nextleaf Shareholders vote IN FAVOUR of the Arrangement Resolution. In the absence of any instruction to the contrary, the Nextleaf Shares represented by proxies appointing the management designees named in the accompanying form of proxy will be voted in favour of the Arrangement Resolution.

Copies of the Arrangement Resolution which includes the Plan of Arrangement, the Interim Order, and Notice of Application for Final Order, are attached to the Circular as Schedules “A”, “B”, and “C” respectively. The foregoing documents will also be available for inspection prior to the Meeting at the head office of legal counsel for Nextleaf at Suite 1780, 400 Burrard Street, Vancouver, British Columbia, during regular business hours.

Registered Nextleaf Shareholders have the right to dissent with respect to the Arrangement Resolution and, if the Arrangement Resolution becomes effective, to be paid the fair value of their Nextleaf Shares in accordance with the provisions of sections 237 to 247 of the BCA as modified by the Interim Order, the Final Order and the Plan of Arrangement. These dissent rights are described in the accompanying Information Circular and a copy of the dissent rights are attached as Schedule “D” to the Circular. Failure to strictly comply with the requirements set forth in Sections 237 to 247 of the BCA as may be modified by the Interim Order, the Final Order and the Plan of Arrangement may result in the loss or unavailability of the right of dissent. A dissenting Nextleaf Shareholder must send a written objection to the Arrangement Resolution, which written objection must be received by Nextleaf c/o Fang and Associates, Barristers & Solicitors, at Suite 1780, 400 Burrard Street, Vancouver, British Columbia V6C 3A6, Attention: Paul Fang, on or before 5:00 p.m. (PDT) on the last Business Day preceding the date of the Meeting.

Persons who are beneficial owners of Nextleaf Shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that only registered Nextleaf Shareholders are entitled to dissent. Accordingly, a beneficial owner of Nextleaf Shares desiring to exercise the right to dissent must make arrangements for the Nextleaf Shares beneficially owned by such holder to be registered in the holder’s name prior to the time the written objection to the Arrangement Resolution is required to be received by or, alternatively, make arrangements for the registered holder of such Nextleaf Shares to dissent on behalf of the holder.

If you are a non-registered Nextleaf Shareholder and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your Nextleaf Shares on your behalf (an “**Intermediary**”), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

DATED November 26, 2018.

BY ORDER OF THE BOARD
NEXTLEAF SOLUTIONS LTD.

“Paul Pedersen”

Paul Pedersen, Chief Executive Officer and
Director

LEGION METALS CORP.

NOTICE OF SPECIAL MEETING

TAKE NOTICE that the Special Meeting (the “**Meeting**”) of the securityholders of Legion Metals Corp. (hereinafter called “**Legion**”) will be held at Suite 600, 1090 West Georgia Street, Vancouver, British Columbia, on January 2, 2019 at the hour of 10:00 o’clock in the morning (PDT) for the following purposes:

For Legion Securityholders:

1. to consider, in accordance with the interim order of the British Columbia Supreme Court dated November 23, 2018, and if thought advisable, to pass, with or without variation, a special resolution (the “**Arrangement Resolution**”), the full text of which is set out in Schedule “A” to the Information Circular, to approve an arrangement (the “**Arrangement**”) under the provisions of Division 5 of Part 9 of the *Business Corporations Act* (British Columbia) (“**BCA**”), involving Legion, Myriad Metals Corp., its wholly owned subsidiary, and Nextleaf Solutions Ltd. (“**Nextleaf**”), as more particularly described in the accompanying Information Circular;

For Legion Shareholders:

2. to consider and if thought advisable, to pass a special resolution in substantially the form of the special resolution set out in the Information Circular attached hereto approving a reduction in the stated capital account of Legion’s common shares and a distribution of the same amount to the registered holders of the common shares of Legion under the Arrangement and in accordance with the provisions of the BCA
3. to consider and approve the adoption of a 20% rolling Stock Option Plan of Legion more particularly described in the Information Circular and to authorize the Directors to make modifications thereto in accordance with the Plan and the policies of the Canadian Securities Exchange; and
4. to transact such other business as may properly come before the Meeting.

Accompanying this Notice of Meeting are: (i) the Information Circular, which provides additional information relating to the business to be conducted at the Meeting; and (ii) the form of proxy or voting instruction form. The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this Notice of Meeting.

The Board has fixed November 26, 2018 as the record date for the determination of the holders of Legion Shares (“**Legion Shareholders**”) and of the Legion Agent’s Warrant (collectively, “**Legion Securityholders**”) entitled to notice of and to vote at the Meeting and at any adjournment or postponement thereof. Each registered Legion Securityholder at the close of business on that date is entitled to such notice and to vote at the Meeting in the circumstances set out in the accompanying Information Circular.

If you are a registered shareholder of Legion and are unable to attend the Meeting in person, please complete, date and execute the accompanying form of proxy and deposit it with AST Trust Company (Canada), P.O. Box 721, Agincourt, Ontario M1S 0A1, not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the Meeting.

If you are a non-registered shareholder of Legion and received these materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan, or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your security on your behalf (the “**Intermediary**”), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

To be effective, the Arrangement Resolution must be approved by the following individuals present in person or represented by proxy: (a) the holders of at least 2/3rds or 66.67% of the votes cast by all Legion

Shareholders present in person or represented by proxy at the meeting; (b) the holder of the Legion Agent's Warrant; and (c) a majority of the votes of disinterested Legion Shareholders in accordance with Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions excluding the directors and officers of Legion who hold Nextleaf shares, being Peter Smith, Larry Timlick, Charles Ackerman, Fred Bonner and Michael Raven, who are not entitled to vote because they are related parties under Multilateral Instrument 61-101. The Arrangement is also subject to the approval of the Supreme Court of British Columbia. The hearing in respect of the Final Order is scheduled for 9:45 a.m. (PDT) on January 4, 2019, or as soon thereafter as counsel may be heard at 800 Smith Street, Vancouver, British Columbia, Canada.

The directors on the Board unanimously recommend that Legion Securityholders vote IN FAVOUR of the Arrangement Resolution. In the absence of any instruction to the contrary, the Legion Shares and the Legion Agent's Warrant represented by proxies appointing the management designees named in the accompanying form of proxy will be voted in favour of the Arrangement Resolution.

Copies of the Arrangement Resolution which includes the Plan of Arrangement, the Interim Order, and Notice of Application for Final Order, are attached to the Information Circular as Schedules "A", "B", and "C" respectively. The foregoing documents will also be available for inspection prior to the Meeting at the head office of legal counsel for Legion at Suite 600, 1090 West Georgia Street, Vancouver, British Columbia V6E 3V7, during regular business hours.

Registered Legion Shareholders have the right to dissent with respect to the Arrangement Resolution and, if the Arrangement Resolution becomes effective, to be paid the fair value of their Legion Securities in accordance with the provisions of sections 237 to 247 of the BCA as modified by the Interim Order, the Final Order and the Plan of Arrangement. These dissent rights are described in the accompanying Information Circular and a copy of the dissent rights are attached as Schedule "D" to the Information Circular. Failure to strictly comply with the requirements set forth in Sections 237 to 247 of the BCA as may be modified by the Interim Order, the Final Order and the Plan of Arrangement may result in the loss or unavailability of the right of dissent. A dissenting Legion Shareholder must send a written objection to the Arrangement Resolution, which written objection must be received by Legion c/o Beadle Raven LLP, Barristers & Solicitors, at Suite 600, 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7, Attention: Michael Raven, on or before 5:00 p.m. (PDT) on the last Business Day preceding the date of the Meeting.

Persons who are beneficial owners of Legion Shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that only registered Legion Shareholders are entitled to dissent. Accordingly, a beneficial owner of Legion Shares desiring to exercise the right to dissent must make arrangements for the Legion Shares beneficially owned by such holder to be registered in the holder's name prior to the time the written objection to the Arrangement Resolution is required to be received by or, alternatively, make arrangements for the registered holder of such Legion Shares to dissent on behalf of the holder.

DATED November 26, 2018.

BY ORDER OF THE BOARD
LEGION METALS CORP.

"Peter Smith"

Peter Smith, President, Chief Executive Officer and
Director

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**INFORMATION CIRCULAR
FOR THE ANNUAL AND SPECIAL MEETING
OF SHAREHOLDERS OF NEXTLEAF SOLUTIONS LTD.
TO BE HELD AT 10:00 AM ON JANUARY 2, 2019**

This Information Circular accompanies the Notice of Annual and Special Meeting and is furnished to shareholders in the capital of Nextleaf Solutions Ltd. (“**Nextleaf**”) in connection with the solicitation by the management of Nextleaf of proxies to be voted at the Annual and Special meeting (the “**Meeting**”) of the Nextleaf Shareholders (as defined herein) to be held at 10:00 a.m. (PDT) on January 2, 2019 at Suite 1780, 400 Burrard Street, Vancouver, British Columbia, or at any adjournment or postponement thereof.

INFORMATION CONTAINED IN THIS INFORMATION CIRCULAR

Preliminary Matters

The information contained in this Information Circular is given as at November 26, 2018, except where otherwise stated. Unless the context otherwise requires, all references to “**Nextleaf**”, “**us**”, “**our**”, “**we**” or similar terms mean Nextleaf Solutions Ltd. Certain other terms used herein are defined in the “*Glossary of Defined Terms*”.

No person has been authorized to give any information or to make any representation in connection with the matters being considered herein other than those contained in this Information Circular and, if given or made, any such information or representation should be considered as not having been authorized by Nextleaf. This Information Circular does not constitute an offer to sell, or a solicitation of an offer to acquire, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation. Nextleaf Shareholders should not construe the contents of this Information Circular as legal, tax or financial advice and should consult with their own professional advisors as to the relevant legal, tax, financial and other matters in connection herewith.

The Arrangement has not been approved or disapproved by any securities regulatory authority and no securities regulatory authority has passed upon the fairness or merits of the Arrangement or upon the accuracy or adequacy of the information contained in this Information Circular. Any representation to the contrary is unlawful.

Cautionary Note Regarding Forward-Looking Information

Included in this Information Circular, and the documents incorporated herein by reference, are forward-looking statements, including future oriented financial information, with respect to each of Legion and Nextleaf. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “does not expect”, “is expected”, “budget”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or equivalents or variations, including negative variations, of such words and phrases, or state that certain actions, events or results, “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. The reader should not place undue reliance on forward-looking statements and information because they involve assumptions, known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Legion and Nextleaf to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements and information. Such risks and uncertainties include, among others, risks and difficulties frequently experienced by a cannabis related

company in rapidly developing and changing industries including challenges related to laws, regulations, licensing, integrating and retaining qualified employees; making effective use of limited resources; achieving market acceptance of existing and future solutions; competing against companies with greater financial and technical resources; acquiring and retaining customers; developing new solutions and uncertainties relating to the availability and costs of Nextleaf Financing needed in the future and other factors described in the section entitled “Risk Factors” and in similar such sections of documents incorporated herein by reference. Although Legion and Nextleaf have attempted to identify important factors that could cause actual actions, events or results not estimated or intended, there can be no assurance that forward-looking statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Other than as required by applicable Canadian securities laws, Legion and Nextleaf do not update or revise any such forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events. Accordingly, readers should not place undue reliance on forward-looking statements.

NOTICE TO UNITED STATES NEXTLEAF SHAREHOLDERS

This Information Circular has been prepared in accordance with applicable disclosure requirements in Canada. Holders of Nextleaf Shares in the United States should be aware that Canadian requirements are different than those of the United States applicable to registration statements under the 1933 Act and proxy statements under the 1934 Act.

Nextleaf Shareholders should be aware that the transactions contemplated herein may have tax consequences both in the United States and in Canada. Such consequences for investors who are resident in, or citizens of, the United States may not be described fully herein. See “*Tax Considerations*”.

The enforcement by Nextleaf Shareholders of civil liabilities under the United States federal securities Laws may be affected adversely by the fact that the Parties are incorporated outside of the United States, that some or all of their officers and directors and the experts named herein are resident outside of the United States, and that all or a substantial portion of the assets of, the Parties and such other persons may be located outside the United States. As a result, it may be difficult or impossible for Nextleaf Shareholders who are residents of the U.S. to effect service of process within the United States upon the Parties, their directors or officers or the experts named herein, or to realize against them upon judgments of courts of the United States predicated upon civil liabilities under the federal securities Laws of the United States or the securities or “blue sky” Laws of any state within the United States. In addition, Nextleaf Shareholders who are residents of the United States should not assume that the courts of Canada: (a) would allow them to sue the Parties or their officers or directors in the courts of Canada; (b) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the federal securities Laws of the United States or the securities or “blue sky” Laws of any state within the United States; or (c) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the federal securities laws of the United States or the securities or “blue sky” Laws of any state within the United States.

REPORTING CURRENCIES AND ACCOUNTING PRINCIPLES

All references to dollar amounts in this Information Circular are to Canadian dollars unless stated otherwise or the context otherwise requires.

**INFORMATION CIRCULAR
FOR THE SPECIAL MEETING
OF SECURITYHOLDERS OF LEGION METALS CORP.
TO BE HELD AT 10:00 AM ON JANUARY 2, 2019**

This Information Circular accompanies the Notice of Special Meeting and is furnished to securityholders in the capital of Legion Metals Corp. (“**Legion**”) in connection with the solicitation by the management of Legion of proxies to be voted at the special meeting (the “**Meeting**”) of the Legion Securityholders (as defined herein) to be held at 10:00 a.m. (PDT) on January 2, 2019 at Suite 600, 1090 West Georgia Street, Vancouver, British Columbia, or at any adjournment or postponement thereof.

INFORMATION CONTAINED IN THIS INFORMATION CIRCULAR

Preliminary Matters

The information contained in this Information Circular is given as at November 26, 2018, except where otherwise stated. Unless the context otherwise requires, all references to “**Legion**”, “**us**”, “**our**”, “**we**” or similar terms mean Legion Metals Corp. Certain other terms used herein are defined in the “*Glossary of Defined Terms*”.

No person has been authorized to give any information or to make any representation in connection with the matters being considered herein other than those contained in this Information Circular and, if given or made, any such information or representation should be considered as not having been authorized by Legion. This Information Circular does not constitute an offer to sell, or a solicitation of an offer to acquire, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation. Legion Securityholders should not construe the contents of this Information Circular as legal, tax or financial advice and should consult with their own professional advisors as to the relevant legal, tax, financial and other matters in connection herewith.

The Arrangement has not been approved or disapproved by any securities regulatory authority and no securities regulatory authority has passed upon the fairness or merits of the Arrangement or upon the accuracy or adequacy of the information contained in this Information Circular. Any representation to the contrary is unlawful.

Cautionary Note Regarding Forward-Looking Information

Included in this Information Circular, and the documents incorporated herein by reference, are forward-looking statements, including future oriented financial information, with respect to each of Legion and Nextleaf. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “does not expect”, “is expected”, “budget”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or equivalents or variations, including negative variations, of such words and phrases, or state that certain actions, events or results, “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. The reader should not place undue reliance on forward-looking statements and information because they involve assumptions, known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Legion and Nextleaf to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements and information. Such risks and uncertainties include, among others, risks and difficulties frequently experienced by a cannabis related company in rapidly developing and changing industries including challenges related to laws, regulations,

licensing, integrating and retaining qualified employees; making effective use of limited resources; achieving market acceptance of existing and future solutions; competing against companies with greater financial and technical resources; acquiring and retaining customers; developing new solutions and uncertainties relating to the availability and costs of financing needed in the future and other factors described in the section entitled "Risk Factors" and in similar such sections of documents incorporated herein by reference. Although Legion and Nextleaf have attempted to identify important factors that could cause actual actions, events or results not estimated or intended, there can be no assurance that forward-looking statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Other than as required by applicable Canadian securities laws, Legion and Nextleaf do not update or revise any such forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events. Accordingly, readers should not place undue reliance on forward-looking statements.

NOTICE TO UNITED STATES LEGION SECURITYHOLDERS

This Information Circular has been prepared in accordance with applicable disclosure requirements in Canada. Holders of Legion Securities in the United States should be aware that Canadian requirements are different than those of the United States applicable to registration statements under the 1933 Act and proxy statements under the 1934 Act.

Legion Securityholders should be aware that the transactions contemplated herein may have tax consequences both in the United States and in Canada. Such consequences for investors who are resident in, or citizens of, the United States may not be described fully herein. See "*Tax Considerations*".

The enforcement by Legion Securityholders of civil liabilities under the United States federal securities Laws may be affected adversely by the fact that the Parties are incorporated outside of the United States, that some or all of their officers and directors and the experts named herein are resident outside of the United States, and that all or a substantial portion of the assets of the Parties and such other persons may be located outside the United States. As a result, it may be difficult or impossible for Legion Securityholders who are residents of the U.S. to effect service of process within the United States upon the Parties, their directors or officers or the experts named herein, or to realize against them upon judgments of courts of the United States predicated upon civil liabilities under the federal securities Laws of the United States or the securities or "blue sky" Laws of any state within the United States. In addition, Legion Securityholders who are residents of the United States should not assume that the courts of Canada: (a) would allow them to sue the Parties or their officers or directors in the courts of Canada; (b) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the federal securities Laws of the United States or the securities or "blue sky" Laws of any state within the United States; or (c) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the federal securities laws of the United States or the securities or "blue sky" Laws of any state within the United States.

REPORTING CURRENCIES AND ACCOUNTING PRINCIPLES

All references to dollar amounts in this Information Circular are to Canadian dollars unless stated otherwise or the context otherwise requires.

GLOSSARY OF DEFINED TERMS

In this Information Circular, the following capitalized words and terms shall have the following meanings:

“**Acquisition**” means the acquisition of 100% of the issued and outstanding shares of Nextleaf by Legion pursuant to the Arrangement;

“**Acquisition Agreement**” means a certain Acquisition Agreement between Nextleaf and Legion dated November 19, 2018, setting out the terms and conditions of the acquisition of all of the issued shares of Nextleaf by Legion;

“**Acquisition Fairness Opinion**” means a written opinion from an independent business valuator that the consideration payable under the Arrangement by Legion for the acquisition of Nextleaf is fair and reasonable from a financial point of view to the Nextleaf Shareholders and Legion Securityholders, as the case may be, subject to the assumptions and limitations described in such Acquisition Fairness Opinion;

“**Acquisition Financial Advisor**” means the financial advisor, Richard W. Evans, MBA, CBV, ASA, who provided the Acquisition Fairness Opinion in support of the Arrangement;

“**Alternative Transaction**” means any offers from any third party with respect to (i) the sale of all or substantially all of its assets, or (ii) any merger, business combination, or consolidation of with any other person, except for the acquisition by Legion or marijuana generics related assets;

“**Applicable Securities Laws**” means the Securities Act and the equivalent legislation in the other provinces and territories of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute, the published national instruments, multilateral instruments, policies, bulletins, and notices of the securities commissions and similar regulatory authorities of each of the provinces and territories of Canada;

“**Arrangement**” means the arrangement under the provisions of Section 288 of the BCA on the terms and subject to the conditions set out in the Arrangement Agreement and the Plan of Arrangement, subject to any amendments or variations thereto made in accordance therewith or made at the direction of the Court in the Final Order;

“**Arrangement Agreement**” means the arrangement agreement dated November 19, 2018, between Legion, Myriad Metals Corp., its wholly owned subsidiary, and Nextleaf, together with the schedules attached thereto, as supplemented, amended, restated or otherwise modified from time to time, which is filed on SEDAR under the Company’s profile and incorporated herein by reference;

“**Arrangement Resolution**” means the special resolution of the Legion Securityholders and Nextleaf Shareholders to be considered at the respective Meetings, which resolution shall be substantially in the form and content of Schedule “A” attached hereto;

“**Asset Purchase Agreement**” means an asset purchase agreement between Nextleaf and Ryan Ko dated January 10, 2017, as amended September 30, 2017;

“**BCA**” means the *Business Corporations Act* (British Columbia), S.B.C. 2002, c. 57, as amended, including the regulations promulgated thereunder;

“**Board**” or “**Board of Directors**” means the board of directors of Legion or Nextleaf, as the case may be;

“**Business Day**” means a day, other than a Saturday or a Sunday or a day observed as a holiday, on which the principal commercial banks located in Vancouver, British Columbia, are open for the conduct of business;

“**Class A Preferred Shares**” means a class consisting of an unlimited number of Class A Preferred Shares without par value in the capital stock of Legion, having the rights and restrictions described in Appendix “I” to the Plan of Arrangement;

“**Closing**” means the completion of the Arrangement;

“**Company**” means Legion;

“**Conversion Factor**” means 0.349999958, representing one (1) Distributed Spinco Share for each 2.857143192 Legion Shares;

“**Court**” means the Supreme Court of British Columbia;

“**Cryptocurrency Assets**” means the cryptocurrency assets owned by Legion, as described in the Legion Public Disclosure Record;

“**CRA**” means the Canada Revenue Agency;

“**CSE**” means the Canadian Securities Exchange;

“**Consolidation**” means the consolidation of the common shares of the capital stock of Legion that will result in no more than 3,647,029 common shares issued and outstanding in the capital stock Legion;

“**Designated Persons**” means the persons named as proxy holders;

“**Dissent Notice**” means the written objection of a registered Nextleaf Shareholder or a registered Legion Shareholder, as the case may be, to the Arrangement Resolution, submitted to Legion or Nextleaf in accordance with the Dissent Procedures;

“**Dissent Procedures**” means the procedures to be taken by a registered Nextleaf Shareholder or a registered Legion Shareholder, as the case may be, in exercising Dissent Rights;

“**Dissent Rights**” means the right to dissent in connection with the Plan of Arrangement granted to Nextleaf Shareholders and Legion Shareholders by the Court in the Interim Order and in accordance with Sections 237 to 247 of the BCA, as modified by Article 5 of the Plan of Arrangement, the Interim Order and the Final Order;

“**Dissenting Shareholder**” means a Nextleaf Shareholder or Legion Shareholder, as the case may be, who has exercised its Dissent Rights in accordance with the requirements of the Interim Order and who is ultimately entitled to be paid fair value for their Nextleaf Securities or Legion Shares, as the case may be;

“**Distributed Spinco Shares**” means the common shares of Spinco that are to be distributed to the Legion pursuant to Subsection 3.2 of the Plan of Arrangement;

“**Effective Date**” means the next Business Day following the date of the Final Order and on or before the Termination Date, or such later date as may be mutually agreed by the Parties;

“**Equipment Supply Agreement**” means an equipment supply agreement between Nextleaf and an equipment supplier dated October 31, 2018;

“**Final Order**” means the order made after application to the Court pursuant to section 291 of the BCA approving the Arrangement as such order may be amended by the Court (with the consent of Legion and Nextleaf, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to Legion and Nextleaf, each acting reasonably) on appeal;

“**Governmental Entity**” means any applicable (i) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign, (ii) any subdivision, agency, commission, board or authority of any of the foregoing, or (iii) any quasi-governmental or private body, including any tribunal,

commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

“**Hunter**” means Hunter Capital Advisors Pty. Ltd., a corporate advisory firm in Australia;

“**including**”, “**includes**” or similar expressions are not intended to be limiting and are deemed to be followed by the expression “**without limitation**”;

“**IFRS**” means International Financial Reporting Standards in Canada;

“**Information Circular**” means the notice of the Nextleaf Meeting and Legion Meeting and accompanying joint management information circular, including all schedules thereto and documents incorporated by reference therein, prepared in accordance with applicable Laws, including Dissent Rights, to be sent to Nextleaf Shareholders and Legion Shareholders in connection with the Nextleaf Meeting and Legion Meeting, and includes any amendments thereto;

“**Insider**” has the meaning in the Securities Act;

“**Interim Order**” means the order made after application to the Court, and defined in the Arrangement Agreement as the “Interim Order”, made in connection with the Arrangement and providing for, among other things, the calling and holding of the Meeting, as such order may be amended at any time prior to the Effective Date pursuant to section 291 of the BCA;

“**Intermediary**” means an intermediary that a Non-Registered Nextleaf Securityholder or a Non-Registered Legion Shareholder may deal with in respect of their shares, including banks, trust companies, securities dealers or brokers and trustees or administrators of RRSPs, RRIFs, RESPs and similar plans, and their nominees;

“**Law**” or “**Laws**” means all laws, by-laws, rules, regulations, orders, ordinances, protocols, codes, instruments, published policies, notices, directions and judgments or other requirements of any Governmental Entity, in each case having the force of Law;

“**Legion**” means Legion Metals Corp., a company incorporated under the under the BCA;

“**Legion Agent’s Warrant**” means the agent’s warrant granted to Echelon Wealth Partners Inc. in connection with the initial public offering of Legion;

“**Legion Escrow Agreement**” means the escrow agreement dated August 2, 2017 between principals of Legion, Legion and AST Trust Company (Canada), whereby the principals agreed to deposit in escrow their Legion Shares.

“**Legion Public Disclosure Record**” means all documents and information required to be filed by Legion on SEDAR under applicable Securities Laws during the one year prior to the date hereof;

“**Legion Securities**” means the Legion Shares and the Legion Agent’s Warrant;

“**Legion Securityholders**” means the holders of Legion Shares and the holder of Legion Agent’s Warrant;

“**Legion Shareholders**” means the holders of Legion Shares at the applicable time;

“**Legion Shares**” means the common shares in the capital of Legion as constituted on the Record Date and shall, where the context permits, include (i) any securities into which such shares may be converted, reclassified, redesignated, subdivided, consolidated or otherwise changed, and (ii) any securities of Legion received by the holders of such Legion Shares as a result of any merger, amalgamation, reorganization, arrangement or other similar transaction involving Legion;

“**Licence**” means exploration licence 10577 in the Province of Nova Scotia, comprised of 80 mineral claims

covering approximately 1,280 hectares, known as the Millen Mountain Property;

“**Liens**” means any mortgage, lien, hypothecation, security interest, pledge or other encumbrance, charge or adverse right or claim, defect of title, restriction or other right of third parties;

“**Material**” means, when used in respect to the affairs of a Person, an event, occurrence or fact concerning the business, operations, capital, assets, liabilities or financial condition of the Person, on a consolidated basis, that would reasonably be expected to influence a reasonable investor in whether or not to invest in the securities of the Person;

“**Matrix**” means Matrix GeoTechnologies Ltd.;

“**Meeting**” means the annual and special meeting of the Nextleaf Shareholders or the special meeting of Legion Securityholders, as the case may be, including any adjournments or postponements thereof, to be called and held on January 2, 2019 in accordance with the Interim Order, among other things, to consider and, if deemed advisable, to approve the Arrangement Resolution and all other matters requiring approval pursuant to the terms and conditions of the Arrangement Agreement or the Interim Order;

“**Meeting Materials**” means this Information Circular, the Notice of Meeting, and the form(s) of proxy for use in connection with the Meeting;

“**Millen Mountain Property**” or “**Property**” means the Millen Mountain mineral exploration property owned by Legion, as described in the Legion Public Disclosure Record;

“**MMAR**” means Marijuana for Medical Access Regulations;

“**MMPR**” means Marijuana Medical Purposes Regulations;

“**MRCC**” means Mackie Research Capital Corporation;

“**Myriad**” means Myriad Metals Corp., a company incorporated under the BCA;

“**Myriad Board**” means the board of directors of Myriad;

“**New Shares**” means creating a class consisting of an unlimited number of common shares without par value in the capital stock of Legion;

“**Nextleaf**” means Nextleaf Solutions Ltd., a company incorporated under the BCA;

“**Nextleaf Arrangement Resolution**” means the proposed acquisition by Legion of Nextleaf by way of an Arrangement under the BCA;

“**Nextleaf Escrow Agreement**” means the escrow agreement to be entered into by the principals of Resulting Issuer, the Resulting Issuer and AST Trust Company (Canada), whereby the principals will agree to deposit their Resulting Issuer shares in escrow.

“**Nextleaf Financing**” means the fundraising through Nextleaf’s offering of units comprised of the Nextleaf Financing Shares and the Nextleaf Financing Warrants raising gross proceeds of not less than \$3,000,000 in satisfaction of subsection (v) of the POA Effective Date Conditions;

“**Nextleaf Financing Compensation Option**” means any compensation option granted and issued by Nextleaf to securities dealers and other agents assisting with the Nextleaf Financing;

“**Nextleaf Financing Completion**” means the completion of the Nextleaf Financing;

“**Nextleaf Financing Shares**” means the ordinary shares issued by Nextleaf to investors under the Nextleaf Financing;

“**Nextleaf Financing Warrants**” means share purchase warrants granted and issued by Nextleaf to investors under the Nextleaf Financing for the purchase of ordinary shares in the capital stock of Nextleaf;

“**Nextleaf Financing Securityholders**” means the holders of the Nextleaf Financing Shares, the Nextleaf Financing Warrants and the Nextleaf Financing Compensation Options;

“**Nextleaf Labs**” means Nextleaf Labs Ltd., a company incorporated under the BCA;

“**Nextleaf Labs License Agreement**” means a license agreement between Nextleaf and Nextleaf Labs dated as of July 26, 2018;

“**Nextleaf Labs Sublease Agreement**” means a sublease agreement between Nextleaf and Nextleaf Labs dated as of July 26, 2018;

“**Nextleaf Lease**” means the commercial lease dated July 1, 2018 respecting Nextleaf’s facility in Coquitlam, British Columbia;

“**Nextleaf Ordinary Shares**” means the ordinary shares in the capital of Nextleaf as constituted on the Record Date and shall, where the context permits, include (i) any securities into which such shares may be converted, reclassified, redesignated, subdivided, consolidated or otherwise changed, and (ii) any securities of Nextleaf received by the holders of such shares as a result of any merger, amalgamation, reorganization, arrangement or other similar transaction involving Nextleaf;

“**Nextleaf Shareholder Approval**” means the approval of the Arrangement Resolution by the Requisite Nextleaf Majority of all the votes cast by all Nextleaf Shareholders present in person or represented by proxy at the Meeting;

“**Nextleaf Shareholders**” means the holders of Nextleaf ordinary shares;

“**Nextleaf Securityholders**” means the holders of Nextleaf Securities at the applicable time;

“**Nextleaf Shares**” means the Nextleaf Ordinary Shares;

“**Nextleaf Securities**” means the Nextleaf Ordinary Shares, the Nextleaf Financing Warrants and the Nextleaf Financing Compensation Options;

“**NI 43-101**” means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*;

“**Non-Registered Legion Shareholder**” means a beneficial holder of Legion Shares that are registered either in the name of an Intermediary or in the name of a transfer agent or clearing agency;

“**Non-Registered Nextleaf Shareholder**” means a beneficial holder of Nextleaf Shares that are registered either in the name of an Intermediary or in the name of a transfer agent or clearing agency;

“**Notice of Meeting**” means the notice in respect of the Meeting included in the Meeting Materials;

“**NSR**” means the 2% net smelter returns royalty under the Option Agreement;

“**Offering**” means the Nextleaf Financing;

“**Option Agreement**” means the amended and restated property option agreement between Legion and Probe dated October 3, 2017;

“**Parties**” means Legion, Myriad Metals Corp., its wholly owned subsidiary, and Nextleaf and “**Party**” means any of them;

“**Person**” includes an individual, partnership, association, body corporate, joint venture, business organization, trustee, executor, administrator, legal representative, Governmental Entity or any other entity, whether or not having legal status;

“**Plan of Arrangement**” means the plan of arrangement substantially in the form and content of Exhibit I attached to Schedule “A” hereto and any amendments or variations thereto made in accordance with the Plan of Arrangement or made at the direction of the Court in the Interim Order or the Final Order;

“**POA Effective Date Conditions**” means all of the following: (i) the filing of Legion’s application for the re-qualification of the listing of the Legion Shares on the Canadian Securities Exchange, (ii) the satisfaction of all or substantially all of any comments of the Canadian Securities Exchange in regard of such listing application, (iii) the Consolidation, (iv) the disposition of the Cryptocurrency Assets, (v) the completion on the Effective Date of a fundraising by Nextleaf raising gross proceeds of not less than \$3,000,000, and (vi) the change of Legion’s name to “Nextleaf Solutions Ltd.” and the change of Nextleaf’s name to “Nextleaf Innovations Ltd.”;

“**Probe**” means Probe Metals Inc.;

“**Record Date**” means November 26, 2018;

“**Registered Securityholder**” means a registered holder of securities of Legion as recorded in the register of securityholders of Legion maintained by Legion, or a registered holder of Nextleaf Securities as recorded in the register of securityholders of Nextleaf maintained by Nextleaf;

“**Registered Shareholder**” means a registered holder of Legion Shares as recorded in the register of shareholders of Legion maintained by Legion, or a registered holder of Nextleaf Shares as recorded in the register of shareholders of Nextleaf maintained by Nextleaf;

“**Registrar**” means the “registrar” of companies for British Columbia, as defined in the BCA;

“**Regulations**” means the regulations of the Tax Act;

“**Requisite Legion Majority**” means for purposes of the BCA, the approval of the Arrangement Resolution by the following Persons who cast their vote in person or by proxy pursuant to the Interim Order: (a) the holders of at least 2/3rds of Legion Shares; and (b) the holder of the Legion Agent’s Warrant; and (c) a majority of the votes of disinterested Legion Shareholders in accordance with Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions excluding the directors and officers of Legion who hold Nextleaf Shares, being Peter Smith, Larry Timlick, Charles Ackerman, Fred Bonner and Michael Raven, who are not entitled to vote because they are related parties under Multilateral Instrument 61-101;

“**Requisite Nextleaf Majority**” means for purposes of the BCA, the approval of the Arrangement Resolution who cast their vote in person or by proxy pursuant to the Interim Order by the votes of holders of at least 2/3rds of the Nextleaf Shares;

“**Resident Holder**” has the meaning ascribed to it under the heading “*Tax Considerations*”;

“**Resulting Issuer**” means Legion following the Arrangement, which in turn shall wholly own Nextleaf;

“**SEC**” means the United States Securities and Exchange Commission;

“**Securities Act**” means the *Securities Act* (British Columbia), as amended;

“**Share Distribution Record Date**” means the record date for those Legion Shareholders that are eligible to

participate in the divestment of the Millen Mountain Property and receive the Distributed Spinout Shares;

“**Special Committee of Nextleaf**” means the members of the Board of Nextleaf appointed to the special committee to evaluate and negotiate the terms of the Arrangement with Legion, and consisting of Charles Ackerman and Paul Pedersen;

“**Special Committee of Legion**” means the member of the Board of Legion appointed to the special committee to evaluate and negotiate the terms of the Arrangement with Nextleaf, and consisting of Guy Pinsent;

“**Spinout Fairness Opinion**” means a written opinion from an independent expert opining that the divestment of the Millen Mountain Property into Spinco under the Arrangement is fair and reasonable from a financial point of view to the Legion Securityholders subject to the assumptions and limitations described in such Spinout Fairness Opinion;

“**Spinout Fairness Opinion Author**” means Steve King, M.Sc., P.Geo, the author of the Spinout Fairness Opinion;

“**Spinco**” means Myriad;

“**Stock Option Plan**” means the stock option plan of the Company.

“**Subsidiary**” has the meaning attributed to such term under Section 1.1 of National Instrument 45-106 – *Prospectus and Registration Exemptions*;

“**Tax**” and “**Taxes**” means all taxes, however denominated, including any interest, penalties or other additions that may become payable in respect thereof, imposed by a Governmental Entity, which taxes shall include, without limiting the generality of the foregoing, all income or profits taxes (including, but not limited to, federal income taxes and provincial income taxes), capital taxes, payroll and employee withholding taxes, unemployment insurance, social insurance taxes (including Canada Pension Plan payments), sales and use taxes, ad valorem taxes, excise taxes, franchise taxes, gross receipts taxes, business license taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, transfer taxes, workers’ compensation, pension assessment and other governmental charges, and other obligations of the same or of a similar nature to any of the foregoing, which a Party or any Subsidiary is required to pay, withhold or collect;

“**Tax Act**” means the *Income Tax Act*, R.S.C. 1985 (5th Supp.) c.1, and the regulations thereunder, as amended;

“**Technical Report**” means the NI 43-101 geological report respecting the Property dated August 2, 2017, prepared by Mark Graves, P. Geo.;

“**Termination Date**” means the 180th day after November 19, 2018 or such later date as may be mutually agreed by the Parties;

“**Transaction**” means the transactions contemplated by the Arrangement Agreement and the Plan of Arrangement;

“**Transfer Agent**” means AST Trust Company (Canada);

“**U.S.**” means the United States as that term is defined in Regulation S, promulgated under the 1933 Act;

“**U.S. Securities Act**” means the United States Securities Act of 1933, as amended;

“**Valuation**” means a fair market valuation of Nextleaf prepared in accordance with the methodologies of the Canadian Institute of Chartered Business Valuators by a Chartered Business Valuator from a firm agreed upon by Nextleaf and Legion in writing, retained by Nextleaf, which is accepted for filing by the CSE.

SUMMARY

The following is a summary of certain information contained in this Information Circular, including the schedules hereto. Capitalized terms not otherwise defined in this summary are defined in the "Glossary of Defined Terms" or elsewhere in this Information Circular. This summary is not intended to be complete and is qualified in its entirety by the more detailed information appearing or referred to elsewhere in this Information Circular.

The Meetings

Nextleaf Meeting

The Nextleaf Meeting will be held at Suite 1780, 400 Burrard Street, Vancouver, British Columbia, on January 2, 2019. (PDT). At the Meeting, the Nextleaf Shareholders will be asked to consider and, if thought advisable, to pass resolutions to: (1) approve the Arrangement Resolution approving the Arrangement; (2) appoint auditors for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditors; (3) fix the number of directors at four (4); (4) elect the directors to hold office until the next annual meeting; and (5) to transact such other business as may properly come before the Meeting. The approval of the Arrangement Resolution will require the affirmative vote of the Requisite Nextleaf Majority votes cast by Nextleaf Shareholders present in person or by proxy at the Meeting. The approval of all other resolutions will require the affirmative vote of the majority of Nextleaf Shareholders present in person or by proxy at the meeting.

Legion Meeting

The Legion Meeting will be held at Suite 600, 1090 West Georgia Street, Vancouver, B.C., on January 2, 2019 (PDT). At the Meeting, Legion Securityholders will be asked to consider and, if thought advisable, to pass the following resolution: (1) a special resolution to approve the Arrangement Resolution approving the Arrangement; and Legion Shareholders will be asked to consider and, if thought advisable, to pass the following resolutions: (2) a special resolution to approve the reduction of capital of Legion under the BCA; (3) an ordinary resolution to approve the adoption of a 20% rolling Stock Option Plan; and (4) to transact such other business as may properly come before the Meeting. The approval of the Arrangement Resolutions will require the affirmative vote of the Requisite Legion Majority votes cast by Legion Securityholders present in person or by proxy at the Meeting. The approval of the reduction of capital and 20% rolling stock option plan resolutions will require the affirmative vote of the majority of Legion Shareholders present in person or by proxy at the Meeting.

The Arrangement

The Arrangement Agreement provides that the proposed merger of Legion and Nextleaf will be achieved by way of a statutory plan of arrangement under which the following transactions, among others, will occur in the order and at the times set out in the Plan of Arrangement:

Effective Date. The Plan of Arrangement will become effective at, and be binding at and after, the Effective Date on Legion, Nextleaf, the Legion Securityholders, the Nextleaf Securityholders, and Spinco.

The Arrangement. Subject to the completion of the POA Effective Date Conditions on or before the Effective Date, the following shall occur and shall be deemed to occur in the following sequence without any further act or formality of or by Nextleaf or Legion. The following steps are taken from Section 3.2 of the Plan of Arrangement:

- (a) **Divestment of the Millen Mountain Property.** Legion will transfer the Millen Mountain Property to Spinco in consideration of the Distributed Spinco Shares, such that the number of Distributed Spinco Shares received by Legion from Spinco for such assets will equal the number of issued and outstanding Legion Shares multiplied by the Conversion Factor as of the Share Distribution Record Date. The Distributed Spinco Shares through a series of intermediate share exchanges shall be transferred to Legion Shareholders of record as of the Share Distribution Record Date. Spinco shall grant and issue Echelon Wealth Partners Inc., as the holder of the Legion Agent's Warrant, an agent's warrant to purchase a number of Spinco common shares equivalent to the number of Legion Shares that could be purchased under the

Legion Agent's Warrant and at an exercise price equal to the exercise price of the Legion Agent's Warrant (with the remaining term to expiry, conditions to and manner of exercising, and all other terms and conditions being substantially the same as the Legion Agent's Warrant). Other than the Legion Agent's Warrant, no other convertible security of Legion shall entitle any holder thereof to receive any security under the Arrangement;

(b) **Acquisition of Nextleaf.** Following the Millen Mountain Property divestment, Nextleaf shall complete its fundraising by raising gross proceeds of not less than \$3,000,000 and issuing not less than 8,571,428 Nextleaf Financing Shares at \$0.35 per Nextleaf Financing Share in satisfaction of subsection (v) of the POA Effective Date Conditions.

Each Nextleaf Share that is issued and outstanding immediately following the Nextleaf Financing Completion (excluding the Nextleaf Shares held by Dissenting Shareholders who are ultimately determined to be entitled to be paid the fair value of the Nextleaf Shares in respect of which they have exercised their Dissent Rights) will be transferred, and will be deemed to be transferred, without any act or formality on the Nextleaf Shareholder's part, to Legion in exchange for one (1) fully paid and non-assessable Legion Share. Each Nextleaf Financing Warrant granted and issued by Nextleaf in connection with the Nextleaf Financing and outstanding immediately following the Nextleaf Financing Completion shall be assumed by Legion and exchanged for a warrant to purchase a number of Legion Shares equal to the number of Nextleaf Shares that could be purchased under the exchanged Nextleaf Financing Warrant and at an exercise price equal to the exercise price of the exchanged Nextleaf Financing Warrant (with the remaining term to expiry, conditions to and manner of exercising and all other terms and conditions being substantially the same as the exchanged Nextleaf Financing Warrant). Each Nextleaf Financing Compensation Option granted and issued by Nextleaf in connection with the Nextleaf Financing and outstanding immediately following the Nextleaf Financing Completion shall be assumed by Legion and exchanged for an equivalent compensation option to purchase a number of Legion Shares equal to the number of Nextleaf Shares that could be purchased under the exchanged Nextleaf Financing Compensation Option (with the remaining term to expiry, conditions to and manner of exercising, and all other terms and conditions being substantially the same as the exchanged Nextleaf Financing Compensation Option).

Furthermore, the separate legal existence of Nextleaf will continue; (ii) Nextleaf will become the wholly-owned subsidiary of Legion; and (iii) the assets and liabilities of Nextleaf will remain the property and liabilities of Nextleaf.

See "The Arrangement".

Specifically, at the Effective Date, Nextleaf Shareholders (except for any shareholders which have exercised their Dissent Rights as defined in Section 5.1 of the Plan of Arrangement, attached as Exhibit 1 to Schedule "A" of this Information Circular) shall be deemed to have transferred their certificated or uncertificated shares, as the case may be, to Legion without any executed writing, instrument or other formality.

No Fractional Shares

Any fractional Legion Share issuable to any Nextleaf Securityholder upon or as a result of the Arrangement shall be rounded down to the nearest whole number, and no cash or other payment in lieu of such fractional shares shall be paid or payable to any person pursuant to the Arrangement.

Recommendation of the Nextleaf Board

The Nextleaf Board has unanimously determined that the Arrangement is fair to the Nextleaf Securityholders and is in the best interests of Nextleaf and the Nextleaf Securityholders and recommend that the Nextleaf Shareholders vote in favour of the Arrangement Resolution.

Recommendation of the Legion Board

The Legion Board has unanimously determined that the Arrangement is fair to the Legion Securityholders and is in the best interests of Legion and the Legion Securityholders and recommend that the Legion Securityholders vote in favour of the Arrangement Resolution.

Reasons for the Arrangement

In reaching their respective decisions that the Arrangement is in the best interests of Nextleaf and is fair to Nextleaf Securityholders and deciding to approve the Arrangement Agreement and to recommend to Nextleaf Shareholders and also is in the best interests of Legion and is fair to Legion Securityholders and deciding to approve the Arrangement Agreement and to recommend to Legion Securityholders that they vote for the Arrangement Resolution, the directors on the respective Boards carefully considered all aspects of the Arrangement Agreement and the Arrangement and considered a number of factors, both positive and negative, including the following:

- Legion Securityholders will receive equivalent securities in Spinco without payment of additional consideration;
- The Spinout Fairness Opinion as to fairness, from a financial point of the offered consideration for the divestment of the Millen Mountain Property;
- Nextleaf Securityholders will receive equivalent securities in Legion without payment of additional consideration;
- The Acquisition Fairness Opinion as to the fairness, from a financial point of view, of the offered consideration of the Nextleaf Securities from Legion was fair to Nextleaf Securityholders;
- The Arrangement Resolution must be approved by the Requisite Nextleaf Majority and the Requisite Legion Majority;
- The procedures by which the Arrangement is to be approved, including the fact that the Arrangement must be approved by the Court, which will consider, among other things, the fairness and reasonableness of the Arrangement to Nextleaf Shareholders and Legion Securityholders;
- The Dissent Rights provided to Registered Shareholders entitling them to dissent in relation to the Arrangement Resolution;
- Potential tax consequences to Nextleaf and Nextleaf Securityholders of the proposed transactions;
- Potential tax consequences to Legion and Legion Securityholders of the proposed transactions;
- Current industry, economic and market conditions and trends over the next five years;
- Information concerning the business, operations, financial condition and prospects of Legion and Nextleaf following the Arrangement;
- The evaluation of Legion's future prospects for successfully developing its existing assets and the likelihood of it engaging in other corporate or joint venture transactions to increase value for Legion Shareholders;
- The costs required to complete the proposed arrangement, as well as the substantial transaction costs to be incurred by Nextleaf and Legion even if the proposed arrangement is not consummated; and
- The substantial management time and effort required to effectuate the proposed arrangement and the related disruption to Nextleaf and Legion operations, including the disruption which would result if the

proposed arrangement were not consummated, and the potential adverse effect on the business, financial operations or business prospects of the Parties.

The foregoing summary of the information and factors considered by the Boards of Nextleaf and Legion is not, and is not intended to be, exhaustive. In view of the variety of factors and the amount of information considered in connection with the evaluation of the Arrangement, the directors of the Board did not find it practical to, and did not, quantify or otherwise attempt to assign any relative weight to each specific factor considered in reaching its conclusion and recommendation. Each Board's recommendations were made after consideration of all of the above-noted factors and in light of the Board's knowledge of the business, financial condition and prospects of Nextleaf and Legion, and were also based upon advice of legal advisors.

Conditions, Approvals and the Final Order

The implementation of the Arrangement requires the satisfaction of several conditions and the receipt of various approvals, including the approval of the Arrangement Resolution by the affirmative vote of the Requisite Nextleaf Majority and the Requisite Legion Majority at the respective Nextleaf and Legion Meetings and the approval of the Court. An application for the Final Order approving the Arrangement is expected to be made at 9:45 a.m. (PDT) on January 4, 2019 or as soon thereafter as counsel may be heard in the Court at 800 Smithe Street, Vancouver, British Columbia (see Schedule "C" – Notice of Application for Final Order for further details).

Fairness Opinions

As at the date of the Spinout Fairness Opinion and the Acquisition Fairness Opinion and subject to analyses, assumptions, qualifications and limitations discussed in such opinions, the respective authors have concluded that the transactions under the Arrangement are fair, from a financial point of view, to Nextleaf Securityholders and Legion Securityholders.

See heading "Spinout – Fairness Opinion" and "Acquisition – Fairness Opinion" which opinions are attached as Schedule "E" and Schedule "F" hereto, respectively. Nextleaf Shareholders and Legion Securityholders are encouraged to read the fairness opinions in their entirety for a description of the assumptions made, procedures followed, matters considered and limitations on the review undertaken.

The Parties

Legion is a public company incorporated under the provisions of the BCA. Legion's business is mineral exploration. Myriad is a private company incorporated under the provisions of the BCA and is a wholly-owned subsidiary of Legion.

Nextleaf is a private company incorporated under the provisions of the BCA. Nextleaf carries on its business to develop and deliver cannabis extraction and distillation technology for licensed growers and producers in Canada.

See "Information Respecting the Resulting Issuer" in this Information Circular for a description of Legion and Nextleaf after giving effect to the Arrangement. See "Information Respecting Myriad Metals Corp." in this Information Circular for a description of Myriad Metals Corp.

Tax Considerations

Residents of Canada

See "Tax Considerations".

Other Tax Considerations

This Information Circular does not address any tax considerations of the Arrangement other than tax considerations as they relate to the exchange of Nextleaf Securities for Legion Shares. Nextleaf Securityholders who are resident

in jurisdictions other than Canada should consult their own tax advisors with respect to the tax implications of the Arrangement.

Right of Dissent

Registered Legion Shareholders and Nextleaf Shareholders will have the right to dissent in respect of the Arrangement and, if the Arrangement becomes effective, to be paid the fair value of the Legion Shares or Nextleaf Shares in respect of which a Registered Shareholder exercises the Dissent Right. If a Registered Shareholder of Nextleaf wishes to dissent, a written notice of dissent must be received by Nextleaf no later than 5:00 p.m. (PDT) on January 2, 2019 (or 5:00 p.m. (PDT) on the day that is the last Business Day immediately preceding any adjourned or postponed Meeting). If a Registered Shareholder of Legion wishes to dissent, a written notice of dissent must be received by Legion no later than 5:00 p.m. (PDT) on January 2, 2019 (or 5:00 p.m. (PDT) on the day that is the last Business Day immediately preceding any adjourned or postponed Meeting).

Failure to comply strictly with the applicable provisions of the BCA, the Interim Order and the Plan of Arrangement may prejudice the availability of the Dissent Right. Dissenting Shareholders should note that the exercise of the Dissent Right can be a complex, time-consuming and expensive process and it is suggested that any Legion Shareholder or Nextleaf Shareholder wishing to exercise the Dissent Right seek his or her own legal advice. For details regarding the Dissent Right see: "The Arrangement – Rights of Dissenting Nextleaf Shareholders in connection with the Arrangement – Rights of Dissenting Legion Shareholder in connection with the Arrangement"; Schedule "D" - "Dissent Rights".

Cancellation and Surrender of Nextleaf Security Certificates

Nextleaf Securityholders (except for any shareholders which have exercised their Dissent Rights) shall be deemed to have cancelled and surrendered their certificated or uncertificated securities, as the case may be, without any executed writing, instrument or other formality.

Risk Factors

Both Legion and Nextleaf are subject to a number of risks in the operation of their businesses. Nextleaf Shareholders and Legion Securityholders should carefully review the risk factors set forth under "Risk Factors" in this Information Circular.

INFORMATION CONCERNING THE NEXTLEAF MEETING

Purpose of the Nextleaf Meeting

At the Meeting, Nextleaf Shareholders will be asked to consider and, if deemed advisable, to pass resolutions to: (1) approve the Arrangement Resolution; (2) appoint auditors for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditors; (3) fix the number of directors at four (4); (4) elect the directors to serve until the next annual meeting; and (5) transact such other business as may properly come before the Meeting. The approval of the Arrangement Resolution will require the affirmative vote of the Requisite Nextleaf Majority.

Arrangement Resolution

Detailed disclosure pertaining to the Arrangement Resolution is provided below under the heading of "The Arrangement".

Appointment of Auditor

Davidson & Company LLP, Chartered Accountants, of Vancouver, British Columbia, will be nominated at the Meeting for reappointment as auditor of Nextleaf at a remuneration to be fixed by the directors.

The management of Nextleaf recommends that Nextleaf Shareholders vote **FOR** the foregoing auditor re-appointment resolution.

Number and Election of Directors

The size of the Board of Directors of Nextleaf is currently determined at **two (2)**. The Board of Nextleaf proposes that the number of directors be increased to **four (4)**. Nextleaf shareholders will therefore be asked to approve an ordinary resolution that the number of directors elected be fixed at **four (4)**.

The management of Nextleaf recommends that Nextleaf shareholders vote **FOR** fixing the number of directors at four (4). Unless instructed otherwise, the individuals named as proxy holders in the enclosed form of proxy intend to vote any Nextleaf Shares represented thereby as recommended.

The following individuals are Nextleaf's nominees for election as directors and detailed information of these nominees are provided under the the heading of "The Arrangement":

Paul Pedersen
Charles Ackerman
Paul MacLeman
Fred Bonner

Unless instructions are given to abstain from voting with respect to the election of directors, the persons named as proxy holders in the enclosed form of proxy intend to **FOR** the election of management's nominees. If, for any reason, any of the above proposed nominees are unable or unwilling to stand for election or to serve as directors, Nextleaf may nominate such alternative nominees as it may see fit.

Date, Time and Place of the Meeting

The Meeting will be held at Suite 1780, 400 Burrard Street, Vancouver, British Columbia V6C 3A6, on January 2, 2019 at 10:00 a.m. PDT.

Record Date

The Record Date for determining persons entitled to receive notice of and vote at the Meeting is November 26, 2018. Nextleaf Shareholders of record as at the close of business on November 26, 2018 will be entitled to attend and vote at the Meeting, or any adjournment or postponement thereof, in the manner and subject to the procedures described in this Information Circular.

Solicitation of Proxies

This Information Circular is furnished in connection with the solicitation of proxies by the management of Nextleaf for use at the Meeting to be held at the time and place and for the purposes set forth in the accompanying Notice of Meeting. References in this Information Circular to the Meeting include any adjournments or postponements thereof. Unless otherwise stated, the information contained in this Information Circular is as of November 26, 2018.

The solicitation of proxies by management of Nextleaf will be conducted by email or mail and may be supplemented by telephone or other personal contact to be made without special compensation by the directors, officers and employees of Nextleaf. Nextleaf does not reimburse Nextleaf Shareholders, nominees or agents for costs incurred in obtaining from their principals authorization to execute forms of proxy, except that Nextleaf has requested brokers and nominees who hold stock in their respective names to furnish this proxy material to their customers, and Nextleaf will reimburse such brokers and nominees for their related out of pocket expenses.

No person has been authorized to give any information or to make any representation other than as contained in this Information Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by Nextleaf. The delivery of this Information

Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Information Circular. This Information Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

Appointment of Proxyholders

Registered Nextleaf Shareholders are entitled to vote at the Meeting. A Nextleaf Shareholder is entitled to one vote for each Nextleaf Share that such Nextleaf Shareholder holds on the Record Date of November 26, 2018 on the resolutions to be voted upon at the Meeting, and any other matter to come before the Meeting.

The persons named as proxy holders (the “**Designated Persons**”) in the enclosed form of proxy are directors and/or officers of Nextleaf.

A NEXTLEAF SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON OR COMPANY (WHO NEED NOT BE NEXTLEAF SHAREHOLDER IN SOME CASES) OTHER THAN THE DESIGNATED PERSONS NAMED IN THE ENCLOSED FORM OF PROXY TO ATTEND AND ACT FOR OR ON BEHALF OF THAT NEXTLEAF SHAREHOLDER AT THE MEETING.

A NEXTLEAF SHAREHOLDER MAY EXERCISE THIS RIGHT BY STRIKING OUT THE PRINTED NAMES OF THE DESIGNATED PERSONS AND INSERTING THE NAME OF SUCH OTHER PERSON AND, IF DESIRED, AN ALTERNATE TO SUCH PERSON, IN THE BLANK SPACE PROVIDED ON THE FORM OF PROXY. SUCH NEXTLEAF SHAREHOLDER SHOULD NOTIFY THE NOMINEE OF THE APPOINTMENT, OBTAIN THE NOMINEE’S CONSENT TO ACT AS PROXY AND SHOULD PROVIDE INSTRUCTION TO THE NOMINEE ON HOW THE NEXTLEAF SHAREHOLDER’S NEXTLEAF SHARES SHOULD BE VOTED. THE NOMINEE SHOULD BRING PERSONAL IDENTIFICATION TO THE MEETING.

In order to be voted, the completed form of proxy must reach Nextleaf at the offices of **Fang and Associates Barristers & Solicitors, Suite 1780, 400 Burrard Street, Vancouver, B.C. V6C 3A6** by mail or facsimile: (604) 688-6995, Attn: Nextleaf Management (only if the Shareholder has confirmed he or she has sent such fax by sending an email to: pmf@falawyers.ca) not later than 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the time set for the Meeting or any adjournment thereof.

A proxy may not be valid unless it is dated and signed by the Nextleaf Shareholder who is giving it or by that Nextleaf Shareholder’s attorney-in-fact duly authorized by that Nextleaf Shareholder in writing or, in the case of a corporation, dated and executed by a duly authorized officer or attorney-in-fact for the corporation. If a form of proxy is executed by an attorney-in-fact for an individual Nextleaf Shareholder or joint Nextleaf Shareholders, or by an officer or attorney-in-fact for a corporate Nextleaf Shareholder, the instrument so empowering the officer or attorney-in-fact, as the case may be, or a notarially certified copy thereof, must accompany the form of proxy.

Voting by Proxyholder

A Nextleaf Shareholder may indicate the manner in which the Designated Persons are to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space. If the instructions as to voting indicated in the proxy are certain, the Nextleaf Shares represented by the proxy will be voted or withheld from voting in accordance with the instructions given in the proxy. If the Nextleaf Shareholder specifies a choice in the proxy with respect to a matter to be acted upon, then the Nextleaf Shares represented will be voted or withheld from the vote on that matter accordingly. **The Nextleaf Shares represented by a proxy will be voted or withheld from voting in accordance with the instructions of the Nextleaf Shareholder on any ballot that may be called for and if the Nextleaf Shareholder specifies a choice with respect to any matter to be acted upon, the Nextleaf Shares will be voted accordingly.**

The Nextleaf Shares represented by a properly executed proxy will be voted for or against all matters to be voted on at the Meeting in accordance with the instructions of the Registered Shareholder on any vote that may be called for.

In the absence of any instructions to the contrary, the Nextleaf Shares represented by proxies received by management will be voted FOR the approval of the Arrangement Resolution.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of Nextleaf knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting. If any other matters do properly come before the Meeting, it is intended that the person appointed as proxy shall vote on such other business in such manner as that person then considers to be proper.

In the case of abstentions from, or withholding of, the voting of the Nextleaf Shares on any matter, the Nextleaf Securities that are the subject of the abstention or withholding will be counted for determination of a quorum, but will not be counted as affirmative or negative on the matter to be voted upon.

Registered Shareholders

Registered Nextleaf Shareholders may wish to vote by proxy whether or not they attend the Meeting in person. Registered Nextleaf Shareholders who choose to submit a proxy may do so by using one of the following methods:

- by mail to: **Suite 1780, 400 Burrard Street, Vancouver, British Columbia, V6C 3A6, Attn: Nextleaf Management**; or
- by personal delivery to Nextleaf Management at the address set out above; or
- by facsimile: (604) 688-995 (only if the Nextleaf Shareholder has confirmed he or she has sent such fax by sending an email to: pmf@falawyers.ca).

in each case so as to be deposited with Nextleaf at the address set out above not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to **10:00 a.m.** (PDT) on January 2, 2019 or if the Meeting is adjourned or postponed, the start of such adjourned or postponed meeting.

Failure to complete or deposit a proxy properly may result in its invalidation. The time limit for the deposit of proxies may be waived by the Board at its discretion.

Nextleaf Shareholders who hold their Nextleaf Shares through a bank, broker or other intermediary should follow the instructions under the heading “Beneficial Shareholders”.

Beneficial Shareholders

Only Registered Nextleaf Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in some cases, Nextleaf Shares beneficially owned by a person are registered in the name of an Intermediary that the Non-Registered Nextleaf Shareholder deals with in respect of the shares (intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered retirement savings plans, registered retirement income funds, registered education savings plans and similar plans). Nextleaf will be distributing copies of the Notice of Meeting, this Information Circular and the form of proxy (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Nextleaf Shareholders.

Intermediaries are required to seek voting instructions from Non-Registered Nextleaf Shareholders in advance of the Meetings.

Non-Registered Nextleaf Shareholders will receive from an intermediary either voting instruction forms or, less frequently, forms of proxy. The purpose of these forms is to permit Non-Registered Nextleaf Shareholders to direct

the voting of the Nextleaf Shares they beneficially own. Non-Registered Nextleaf Shareholders should follow the procedures set out on the voting instruction form or form of proxy they receive. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

If you receive a voting instruction form, the voting instruction form must be completed and returned to the intermediary, in accordance with the intermediary's instructions, well in advance of the Meeting in order to: (a) have your Nextleaf Shares voted, as per your instructions, at the Meeting; or (b) arrange to have an alternate representative duly appointed by you attend the Meeting and vote your Nextleaf Shares at the Meeting.

Should a Non-Registered Nextleaf Shareholder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Nextleaf Shareholder should strike out the names of the management designees and insert the Non-Registered Nextleaf Shareholder's name in the blank space provided. In either case, Non-Registered Nextleaf Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or voting instruction form is to be delivered.

Revocation of Proxies

A Registered Shareholder who has given a proxy may revoke it at any time before it is exercised by an instrument in writing: (a) executed by that Nextleaf Shareholder or by that Nextleaf Shareholder's attorney-in-fact, authorized in writing, or, where the Nextleaf Shareholder is a corporation, by a duly authorized officer of, or attorney-in-fact for, the corporation; and (b) delivered either: (i) to Nextleaf at the address set forth above, at any time up to and including the last business day preceding the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (ii) to the Chairman of the Meeting prior to the vote on matters covered by the proxy on the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (iii) in any other manner provided by law.

Also, a proxy will automatically be revoked by either: (i) attendance at the Meeting and participation in a poll (ballot) by a Nextleaf Shareholder, or (ii) submission of a subsequent proxy in accordance with the foregoing procedures. A revocation of a proxy does not affect any matter on which a vote has been taken prior to any such revocation.

Non-Registered Nextleaf Shareholders who wish to change their vote must, in sufficient time in advance of the Meeting, arrange for their respective Intermediary to revoke the proxy on their behalf.

Voting Securities and Principal Holders Thereof

Nextleaf is authorized to issue an unlimited number of Nextleaf Ordinary Shares as of the date hereof, there are 78,693,393 Nextleaf Ordinary Shares issued and outstanding. At a general meeting of Nextleaf, on a show of hands, every Nextleaf Shareholder present in person and entitled to vote and every proxy holder duly appointed by a holder of a security who would have been entitled to vote shall have one vote and on a poll, every Nextleaf Shareholder present in person or represented by proxy shall have one vote for each share of which such Nextleaf Shareholder is the registered holder.

To the knowledge of the directors and officers of Nextleaf, as at the date of this Information Circular, no Person beneficially owns or exercises control or direction over common shares carrying more than 10% of the votes attached to the ordinary shares of Nextleaf.

The directors have determined that all Nextleaf Shareholders of record as of November 26, 2018 will be entitled to receive notice of and to vote at the Meeting. Those Nextleaf Shareholders so desiring may be represented by proxy at the Meeting as discussed above.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as set forth in this Information Circular under “*Interest of Certain Persons or Companies in Matters to be Acted Upon*” below, no: (a) director, proposed director or executive officer of Nextleaf; (b) person or company who beneficially owns, directly or indirectly, Nextleaf Securities or who exercises control or direction of Nextleaf Securities, or a combination of both carrying more than ten percent of the voting rights attached to the Nextleaf Securities outstanding (an “**Insider**”); (c) director or executive officer of an Insider; or (d) associate or affiliate of any of the directors, executive officers or Insiders, has had any material interest, direct or indirect, in any transaction since the commencement of Nextleaf’s most recently completed financial year or in any proposed transaction which has materially affected or would materially affect Nextleaf, except with an interest arising from the ownership of Nextleaf Securities where such person will receive no extra or special benefit or advantage not shared on a pro rata basis by all holders of the same class of Nextleaf Securities.

INTERESTS OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as disclosed below or elsewhere in this Information Circular, no director or executive officer of Nextleaf who was a director or executive officer since the beginning of Nextleaf’s last financial year, or any associate or affiliates of any such directors, officers or nominees, has any material interest, direct or indirect, by way of beneficial ownership of Nextleaf Shares or other Nextleaf securities, or otherwise, in any matter to be acted upon at the Meeting.

Ownership of Securities of Nextleaf

The following directors and officers of Nextleaf and Legion, and to the knowledge of the directors and officers of Nextleaf and Legion after reasonable enquiry, their respective associates, own beneficially, directly or indirectly, or exercise control or direction over, the following Nextleaf Shares:

Name of Director or Officer of Nextleaf	No. of Nextleaf Shares held Directly and Indirectly	Percentage of Nextleaf Shares
Paul Pedersen, Director and CEO	7,124,331	9.05%
Charles Ackerman, Director, Secretary and CFO	405,900	0.52%
Ryan Ko, Chief Technology Officer	9,445,311	12.00%
Name of Director or Officer of Legion	No. of Nextleaf Shares held Directly and Indirectly	Percentage of Nextleaf Shares
Peter Smith, Director, President and CEO	1,015,625	1.29%
Guy Pinsent, Director	Nil	Nil
Larry Timlick, Director	2,714,167	3.45%
Charles Ackerman, CFO	405,900	0.52%
Michael Raven, Corporate Secretary	270,833	0.34%
Fred Bonner, Chief Geologist	25,000	0.03%

All of the above persons have agreed with Nextleaf to approve the Arrangement, or to the knowledge of Legion and Nextleaf intend to approve the Arrangement.

There will be no direct or indirect benefits paid by Nextleaf to the above persons who are directors and officers of Legion, in consideration for their approval of the Arrangement.

INFORMATION CONCERNING THE LEGION MEETING

Purpose of the Legion Meeting

At the Meeting, Legion Securityholders will be asked to consider and, if deemed advisable, to pass a resolution to: (1) approve the Arrangement Resolution approving the Arrangement; and Legion Shareholders will be asked to consider and, if deemed advisable, to pass resolutions to: (2) approve the reduction of capital of Legion under the BCA; (3) an ordinary resolution to approve the adoption of a 20% rolling Stock Option Plan; and (4) transact such other business as may properly come before the Meeting. The approval of the Arrangement Resolution will require the affirmative vote of the Requisite Legion Majority votes cast by Legion Securityholders present in person or by proxy at the Meeting. The approval of the reduction of capital and 20% rolling Stock Option Plan resolutions will require the affirmative vote of the majority of Legion Shareholders present in person or by proxy at the Meeting.

Arrangement Resolution

Detailed disclosure pertaining to the Arrangement Resolution is provided below under the heading of “The Arrangement”.

Reduction of Stated Capital Account

The Management recommends that Legion Shareholders vote **FOR** a reduction of the Legion’s stated capital account for common shares for income tax purposes by an amount equal to the fair market value of the Millen Mountain Property that will have been divested through the transfer of Millen Mountain Property to Myriad Metals Corp. and the spinout of Myriad Metals Corp. to the shareholders of Legion as of the Share Distribution Record Date as a tax free return of capital.

Accordingly, the shareholders are being requested to consider, and if thought fit, pass the following special resolution:

“BE IT RESOLVED BY SPECIAL RESOLUTION THAT:

- 1. The stated capital maintained in respect of the common shares of the Company be reduced by an amount equal to the paid up capital determined for income tax purposes in respect of such shares as at the day before the Share Distribution Record Date of the proposed divestment of the Millen Mountain Property under the Arrangement, by deducting that amount from the stated capital account maintained by the Company for its common shares.*
- 2. Any director or officer of the Company, signing alone, be authorized to execute and deliver all such documents and instruments, and to do such further acts, as may be necessary to give full effect to these resolutions or as may be required to carry out the full intent and meaning thereof.”*

20% Rolling Stock Option Plan

Legion’s Board has recommended that Legion change the stock option plan from a “10% rolling” stock option plan to a “20% rolling” Stock Option Plan which provides eligible directors, officers, employees and consultants with the opportunity to acquire an ownership interest in Legion and is the basis for Legion’s long-term incentive scheme. The Stock Option Plan has not been previously approved by the shareholders of Legion and is also subject to Canadian Securities Exchange approval. The key features of the Stock Option Plan are as follows:

1. The maximum number of common shares issuable under the Stock Option Plan shall not exceed 20% of the number of common shares of the Company issued and outstanding as of each award date, inclusive of all common shares reserved for issuance pursuant to previously granted stock options.
2. The options have a maximum term of five years from the date of issue.
3. Options vest as the board of directors of the Company may determine upon the award of the options.
4. The exercise price of options granted under the Stock Option Plan will be determined by the board of directors, but will not be less than the greater of the closing market price of the Company's common shares on the Exchange on (a) the trading day prior to the date of grant of the options; and (b) the date of grant of the stock options.
5. The expiry date of an option shall be the earlier of the date fixed by the Company's board of directors on the award date, and: (a) in the event of the death of the option holder while he or she is a director or employee (other than an employee performing investor relations activities), 12 months from the date of death of the option holder, or while he or she is a consultant or an employee performing investor relations activities, 30 days from the date of death of the option holder; (b) in the event that the option holder holds his or her option as a director and such option holder ceases to be a director of the Company other than by reason of death, 90 days following the date the option holder ceases to be a director (provided however that if the option holder continues to be engaged by the Company as an employee or consultant, the expiry date shall remain unchanged), unless the option holder ceases to be a director as a result of ceasing to meet the qualifications set forth in section 124 of the *Business Corporations Act* (British Columbia) or a special resolution passed by the shareholders of the Company pursuant to section 128(3) of the *Business Corporations Act* (British Columbia), in which case the expiry date will be the date that the option holder ceases to be a director of the Company; (c) in the event that the option holder holds his or her option as an employee or consultant of the Company (other than an employee or consultant performing investor relations activities) and such option holder ceases to be an employee or consultant of the Company other than by reason of death, 30 days following the date the option holder ceases to be an employee or consultant, unless the option holder ceases to be such as a result of termination for cause or an order of the British Columbia Securities Commission, the Exchange or any regulatory body having jurisdiction to so order, in which case the expiry date shall be the date the option holder ceases to be an employee or consultant of the Company; and (d) in the event that the option holder holds his or her option as an employee or consultant of the Company who provides investor relations activities on behalf of the Company, and such option holder ceases to be an employee or consultant of the Company other than by reason of death, the expiry date shall be the date the option holder ceases to be an employee or consultant of the Company.

The Stock Option Plan may be terminated at any time by resolution of Legion's Board, but any such termination will not affect or prejudice rights of participants holding options at that time. If the Stock Option Plan is terminated, outstanding options will continue to be governed by the provisions of the Stock Option Plan.

At the Meeting, Legion Shareholders will be asked to approve the following ordinary resolution:

"BE IT RESOLVED BY ORDINARY RESOLUTION THAT:

1. *The Company's Stock Option Plan, pursuant to which the directors may, from time to time, authorize the issuance of options to directors, officers, employees and consultants of the Company and its subsidiaries to a maximum of 20% of the issued and outstanding common shares at the time of the grant, be approved, confirmed and ratified.*
2. *Any director or officer of the Company, signing alone, be authorized to execute and deliver all such documents and instruments, and to do such further acts, as may be necessary to give full effect to these resolutions or as may be required to carry out the full intent and meaning thereof."*

The management of Legion recommends that Legion Shareholders vote **FOR** the adoption of the 20% rolling Stock Option Plan.

Date, Time and Place of the Meeting

The Meeting will be held at Suite 600, 1090 West Georgia Street, Vancouver, British Columbia, on January 2, 2019 at 10:00 a.m. PDT.

Record Date

The Record Date for determining persons entitled to receive notice of and vote at the Meeting is November 26, 2018. Legion Securityholders of record as at the close of business on November 26, 2018 will be entitled to attend and vote at the Meeting, or any adjournment or postponement thereof, in the manner and subject to the procedures described in this Information Circular.

Solicitation of Proxies

This Information Circular is furnished in connection with the solicitation of proxies by the management of Legion for use at the Meeting to be held at the time and place and for the purposes set forth in the accompanying Notice of Meeting. References in this Information Circular to the Meeting include any adjournments or postponements thereof. Unless otherwise stated, the information contained in this Information Circular is as of November 26, 2018.

The solicitation of proxies by management of Legion will be conducted by mail and may be supplemented by telephone or other personal contact to be made without special compensation by the directors, officers and employees of Legion. Legion does not reimburse Legion Securityholders, nominees or agents for costs incurred in obtaining from their principals authorization to execute forms of proxy, except that Legion has requested brokers and nominees who hold stock in their respective names to furnish this proxy material to their customers, and Legion will reimburse such brokers and nominees for their related out of pocket expenses.

No person has been authorized to give any information or to make any representation other than as contained in this Information Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by Legion. The delivery of this Information Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Information Circular. This Information Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

Appointment of Proxyholders

Registered Legion Securityholders are entitled to vote at the Meeting. A Legion Securityholder is entitled to one vote for each Legion Security that such Legion Securityholder holds on the Record Date of November 26, 2018 on the resolutions to be voted upon at the Meeting, and any other matter to come before the Meeting.

The persons named as proxy holders (the “**Designated Persons**”) in the enclosed form of proxy are directors and/or officers of Legion.

A LEGION SECURITYHOLDER HAS THE RIGHT TO APPOINT A PERSON OR COMPANY (WHO NEED NOT BE A LEGION SECURITYHOLDER) OTHER THAN THE DESIGNATED PERSONS NAMED IN THE ENCLOSED FORM OF PROXY TO ATTEND AND ACT FOR OR ON BEHALF OF THAT LEGION SHAREHOLDER AT THE MEETING.

A LEGION SECURITYHOLDER MAY EXERCISE THIS RIGHT BY STRIKING OUT THE PRINTED NAMES OF THE DESIGNATED PERSONS AND INSERTING THE NAME OF SUCH OTHER PERSON AND, IF DESIRED, AN ALTERNATE TO SUCH PERSON, IN THE BLANK SPACE PROVIDED ON THE FORM OF PROXY. SUCH LEGION SECURITYHOLDER SHOULD NOTIFY THE NOMINEE OF THE APPOINTMENT, OBTAIN THE NOMINEE’S CONSENT TO ACT AS PROXY AND SHOULD PROVIDE INSTRUCTION TO THE NOMINEE ON HOW THE LEGION SECURITYHOLDER’S

LEGION SECURITIES SHOULD BE VOTED. THE NOMINEE SHOULD BRING PERSONAL IDENTIFICATION TO THE MEETING.

In order to be voted, the completed form of proxy must reach AST Trust Company (Canada), P.O. Box 721, Agincourt, Ontario M1S 0A1, not later than 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the time set for the Meeting or any adjournment thereof.

A proxy may not be valid unless it is dated and signed by the Legion Securityholder who is giving it or by that Legion Securityholder's attorney-in-fact duly authorized by that Legion Securityholder in writing or, in the case of a corporation, dated and executed by a duly authorized officer or attorney-in-fact for the corporation. If a form of proxy is executed by an attorney-in-fact for an individual Legion Securityholder or joint Legion Securityholders, or by an officer or attorney-in-fact for a corporate Legion Securityholder, the instrument so empowering the officer or attorney-in-fact, as the case may be, or a notarially certified copy thereof, must accompany the form of proxy.

Voting by Proxyholder

A Legion Securityholder may indicate the manner in which the Designated Persons are to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space. If the instructions as to voting indicated in the proxy are certain, the Legion Securities represented by the proxy will be voted or withheld from voting in accordance with the instructions given in the proxy. If the Legion Securityholder specifies a choice in the proxy with respect to a matter to be acted upon, then the Legion Securities represented will be voted or withheld from the vote on that matter accordingly. **The Legion Securities represented by a proxy will be voted or withheld from voting in accordance with the instructions of the Legion Securityholder on any ballot that may be called for and if the Legion Securityholder specifies a choice with respect to any matter to be acted upon, the Legion Securities will be voted accordingly.**

The Legion Securities represented by a properly executed proxy will be voted for or against all matters to be voted on at the Meeting in accordance with the instructions of the Registered Securityholder on any vote that may be called for.

In the absence of any instructions to the contrary, the Legion Securities represented by proxies received by management will be voted FOR the approval of the Arrangement Resolution and FOR the other proposed business at the meeting.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of Legion knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting. If any other matters do properly come before the Meeting, it is intended that the person appointed as proxy shall vote on such other business in such manner as that person then considers to be proper.

In the case of abstentions from, or withholding of, the voting of the Legion Securities on any matter, the Legion Securities that are the subject of the abstention or withholding will be counted for determination of a quorum, but will not be counted as affirmative or negative on the matter to be voted upon.

Registered Legion Securityholders

In order to be voted, the completed form of proxy must reach AST Trust Company (Canada), P.O. Box 721, Agincourt, Ontario M1S 0A1, not later than 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the time set for the Meeting or any adjournment thereof.

Failure to complete or deposit a proxy properly may result in its invalidation. The time limit for the deposit of proxies may be waived by the Board at its discretion.

Legion Securityholders who hold their Legion Securities through a bank, broker or other intermediary should follow the instructions under the heading "Beneficial Securityholders".

Beneficial Securityholders

Only Registered Securityholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Legion Securities beneficially owned by a person are registered in the name of an Intermediary that the Non-Registered Legion Shareholder deals with in respect of the shares (intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered retirement savings plans, registered retirement income funds, registered education savings plans and similar plans). Legion will be distributing copies of the Meeting Materials to the clearing agencies and Intermediaries for onward distribution to Non-Registered Legion Shareholders.

Intermediaries are required to seek voting instructions from Non-Registered Legion Shareholders in advance of the Meeting.

Non-Registered Legion Shareholders will receive from an intermediary either voting instruction forms or, less frequently, forms of proxy. The purpose of these forms is to permit Non-Registered Legion Shareholders to direct the voting of the Legion Shares they beneficially own. Non-Registered Legion Shareholders should follow the procedures set out on the voting instruction form or form of proxy they receive. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

If you receive a voting instruction form, the voting instruction form must be completed and returned to the intermediary, in accordance with the intermediary's instructions, well in advance of the Meeting in order to: (a) have your Legion Shares voted, as per your instructions, at the Meeting; or (b) arrange to have an alternate representative duly appointed by you attend the Meeting and vote your Legion Shares at the Meeting.

Should a Non-Registered Legion Shareholder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Legion Shareholder should strike out the names of the management designees and insert the Non-Registered Legion Shareholder's name in the blank space provided. In either case, Non-Registered Legion Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or voting instruction form is to be delivered.

Revocation of Proxies

A Registered Legion Securityholder who has given a proxy may revoke it at any time before it is exercised by an instrument in writing: (a) executed by that Legion Securityholder or by that Legion Securityholder's attorney-in-fact, authorized in writing, or, where the Legion Securityholder is a corporation, by a duly authorized officer of, or attorney-in-fact for, the corporation; and (b) delivered either: (i) to AST Trust Company (Canada) at the address set forth above, at any time up to and including the last business day preceding the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (ii) to the Chairman of the Meeting prior to the vote on matters covered by the proxy on the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (iii) in any other manner provided by law.

Also, a proxy will automatically be revoked by either: (i) attendance at the Meeting and participation in a poll (ballot) by a Legion Securityholder, or (ii) submission of a subsequent proxy in accordance with the foregoing procedures. A revocation of a proxy does not affect any matter on which a vote has been taken prior to any such revocation.

Non-Registered Legion Shareholders who wish to change their vote must, in sufficient time in advance of the Meeting, arrange for their respective Intermediary to revoke the proxy on their behalf.

Voting Securities and Principal Holders Thereof

Legion is authorized to issue unlimited common shares without par value. There is one class of shares only. As of November 26, 2018, there are 12,764,600 common shares issued and outstanding. At a special meeting of Legion, on a show of hands, every Legion Securityholder present in person and entitled to vote and every proxy holder duly appointed by a holder of a security who would have been entitled to vote shall have one vote and on a poll, every Legion Securityholder present in person or represented by proxy shall have one vote for each security of which such Legion Securityholder is the registered holder.

To the knowledge of the directors and officers of Legion, as at the date of this Information Circular, no Person beneficially owns or exercises control or direction over common shares carrying more than 10% of the votes attached to the common shares of Legion.

The directors have determined that all Legion Securityholders of record as of November 26, 2018 will be entitled to receive notice of and to vote at the Meeting. Those Legion Securityholders so desiring may be represented by proxy at the Meeting as discussed above.

Legion carried out an initial public offering in 2017 and in connection with such offering, Legion granted to Echelon Wealth Partners Inc. the Legion Agent's Warrant to purchase 392,710 Legion Shares at a price of \$0.10 per Legion Share until September 14, 2019. The directors have determined that in regards of the Arrangement, the terms and conditions of the Legion Agent's Warrant entitle the holder thereof to notice of and a vote at the Meeting.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as set forth in this Information Circular under "*Interest of Certain Persons or Companies in Matters to be Acted Upon*" below, no: (a) director, proposed director or executive officer of Legion; (b) person or company who beneficially owns, directly or indirectly, Legion Securities or who exercises control or direction of Legion Securities, or a combination of both carrying more than ten percent of the voting rights attached to the Legion Securities outstanding (an "**Insider**"); (c) director or executive officer of an Insider; or (d) associate or affiliate of any of the directors, executive officers or Insiders, has had any material interest, direct or indirect, in any transaction since the commencement of Legion's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect Legion, except with an interest arising from the ownership of Legion Securities where such person will receive no extra or special benefit or advantage not shared on a pro rata basis by all holders of the same class of Legion Securities.

INTERESTS OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as disclosed below or elsewhere in this Information Circular, no director or executive officer of Legion who was a director or executive officer since the beginning of Legion's last financial year, or any associate or affiliates of any such directors, officers or nominees, has any material interest, direct or indirect, by way of beneficial ownership of Legion Securities, or otherwise, in any matter to be acted upon at the Meeting.

Ownership of Securities of Legion

To the knowledge of the directors or officers of Legion after reasonable enquiry, Paul Pedersen and Charles Ackerman, directors and officers of Nextleaf, own securities of Legion.

THE ARRANGEMENT

The Arrangement will be carried out pursuant to the Arrangement Agreement, the Plan of Arrangement and related documents. A summary of the principal terms of the Arrangement Agreement and the Plan of Arrangement is provided in this Section. This summary does not purport to be complete and is qualified in its entirety by reference to the Arrangement Agreement, a copy of which is available upon request and incorporated by reference, and the Plan of Arrangement, a copy of which is appended as Exhibit 1 to Schedule "A" of this Information Circular. Capitalized terms have the meanings set out in the Glossary of

Defined Terms or are otherwise defined herein.

Nextleaf Shareholder Approval of Arrangement Resolution

At the Nextleaf Meeting, Nextleaf Shareholders will be asked to approve the Arrangement Resolution, in the form set out in Schedule “A” to this Information Circular. The approval of the Arrangement Resolution will require the affirmative vote of the Requisite Nextleaf Majority.

Nextleaf Background to the Arrangement

Nextleaf’s board of directors and senior management, as part of their ongoing activities, regularly review and discuss business strategies and strategic alternatives available to Nextleaf.

The Board contemplated several going public, strategic merger and financing paths. The Board considered the synergies of both companies on a combined basis. Following a thorough review of its strategic alternatives, including alternate financing paths without ultimate success, and there being no superior binding offer, the Special Committee of Nextleaf determined that the proposed Plan of Arrangement with Legion was in Nextleaf’s best interests and in the best interests of the Nextleaf Shareholders. Legion and Nextleaf proceeded first with the negotiation, drafting and entering into a binding letter of intent dated August 27, 2018, which was reviewed by the Special Committee of Nextleaf.

On November 19, 2018, Nextleaf entered into the binding Acquisition Agreement with Legion and the binding Arrangement Agreement with Legion and Myriad Metals Corp., Legion’s wholly-owned subsidiary, to merge their respective businesses pursuant to a Plan of Arrangement, subject to shareholder and court approvals.

Recommendation of the Board of Nextleaf

The Board, after considering various factors, including the Acquisition Fairness Opinion, has determined that the Arrangement is fair to Nextleaf Shareholders and Nextleaf Financing Securityholders and that the Arrangement is in the best interests of Nextleaf and the Nextleaf Shareholders and Nextleaf Financing Securityholders and recommends that Nextleaf Shareholders vote in favour of the Arrangement.

Legion Background to the Arrangement

Legion’s board of directors and senior management, as part of their ongoing activities, regularly review and discuss business strategies and strategic alternatives available to Legion.

Legion is a company whose business is mineral exploration.

The Legion Board contemplated several strategic merger and financing paths over several months. The Board considered the synergies of Legion and Nextleaf on a combined basis. Following a thorough review of its strategic alternatives, the Special Committee of Legion determined that the proposed Plan of Arrangement with Nextleaf was in Legion’s best interests and in the best interests of the Legion Securityholders. Legion and Nextleaf proceeded first with the negotiation, drafting and entering into a binding letter of intent dated August 27, 2018, which was reviewed by the Special Committee of Legion.

On November 19, 2018, Legion entered into the binding Acquisition Agreement with Nextleaf and the binding Arrangement Agreement with Myriad Metals Corp., its wholly owned subsidiary, and Nextleaf to merge their respective businesses pursuant to a Plan of Arrangement, subject to regulatory and shareholder approvals.

Recommendation of the Board of Legion

The Board, after considering various factors, including the Acquisition Fairness Opinion and the Spinout Fairness Option, have determined that the Arrangement is fair to Legion Securityholders and that the Arrangement is in the best interests of Legion and the Legion Securityholders and recommends that Legion Securityholders vote in favour

of the Arrangement.

Reasons for the Arrangement

Legion retained the Spinout Fairness Opinion Author to evaluate the fairness, from a financial point of view, the divestment of the Millen Mountain Property into Spinco, the securities of which will be held by the Legion Securityholders. In addition, the Acquisition Financial Advisor, Richard W. Evans, MBA, CBV ASA, was appointed to evaluate the fairness, from a financial point of view, to both the Nextleaf Shareholders and Nextleaf Financing Securityholders and the Legion Securityholders of the consideration provided for in the Plan of Arrangement. Each of such advisors delivered fairness opinions affirming the fairness of the Arrangement.

As a result of the Plan of Arrangement, Legion Securityholders will stand to participate in future growth of Nextleaf.

The Arrangement Agreement represents the culmination of a thorough review of Nextleaf's and Legion's strategic options and negotiations with Nextleaf. Through this process, the Special Committees of Nextleaf and Legion considered the factors set out above in support of the Plan of Arrangement. The Special Committees of Nextleaf and Legion also considered numerous other factors, including:

- (a) The Arrangement will improve Nextleaf's financial capability to advance the development of its business;
- (b) Nextleaf Shareholders will receive common shares in the capital stock of Legion without payment of additional consideration;
- (c) Legion Shareholders will receive common shares in the capital stock of Spinco without payment of additional consideration;
- (d) The Spinout Fairness Opinion addressed to the Board of Legion as to the fairness, from a financial point of view, of the divestment of the Millen Mountain Property was fair to Legion Securityholders;
- (e) The Acquisition Fairness Opinion as to the fairness, from a financial point of view, of the offered consideration for each of the Nextleaf Securities was fair to Nextleaf, the Nextleaf Shareholders, the Nextleaf Financing Securityholders, Legion and the Legion Securityholders;
- (f) The Arrangement Resolution must be approved by the Requisite Nextleaf Majority and the Requisite Legion Majority;
- (g) The procedures by which the Arrangement is to be approved, including the fact that the Arrangement must be approved by the Court, which will consider, among other things, the fairness and reasonableness of the Arrangement to Nextleaf Shareholders;
- (h) The Dissent Rights provided to registered Legion Shareholders and Nextleaf Shareholders entitling them to dissent in relation to the Arrangement Resolution;
- (i) Potential tax consequences to Nextleaf, Nextleaf Shareholders, Legion and Legion Securityholders of the proposed transactions;
- (j) Current industry, economic and market conditions and trends;
- (k) Information concerning the business, operations, financial condition and prospects of Legion, Spinco and Nextleaf following the Arrangement;
- (l) The evaluation of Nextleaf's future prospects for successfully developing its existing assets and the likelihood of it engaging in other corporate or joint venture transactions to increase value for Legion

Securityholders;

- (m) The costs required to complete the proposed Arrangement, as well as the substantial transaction costs to be incurred by Nextleaf even if the proposed Arrangement is not consummated;
- (n) The substantial management time and effort required to effectuate the proposed Arrangement and the related disruption to the Parties' operations, including the disruption which would result if the proposed arrangement were not consummated, and the potential adverse effect on the Parties' business, financial operations or business prospects; and
- (o) The fact that, as a result of the proposed arrangement, existing Nextleaf Shareholders would be unable to benefit directly from any future growth or improved operating performance of Nextleaf, and instead would only benefit indirectly through Legion, to the extent Nextleaf Shareholders choose to retain their Legion Shares.

After due consideration, the Board of Nextleaf determined that the benefits of the Plan of Arrangement outweighed the risk factors considered. The Board of Nextleaf has unanimously determined that the Plan of Arrangement is fair and reasonable to the Nextleaf Shareholders and Nextleaf Financing Securityholders.

After due consideration, the Board of Legion determined that the benefits of the Plan of Arrangement outweighed the risk factors considered. The Board of Legion has unanimously determined that the Plan of Arrangement is fair and reasonable to the Legion Shareholders and the holder of the Legion Agent's Warrant.

The foregoing discussion of the information and factors considered by the respective Boards of Nextleaf and Legion is not intended to be exhaustive but summarizes the material factors considered by the Boards. The Boards reached their decisions with respect to the Arrangement in light of the factors described above and other factors that were considered appropriate in the circumstances. In reaching its determination to approve and recommend the Arrangement, neither Board found it useful or practicable to, and neither board quantified, ranked or otherwise attempted to make any specific assessments of or otherwise assign any relative or specific weight to the factors that were considered. Each Board's determination and recommendation was made after consideration of all of the factors relating to the Arrangement and in light of its own knowledge of the business, financial condition and prospects of Nextleaf and Legion.

Spinout Fairness Opinion

The Legion Board of Directors retained the Spinout Fairness Opinion Author to provide an opinion as to the fairness of the arrangement to Legion Shareholders and holders of Legion Agent's Warrants, from a financial point of view, of the consideration payable pursuant to the arrangement with Nextleaf. In connection with this mandate, Legion commissioned the preparation of a Spinout Fairness Opinion. The Spinout Fairness Opinion concludes that, on the basis of the particular assumptions, qualification and limitations set forth therein, as well as other matters it considered relevant, Legion is of the opinion, as of September 30, 2018 the consideration payable pursuant to the arrangement is fair, from a financial point of view, to the Legion Shareholders and the holder of the Legion Agent's Warrant.

The Spinout Fairness Opinion addresses only the fairness of consideration under the Arrangement from a financial point of view and is not and should not be construed as a valuation of Legion or its subsidiaries or any of their respective assets or securities or a recommendation to any Legion Shareholder or the holder of the Legion Agent's Warrant as to whether to vote in favour of the Arrangement Resolution. Legion Shareholders and the holder of the Legion Agent's Warrant are urged to, and should, read the Spinout Fairness Opinion in its entirety. See "Spinout Fairness Opinion" set out in Schedule "E" for the full text of the Spinout Fairness Opinion.

Neither the Spinout Fairness Opinion Author nor any of his affiliates is an insider, associate or affiliate (as such terms are defined in the Securities Act) of Legion or its subsidiaries or any of their respective associates or affiliates. The Spinout Fairness Opinion Author was paid a fee upon delivery of the Spinout Fairness Opinion to the

Legion Board of Directors. Payment of such fees is not contingent on the successful outcome of the Arrangement. In addition, the Spinout Fairness Opinion Author is to be reimbursed for his reasonable expenses.

The Legion Board of Directors has received the Spinout Fairness Opinion opining that, subject to the assumptions and limitations set out therein, the consideration payable pursuant to the Arrangement is fair, from a financial point of view, to the Legion Shareholders and the holder of the Legion Agent's Warrant.

The full text of the Spinout Fairness Opinion, which sets forth, among other things, assumptions made, information reviewed, matters considered and limitations on the scope of the review undertaken by the Spinout Fairness Opinion Author in rendering the Spinout Fairness Opinion, is attached as Schedule "E" to this Information Circular. The Spinout Fairness Opinion was prepared for the use of the Legion Board of Directors to facilitate the arrangement including filing it with the regulatory authorities and/or including it in any required mailing or for the Company making such disclosure that in the judgment of the Legion Board of Directors is required. The Spinout Fairness Opinion Author has expressly consented to including in any disclosure documents in connection with the Arrangement the complete text of the Spinout Fairness Opinion in its final form and/or a summary thereof. The summary of the Spinout Fairness Opinion set forth in this Information Circular is qualified in its entirety by reference to the full text of the Spinout Fairness Opinion. Legion Shareholders and the holder of the Legion Agent's Warrant are urged to read the Spinout Fairness Opinion carefully and in its entirety.

Acquisition Fairness Opinion

The Acquisition Financial Advisor was retained to provide financial advice to Nextleaf and Legion with respect to the Arrangement and to provide an opinion as to whether the offered consideration is fair, from a financial point of view, to Nextleaf Securityholders and Legion Securityholders. The Acquisition Financial Advisor provided a draft Acquisition Fairness Opinion to the Boards of Nextleaf and Legion and advised such Boards that based upon certain analyses, assumptions, qualifications and limitations, in his opinion, the consideration offered pursuant to the Arrangement was fair, from a financial point of view, to Nextleaf, the Nextleaf Securityholders, Legion and the Legion Securityholders. The final written Acquisition Fairness Opinion, consistent with the draft opinion previously provided, was delivered on November 6, 2018.

The full text of the Acquisition Fairness Opinion which sets forth, among other things, the assumptions made, information reviewed and matters considered by the Acquisition Financial Advisor in his Acquisition Fairness Opinion, as well as the limitations the opinion is subject to, is set forth as Schedule "F" to this Information Circular. Nextleaf Shareholders and Legion Securityholders are urged to read the Acquisition Fairness Opinion in its entirety. The summary of the opinion described in this Information Circular is qualified in its entirety by reference to the full text of such opinion.

The Acquisition Fairness Opinion was provided for the use of the Boards of Nextleaf and Legion only and may not be relied upon by any other person. Such opinion does not constitute a recommendation to any Nextleaf Shareholder or Legion Securityholder as to how such Nextleaf Shareholder or Legion Securityholder should vote on the proposed Arrangement Resolution or any matter related thereto.

The Acquisition Fairness Opinion was rendered on the basis of the economic and general business and financial conditions prevailing as at the date thereof and on information relating to the subject matter thereof as represented to the Acquisition Financial Advisor. As set forth in the Acquisition Fairness Opinion, the Acquisition Financial Advisor has, subject to the exercise of its professional judgment, relied upon, and assumed the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions and representations obtained by it from public sources or provided to it and has not attempted to independently verify the accuracy or completeness of such information. The Acquisition Fairness Opinion assumes, and is conditional upon, such completeness, accuracy and fair presentation. The Acquisition Financial Advisor was not asked to prepare and has not prepared a formal valuation of Legion, Nextleaf or any of their respective securities or assets.

The Acquisition Financial Advisor is independent of Nextleaf and Legion. Nextleaf and Legion have agreed to pay

fees to the Acquisition Financial Advisor in respect of it giving the Acquisition Fairness Opinion and performing its services relating to the Arrangement which are not contingent upon the conclusions reached by the Acquisition Financial Advisor in the Acquisition Fairness Opinion or upon the completion of the Arrangement. The Acquisition Financial Advisor is also entitled to be reimbursed for certain reasonable out of pocket expenses, whether or not the Arrangement is completed, incurred by the Acquisition Financial Advisor in carrying out its obligations. Nextleaf and Legion have agreed to indemnify the Acquisition Financial Advisor, subject to certain limitations, against certain losses, claims, causes of action, suits, proceedings, damages and liabilities arising out of the services provided by the Acquisition Financial Advisor pursuant to the Arrangement. The Acquisition Financial Advisor is not an associated or affiliated entity or issuer insider (as defined in the *Securities Act* (British Columbia) or the rules and policies promulgated thereunder) of Legion, Nextleaf or any of their respective subsidiaries, associates or affiliates.

The Arrangement

The following description is qualified in its entirety by reference to the full text of the Plan of Arrangement, which is attached as Exhibit 1 to Schedule "A" attached hereto. The Arrangement will become effective on the date which is the next Business Day following the date of the Final Order. Subject to the completion of the POA Effective Date Conditions on or before the Effective Date and commencing at the Effective Date, the following transactions, among others, will occur and will be deemed to occur in the order set out in the Plan of Arrangement:

Effective Date

The Plan of Arrangement will become effective at, and be binding at and after, the Effective Date on Legion, Nextleaf, all securityholders of Legion, all securityholders of Nextleaf, and Spinco.

The Arrangement

Subject to the completion of the POA Effective Date Conditions on or before the Effective Date, the following shall occur and shall be deemed to occur in the following sequence without any further act or formality of or by Nextleaf or Legion. The following steps are taken from Section 3.2 of the Plan of Arrangement:

3.2 Divestment of the Millen Mountain Property

- (a) Legion will transfer the Millen Mountain Property to Spinco in consideration of the Distributed Spinco Shares, such that the number of Distributed Spinco Shares received by Legion from Spinco for such assets will equal the number of issued and outstanding Legion Shares multiplied by the Conversion Factor as of the Share Distribution Record Date, and Legion will be added to the central securities register of Spinco in respect of such Distributed Spinco Shares;
- (b) The authorized share capital of Legion will be changed by:
 - (i) altering the identifying name of the Legion Shares to Class A Shares;
 - (ii) creating a class consisting of an unlimited number of common shares without par value (the "**New Shares**"); and
 - (iii) creating a class consisting of an unlimited number of Class A Preferred Shares without par value ("**Class A Preferred Shares**"), having the rights and restrictions described in Appendix "I" to the Plan of Arrangement, being the Legion Class A Preferred Shares;
- (c) Each issued Legion Class A Share will be exchanged for one (1) New Share and one (1) Legion Class A Preferred Share and, subject to the exercise of a right of dissent, the holders of the Legion Class A Shares will be removed from the central securities register of Legion and will be added to the central securities register as the holders of the number of New Shares and Legion Class A Preferred Shares that they have received on the exchange;

- (d) All of the issued Legion Class A Shares will be cancelled with the appropriate entries being made in the central securities register of Legion and the aggregate paid up capital (as that term is used for purposes of the Tax Act) of the Legion Class A Shares immediately prior to the Effective Date will be allocated between the New Shares and the Legion Class A Preferred Shares so that the aggregate paid up capital of the Legion Class A Preferred Shares is equal to the aggregate fair market value of the Distributed Spinco Shares as of the Effective Date, and each Legion Class A Preferred Share so issued will be issued by Legion at an issue price equal to such aggregate fair market value divided by the number of issued Legion Class A Preferred Shares, such aggregate fair market value of the Distributed Spinco Shares to be determined as at the Effective Date by resolution of the board of directors of Legion;
- (e) Legion will redeem the issued Legion Class A Preferred Shares for consideration consisting solely of the Distributed Spinco Shares such that each holder of Legion Class A Preferred Shares will, subject to the rounding of fractions and the exercise of rights of dissent, receive that number of Distributed Spinco Shares that is equal to the number of Legion Class A Preferred Shares multiplied by the Conversion Factor held by such holder;
- (f) The name of each holder of Legion Class A Preferred Shares will be removed as such from the central securities register of Legion, and all of the issued Legion Class A Preferred Shares will be cancelled with the appropriate entries being made in the central securities register of Legion;
- (g) The Distributed Spinco Shares transferred to the holders of the Legion Class A Preferred Shares pursuant to Subsection 3.2(e) above will be registered in the names of the former holders of Legion Class A Preferred Shares and appropriate entries will be made in the central securities register of Spinco;
- (h) The Legion Class A Shares and the Legion Class A Preferred Shares, none of which will be issued and outstanding once the steps referred to in Subsections 3.2(c) and 3.2(e) inclusive above are completed, will be cancelled and the authorized share structure of Legion will be changed by eliminating the Legion Class A Shares and the Legion Class A Preferred Shares therefrom;
- (i) The Notice of Articles and Articles of Legion will be amended to reflect the changes to its authorized share structure made pursuant to this Plan of Arrangement;
- (j) Notwithstanding Subsection 3.2(e), no fractional Distributed Spinco Shares shall be distributed to the Legion Shareholders and as a result all fractional share amounts arising under such sections shall be rounded down to the nearest whole number. Any Distributed Spinco Shares not distributed as a result of this rounding down shall be dealt with as determined by the board of directors of Legion in its absolute discretion;
- (k) The holders of the Legion Class A Shares and the holders of New Shares and Legion Class A Preferred Shares referred to in Subsection 3.2(c), and the holders of the Legion Class A Preferred Shares referred to in Subsection 3.2 (e), Subsection 3.2 (f) and Subsection 3.2 (g), shall mean in all cases those persons who are Legion Shareholders at the close of business on the Share Distribution Record Date, subject to the exercise of rights of dissent;
- (l) Spinco shall grant and issue Echelon Wealth Partners Inc., as the holder of the Legion Agent's Warrant, an option to purchase a number of Spinco common shares equal to the number of Legion Shares that could be purchased under the Legion Agent's Warrant and at an exercise price equal to the exercise price of the Legion Agent's Warrant (with the remaining term to expiry, conditions to and manner of exercising, and all other terms and conditions being substantially the same as the Legion Agent's Warrant) taking into consideration the Consolidation and applying the Conversion Factor. Other than the Legion Agent's Warrant, no other convertible security of Legion shall entitle any holder thereof to receive any security under the Arrangement;
- (m) All New Shares, Legion Class A Preferred Shares and Distributed Spinco Shares issued pursuant to this

Plan of Arrangement shall be deemed to be validly issued and outstanding as fully paid and non-assessable shares for all purposes of the BCA. The Arrangement shall become final and conclusively binding on the Legion Securityholders, and on Legion, Spincor on the Effective Date;

- (n) Notwithstanding that the foregoing transactions and events set out in Subsections 3.2(a) to 3.2(m) inclusive shall occur and shall be deemed to occur in the chronological order therein set out without any act or formality, each of Legion and Spincor shall be required to make, do and execute or cause and procure to be made, done and executed all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may be required to give effect to, or further document or evidence, any of the transactions or events set out in Subsections 3.2(a) to 3.2(m) inclusive, including, without limitation, any resolutions of directors authorizing the issue, transfer or redemption of shares, any share transfer powers evidencing the transfer of shares and any receipt therefore, and any necessary additions to or deletions from share registers;

Acquisition of Nextleaf

- (o) Following the completion of Subsections 3.2(a) to 3.2(n) inclusive, the following events of the Arrangement shall occur and shall be deemed to occur in the following sequence;
- (p) Each Nextleaf incentive stock option outstanding immediately before the Nextleaf Financing Completion (as hereinafter defined) shall be deemed to be cancelled without consideration, without the need for any further act or formality, and with respect to each such Nextleaf incentive stock option, the holder thereof will cease to be the holder thereof or to have any rights as a holder in respect of such Nextleaf incentive stock option and the name of the holder thereof will be removed from the applicable securities register of Nextleaf with respect to such Nextleaf incentive stock option;
- (q) Each Nextleaf warrant outstanding immediately before the Nextleaf Financing Completion shall be deemed to be cancelled without consideration, without the need for any further act or formality, and with respect to each such Nextleaf warrant, the holder thereof will cease to be the holder thereof or to have any rights as a holder in respect of such Nextleaf warrant and the name of the holder thereof will be removed from the applicable securities register of Nextleaf with respect to such Nextleaf warrant;
- (r) Under the Nextleaf Financing Completion, Nextleaf shall complete its fundraising by raising gross proceeds of not less than \$3,000,000 and issuing not less than 8,571,428 Nextleaf Financing Shares at \$0.35 per Nextleaf Financing Share in satisfaction of subsection (v) of the POA Effective Date Conditions;
- (s) Each Nextleaf Share that is issued and outstanding immediately following the Nextleaf Financing Completion (excluding the Nextleaf Shares held by Dissenting Shareholders who are ultimately determined to be entitled to be paid the fair value of the Nextleaf Shares in respect of which they have exercised their Dissent Rights) will be transferred, and will be deemed to be transferred, without any act or formality on the Nextleaf Shareholder's part, to Legion in exchange for one (1) fully paid and non-assessable Legion Share;
- (t) At the same time as Subsection 3.2(s) with respect to each Nextleaf Share transferred to Legion:
 - (i) the Nextleaf Shareholder who was the registered holder of such Nextleaf Share immediately after the Nextleaf Financing Completion will be deemed to have ceased to be the holder of such Nextleaf Share and the name of such Nextleaf Shareholder will be removed from the securities register of Nextleaf with respect to such Nextleaf Share; and
 - (ii) legal and beneficial title to such Nextleaf Share will be deemed to have vested in Legion and Legion be and is hereby deemed to be the transferee and the legal and beneficial owner (free and clear of any Liens) of such Nextleaf Share and will be entered in the securities register of Legion as the sole holder of such Nextleaf Share;

- (u) Each Nextleaf Financing Warrant granted and issued by Nextleaf in connection with the Nextleaf Financing and outstanding immediately following the Nextleaf Financing Completion:
 - (i) shall be assumed by Legion and exchanged for a warrant to purchase a number of Legion Shares equal to the number of Nextleaf Shares that could be purchased under the exchanged Nextleaf Financing Warrant and at an exercise price equal to the exercise price of the exchanged Nextleaf Financing Warrant (with the remaining term to expiry, conditions to and manner of exercising and all other terms and conditions being substantially the same as the exchanged Nextleaf Financing Warrant); and
 - (ii) following such assumption and exchange, the Nextleaf warrant holders shall have no interests or rights in and to any Nextleaf Shares or any interest to acquire securities of Nextleaf;
- (v) Each Nextleaf Financing Compensation Option granted and issued by Nextleaf in connection with the Nextleaf Financing and outstanding immediately following the Nextleaf Financing Completion:
 - (i) shall be assumed by Legion and exchanged for an equivalent compensation option to purchase a number of Legion Shares equal to the number of Nextleaf Shares that could be purchased under the exchanged Nextleaf Financing Compensation Option (with the remaining term to expiry, conditions to and manner of exercising, and all other terms and conditions being substantially the same as the exchanged Nextleaf Financing Compensation Option); and
 - (ii) following such assumption and exchange, the holder of the Nextleaf Financing Compensation Option granted and issued in connection with the Nextleaf Financing shall have no interests or rights in and to any Nextleaf Shares or any interest to acquire securities of Nextleaf;
- (w) As a consequence of the foregoing steps, (i) the separate legal existence of Nextleaf will continue; (ii) Nextleaf will become the wholly-owned subsidiary of Legion; and (iii) the assets and liabilities of Nextleaf will remain the property and liabilities of Nextleaf;
- (x) Each of the outstanding Nextleaf Shares held by Dissenting Shareholders who are ultimately determined to be entitled to be paid the fair value of the Nextleaf Shares in respect of which they have exercised their Dissent Rights shall be deemed to be irrevocably transferred to Legion (free and clear of any Liens) and such Dissenting Shareholders shall cease to have any rights as Nextleaf Shareholders other than the right to be paid the fair value of their Nextleaf Shares in accordance with Article 5 of the Plan of Arrangement;
- (y) At the same time as the step contemplated by Subsection 3.2(x) above, with respect to each Nextleaf Share held by a Dissenting Shareholder:
 - (i) the Dissenting Shareholder who was the registered holder of such Nextleaf Share immediately prior to the Effective Date will be deemed to have ceased to be the holder of such Nextleaf Share and the name of such Dissenting Shareholder will be removed from the securities register of Nextleaf with respect to such Nextleaf Share; and
 - (ii) legal and beneficial title to such Nextleaf Share will be deemed to have vested in Legion and Legion will be, and be deemed to be, the transferee and the legal and beneficial owner (free and clear of any Liens) of such Nextleaf Shares and will be entered in the securities register of Legion as the sole holder of such Legion Share; and

provided that none of the foregoing in Subsections 3.2(a) to (y) above will occur or be deemed to occur, unless all of the foregoing occurs.

Certificates and Fractional Shares

The following provisions related to the certificates of the securities under the Plan of Arrangement are taken from Article 4 of the Plan of Arrangement:

Divestment of the Millen Mountain Property

- 4.1 Recognizing that the Legion Shares shall be redeemed and re-designated as Legion Class A Shares pursuant to s. 3.2(b)(i) and that the Legion Class A Shares shall be exchanged partially for New Shares pursuant to s. 3.2(c), Legion shall not issue replacement share certificates representing the Legion Class A Shares.
- 4.2 Recognizing that the Distributed Spincos shall be transferred to the Legion Shareholders as consideration for the redemption of the Legion Class A Preferred Shares pursuant to s. 3.2(e), Spincos shall issue one share certificate representing all of the Distributed Spincos registered in the name of Legion, which share certificate shall be held by the Transfer Agent until the Distributed Spincos are transferred to the Legion Shareholders and such certificate shall then be cancelled by the Transfer Agent. To facilitate the transfer of the Distributed Spincos to the Legion Shareholders as of the Share Distribution Record Date, Legion shall execute and deliver to the Transfer Agent an irrevocable power of attorney or a treasury order, authorizing them to distribute and transfer the Distributed Spincos to such Legion Shareholders in accordance with the terms of this Plan of Arrangement and Spincos shall deliver treasury orders or such other direction to effect such issuance to the Transfer Agent as requested by it.
- 4.3 Recognizing that all of the Legion Class A Preferred Shares issued to the Legion Shareholders pursuant to s. 3.2(c) will be redeemed by Legion as consideration for the distribution and transfer of the Distributed Spincos under s. 3.2(e), Legion shall issue one share certificate representing all of the Legion Class A Preferred Shares issued pursuant to s. 3.2(e) in the name of the Transfer Agent, to be held by the Transfer Agent for the benefit of the Legion Shareholders until such Legion Class A Preferred Shares are redeemed, and such certificate shall then be cancelled.
- 4.4 As soon as practicable after the Effective Date, Spincos shall cause to be issued to the registered holders of Legion Shares as of the Share Distribution Record Date, share certificates or direct registration statements representing the Distributed Spincos to which they are entitled pursuant to this Plan of Arrangement and shall cause such share certificates or direct registration statements to be mailed to such registered holders.
- 4.5 From and after the Effective Date, share certificates representing Legion Shares immediately before the Effective Date, except for those deemed to have been cancelled pursuant to Article 5, shall for all purposes be deemed to be share certificates representing New Shares, and no new share certificates shall be issued with respect to the New Shares issued in connection with the Arrangement.
- 4.6 Legion Shares traded after the Share Distribution Record Date and prior to the Effective Date shall represent New Shares and shall not carry any right to receive a portion of the Distributed Spincos.

Acquisition of Nextleaf

- 4.7 **Exchange of Certificates.** Each Nextleaf Shareholder shall be entitled to receive the Legion Shares issuable pursuant to this Plan of Arrangement in the manner set out in Subsection 3.2(s) above on the Effective Date and the shareholders of Nextleaf (except for any shareholders which have exercised their Rights of Dissent as defined in Section 5.1 of the Plan of Arrangement below) shall be deemed to have transferred their certificated or uncertificated shares, as the case may be, to Legion without any executed writing, instrument or other formality. Concurrently, (i) each holder of a Nextleaf Financing Warrant shall be deemed to: (A) have surrendered their Nextleaf Financing Warrant to Nextleaf without any executed writing, instrument or other formality and (B) be entitled to receive an equivalent warrant from Legion; and (ii) each holder of a Nextleaf Financing Compensation Option shall be deemed to: (A) have surrendered their Nextleaf Financing Compensation Option to Nextleaf without any executed writing, instrument or other formality and (B) be entitled to receive an equivalent compensation option from Legion;

- 4.8 **Transfer of Ownership.** In the event of a transfer of ownership of Nextleaf Securities that is not registered in the records of Nextleaf, certificates representing the proper numbers of Legion Securities may be issued to the transferee if the certificate representing such Nextleaf Securities is presented to Nextleaf together any documents required by Nextleaf to evidence and effect such transfer.
- 4.9 **Lost Certificates.** If any certificate which represents Nextleaf Securities has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed, satisfactory to Nextleaf and to Legion, and upon such Person giving an indemnity satisfactory to Legion against any claims that may be made against Legion with respect to the certificate alleged to have been lost, stolen or destroyed, in exchange for such lost, stolen or destroyed certificate, certificates representing the Legion securities deliverable for such Nextleaf Securities will be issued.
- 4.10 **Unsurrendered Certificates.** Until surrendered as contemplated by Article 4.7, each certificate or agreement which immediately prior to the Effective Date represented one or more outstanding Nextleaf Security shall be deemed at all times after the Effective Date to represent only the right to receive the securities contemplated by Article 4.7.
- 4.11 **Distributions with respect to Unsurrendered Share Certificates.** No dividends or other distributions declared or made after the Effective Date with respect to Legion Shares with a record date after the Effective Date shall be paid to the holder of any unsurrendered certificate which immediately prior to the Effective Date represented outstanding Nextleaf Shares that were exchanged pursuant to Article 4.7, unless and until the holder of record of such certificate shall surrender such certificate in accordance with Article 4.7.
- 4.12 **Fractional Securities.** No fractional securities will be issued by Legion, and no cash will be paid in lieu thereof. Any fractions resulting will be rounded down to the nearest lower whole number.
- 4.13 **Surrender of Rights.** Notwithstanding any of the other provisions hereof, any certificate which immediately prior to the Effective Date represented outstanding Nextleaf Securities shall cease to represent a claim or interest of any kind or nature against Legion, if it has not been surrendered with all other instruments required hereby on or prior to the third anniversary of the Effective Date. In such circumstances, the person ultimately entitled to any certificate hereunder shall be deemed to have surrendered such entitlement to Legion, together with all entitlement to dividends and distributions thereon held for such person for no consideration.

Effective Date of the Arrangement

If the Nextleaf and Legion Meetings are held as scheduled and are not adjourned, the Arrangement Resolution is passed and the other necessary conditions at that point in time are satisfied or waived, Legion will apply for the Final Order approving the Arrangement. If the Final Order is obtained on January 4, 2019 or as soon thereafter as counsel may be heard in the Court in form and substance satisfactory to Legion and Nextleaf, and all other conditions set out in the Arrangement Agreement are satisfied or waived, Legion expects the Effective Date will be on or about January 7, 2018 or such other date as agreed between Legion and Nextleaf. It is not possible, however, to state with certainty when the Effective Date will occur. Please see the attached Schedule "C" for the Notice of Application for Final Order.

The objective of Legion and Nextleaf is to have the Effective Date occur as soon as is practical after the Meeting. The Effective Date could be delayed, however, for a number of reasons, including an objection before the Court at the hearing of the application for the Final Order scheduled for January 4, 2019 or as soon thereafter as counsel may be heard in the Court.

Securityholder Approval of the Arrangement

The approval of the Arrangement Resolution will require the affirmative votes of the Requisite Nextleaf Majority and the Requisite Legion Majority, as the case may be, at the Meetings.

The complete text of the Arrangement Resolution to be presented to the Meetings is set forth in Schedule “A” to this Information Circular.

Court Approval of the Arrangement

An arrangement under the BCA requires Court approval. Prior to the mailing of this Information Circular, Legion obtained the Interim Order, which provides for the calling and holding of the Meeting, the Dissent Rights and other procedural matters. A copy of the Interim Order is attached as Schedule “B” to this Information Circular.

Subject to approval of the Arrangement Resolution by Nextleaf Shareholders at the Nextleaf Meeting and Legion Securityholders at the Legion Meeting, the hearing in respect of the Final Order is currently scheduled to take place on January 4, 2019, (PDT) or as soon thereafter as counsel may be heard in the Court, at 800 Smithe Street, Vancouver, British Columbia. Any Nextleaf Shareholder or Legion Securityholder or any other interested party who wishes to participate or to be represented or to present evidence or argument may do so, subject to filing with the Court an appearance and delivering a copy of the filed appearance, together with a copy of all material on which such holder or person intends to rely at the hearing, including an outline of such holder’s or person’s proposed submissions, to the solicitors for Legion: Beadle Raven LLP, Barristers & Solicitors, Suite 600, 1090 West Georgia Street, Vancouver, British Columbia, Attention Michael Raven or to the solicitors for Nextleaf: Fang and Associates, Barristers & Solicitors, Suite 1780, 400 Burrard Street, Vancouver, British Columbia, Attention: Paul Fang on or before 5:00 p.m. (PDT) on January 2, 2019, subject to other direction of the Court. Please see the attached Schedule “C” for the Notice of Application for Final Order.

Assuming the Final Order is granted and the other conditions to closing contained in the Arrangement Agreement are satisfied or waived to the extent legally permissible, then the Arrangement filings will be filed with the Registrar to give effect to the Arrangement.

Rights of Dissenting Nextleaf Shareholders in Connection with the Arrangement

The following description of a Nextleaf Shareholder’s Dissent Rights is not a comprehensive statement of the procedures to be followed by a Dissenting Nextleaf Shareholder and is qualified entirely by reference to the full text of the Interim Order and Article 5 of the Plan of Arrangement. The Interim Order, which is annexed as Schedule “B” to this Information Circular, expressly provides registered Nextleaf Shareholders with Dissent Rights on substantially the same terms and conditions as set out in Sections 237 to 247 of the BCA annexed as Schedule “D” to this Information Circular, subject to the terms of the Plan of Arrangement, the Interim Order and the Final Order.

There is no mandatory statutory right of dissent or appraisal in respect of plans of arrangement under the BCA. However, as contemplated in the Interim Order and the Plan of Arrangement, Nextleaf has granted Dissent Rights to registered Nextleaf Shareholders who object to the Arrangement Resolution. The Dissent Rights are under Section 237 to 247 of the BCA which are set out in their entirety in Schedule “D” to this Information Circular as modified by the Plan of Arrangement, the Interim Order and Final Order.

Under the BCA and the Interim Order, only a registered Nextleaf Shareholder may exercise the Dissent Rights in respect of Nextleaf Shares registered in that Nextleaf Shareholder’s name. In some cases, Nextleaf Shares beneficially owned by a Non-Registered Nextleaf Shareholder are registered either (i) in the name of an Intermediary, or (ii) in the name of a clearing agency (such as CDS) of which the Intermediary is a participant. Accordingly, a Non-Registered Nextleaf Shareholder will not be entitled to exercise its Dissent Rights directly (unless the Nextleaf Shares are re-registered in the Non-Registered Nextleaf Shareholder’s name and the procedures to exercise Dissent Rights are strictly complied with). A Non-Registered Nextleaf Shareholder who

wishes to exercise Dissent Rights should immediately contact the Intermediary with whom the Non-Registered Nextleaf Shareholder deals in respect of its Nextleaf Shares and either: (i) instruct the Intermediary to exercise the Dissent Rights on the Non-Registered Nextleaf Shareholder's behalf (which, if the Nextleaf Shares are registered in the name of CDS or other clearing agency, may require that such Nextleaf Shares first be reregistered in the name of the Intermediary), or (ii) instruct the Intermediary to re-register such Nextleaf Shares in the name of the Non-Registered Nextleaf Shareholder, in which case the Non-Registered Nextleaf Shareholder would be able to exercise the Dissent Rights directly without the involvement of the Intermediary.

In general, any registered Nextleaf Shareholder who dissents from the Arrangement Resolution in compliance with Sections 237 to 247 of the BCA (as modified by the Plan of Arrangement, the Interim Order and the Final Order) will be entitled, in the event that the Arrangement becomes effective, to be paid by Legion the fair value of the Nextleaf Shares held by such Dissenting Nextleaf Shareholder determined as at the point in time immediately before the passing of the Arrangement Resolution. A Dissenting Nextleaf Shareholder shall, on the Effective Date, and notwithstanding the provisions of Sections 237 to 247 of the BCA, be deemed to have transferred the Nextleaf Shares held by them to Legion and shall cease to have any rights as a holder of Nextleaf Shares except for the entitlement to be paid fair value for such Nextleaf Shares.

The Plan of Arrangement provides that registered Nextleaf Shareholders may exercise Dissent Rights in connection with the Arrangement pursuant to and in the manner set forth in Section 238 of the BCA as modified by the Interim Order, the Final Order and Article 5 of the Plan of Arrangement, provided that, notwithstanding Section 242 of the BCA, the Dissent Notice must be received by Nextleaf by not later than 5:00 p.m. (PDT) on the last Business Day immediately preceding the date of the Meeting (as it may be adjourned or postponed from time to time). In addition, notwithstanding Sections 237 to 247 of the BCA, Nextleaf Shareholders who duly exercise their Dissent Rights shall be deemed to have transferred the Nextleaf Shares held by them and in respect of which Dissent Rights have been validly exercised to Legion free and clear of all Liens, as provided in Plan of Arrangement, and (a) if they ultimately are entitled to be paid fair value for such Nextleaf Shares, they shall be paid the fair value which shall equal the fair value of such Nextleaf Shares immediately before the approval of the Arrangement Resolution by the Nextleaf Shareholders and they shall not be entitled to any other payment or consideration; or (b) if they ultimately are not entitled, for any reason, to be paid fair value for such Nextleaf Shares, they shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting holder of Nextleaf Shares.

In no event shall Legion or Nextleaf be required to recognize a Dissenting Nextleaf Shareholder as a Nextleaf Shareholder after the Effective Date, and the names of such Dissenting Nextleaf Shareholders that have validly exercised Dissent Rights shall be removed from the securities registers of Nextleaf.

In addition to any other restrictions set out in Sections 237 to 247 of the BCA, none of the Nextleaf Shareholders who vote or who have instructed a proxyholder to vote their Nextleaf Shares in favour of the Arrangement Resolution shall be entitled to exercise Dissent Rights.

A Dissenting Nextleaf Shareholder who, for any reason, does not properly fulfill each of the Dissent Procedures in accordance with the applicable requirements, acts inconsistently with such dissent, or who, for any other reason, is not entitled to be paid the fair value of their Nextleaf Shares shall be treated as if the Nextleaf Shareholder had participated in the Arrangement on the same basis as a non-dissenting Nextleaf Shareholder.

A Nextleaf Shareholder who wishes to dissent must deliver a Dissent Notice to Nextleaf c/o Fang and Associates Barristers & Solicitors, at Suite 1780-400 Burrard Street, Vancouver, British Columbia, V6C 3A6, Attention: Paul Fang no later than 5:00 p.m. (PDT) on the last Business Day immediately preceding the Meeting or any adjournments or postponements thereof, being 5:00 p.m. (PDT) on January 2, 2019.

A separate Dissent Notice is required for a Nextleaf Shareholder if the Nextleaf Shareholder is exercising the Dissent Rights on its own behalf and for each person who beneficially owns the Nextleaf Shares registered in the Nextleaf Shareholder's name and on whose behalf the Nextleaf Shareholder is exercising the Dissent Rights. A Nextleaf Shareholder wishing to exercise the Dissent Rights must do so in respect of all the Nextleaf Shares registered in the Nextleaf Shareholder's name and held for the beneficial person on whose behalf the Dissent Rights

are being exercised. A person wishing to exercise Dissent Rights in respect of Nextleaf Share of which such person is a beneficial owner must exercise Dissent Rights with respect to all Nextleaf Shares of which such person is both a registered and beneficial owner and cause each registered Nextleaf Shareholder who is the registered owner of any other Nextleaf Shares of which such person is a beneficial owner to exercise Dissent Rights with respect to all such Legion Securities.

The Dissent Notice must set out the information required under Section 242 of the BCA, including the number of Nextleaf Shares in respect of which the Dissent Notice is being sent and:

- (a) if such Nextleaf Shares constitute all of the Nextleaf Shares of which the Nextleaf Shareholder is both the registered and beneficial owner and the Nextleaf Shareholder owns no other Nextleaf Shares, a statement to that effect;
- (b) if such Nextleaf Shares constitute all of the Nextleaf Shares of which the Nextleaf Shareholder is both the registered and beneficial owner, but the Nextleaf Shareholder owns additional Nextleaf Shares beneficially, a statement to that effect and the names of the registered owners of such Nextleaf Shares, the number of Nextleaf Shares held by such registered owners and a statement that Dissent Notices have or will be sent with respect to such Nextleaf Shares; or
- (c) if the Dissent Rights are being exercised by a registered owner who is not also the beneficial owner of such Nextleaf Shares, a statement to that effect and the name of the beneficial owner and a statement that the registered owner is dissenting with respect to all Nextleaf Shares of the beneficial owner registered in such registered owner's name.

A vote against the Arrangement Resolution does not constitute a Dissent Notice under the BCA and a Nextleaf Shareholder who votes in favour of the Arrangement will not be considered a Dissenting Shareholder.

Nextleaf is required, promptly after the later of: (i) the date on which it forms the intention to proceed with the Arrangement; and (ii) the date on which the Dissent Notice was received, to notify each Dissenting Nextleaf Shareholder of its intention to act on the Plan of Arrangement. Nextleaf expects that it will be in a position to deliver such notification on or before the Effective Date. Upon receipt of such notification, each Dissenting Nextleaf Shareholder is then required, if the Dissenting Nextleaf Shareholder wishes to proceed with the exercise of Dissent Rights, within one month after the date of such notice to send to Nextleaf: (a) a written statement that the Dissenting Nextleaf Shareholder requires Legion to purchase all of its Nextleaf Shares; (b) the certificates representing such Nextleaf Shares; and (c) if the Dissent Rights are being exercised by the Dissenting Nextleaf Shareholder on behalf of a beneficial owner who is not the registered owner, a written statement to that effect and including the name of the beneficial owner and a statement that the registered owner is dissenting with respect to all Nextleaf Shares of the beneficial owner registered in such registered owner's name, setting out whether or not the beneficial owner is the beneficial owner of other Nextleaf Shares, and if so, setting out: (i) the names of the registered owners of such Nextleaf Shares, (ii) the number of Nextleaf Shares held by such registered owners, and (iii) that Dissent Rights are being exercised with respect to all such other Nextleaf Shares. Unless the Court orders otherwise, a Nextleaf Shareholder who fails to send to Nextleaf within the required time frame the written statements described above and the certificates representing the Nextleaf Shares in respect of which the Dissenting Nextleaf Shareholder dissents, forfeits the Nextleaf Shareholder's Dissent Rights.

On sending the required documentation to Nextleaf, the fair value for the Nextleaf Shares held by a Dissenting Nextleaf Shareholder will be determined as follows:

- (a) if Nextleaf and a Dissenting Nextleaf Shareholder agree on the fair value of the Nextleaf Shares, then Nextleaf must promptly pay that amount to the Dissenting Nextleaf Shareholder; or
- (b) if a Dissenting Nextleaf Shareholder and Nextleaf are unable to agree on a fair value, the Dissenting Nextleaf Shareholder may apply to the Court to determine the fair value of the Nextleaf Shares, and Nextleaf must pay to the Dissenting Nextleaf Shareholder the fair value determined by the Court.

Nextleaf Shareholders who duly exercise their Dissent Rights shall be deemed to have transferred the Nextleaf Shares held by them in respect of which Dissent Rights have been exercised to Legion free and clear of Liens, at the Effective Date. If the Arrangement is not implemented for any reason, Dissenting Nextleaf Shareholder will not be entitled to be paid the fair value for their Nextleaf Shares, and such Nextleaf Shares will not be deemed to be transferred to Legion.

Section 246 of the BCA outlines certain events when Dissent Rights will cease to apply where such events occur before payment is made to the Dissenting Nextleaf Shareholders of the fair value of the Nextleaf Shares surrendered (including if the Arrangement Resolution is not approved or is otherwise not proceeded with). In such events, the Dissenting Nextleaf Shareholder will be entitled to the return of the applicable share certificate(s), if any, and rights as a Nextleaf Shareholder in respect of the applicable Nextleaf Shares will be regained.

The discussion above is only a summary of the Dissent Procedures which are technical and complex. A Nextleaf Shareholder who intends to exercise his or her Dissent Rights should carefully consider and comply with the provisions of Sections 237 to 247 of the BCA, as modified by the Plan of Arrangement, the Interim Order and the Final Order. It is suggested that any Nextleaf Shareholder wishing to exercise Dissent Rights seek legal advice, as failure to comply strictly with the applicable provisions of the BCA, the Interim Order and this Information Circular may prejudice the availability of such Dissent Rights. Dissenting Shareholders should note that the exercise of Dissent Rights can be a complex, time consuming and expensive process.

Rights of Dissenting Legion Shareholders in Connection with the Arrangement

The BCA does not contain a provision requiring the Company to purchase Legion Shares from Legion Shareholders who dissent from the Arrangement. However, pursuant to the terms of the Plan of Arrangement, the Company has granted the Legion Shareholders who object to the Arrangement Resolution the right to dissent (the "Dissent Right") in respect of the Arrangement. A Dissenting Shareholder will be entitled to be paid in cash the fair value of the Dissenting Shareholder's Legion Shares so long as the dissent procedures are strictly adhered to. The Dissent Right is granted in Article 5 of the Plan of Arrangement. A registered Dissenting Shareholder who intends to exercise the Dissent Right is referred to the full text of Sections 237 to 247 of the Act which is attached as Schedule "D" to this Information Circular.

A Legion Shareholder who wishes to exercise his or her Dissent Right must give written notice of his or her dissent to the Company c/o Beadle Raven LLP, Barristers & Solicitors, at Suite 600, 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7, Attention: Michael Raven, which the Notice of Dissent must be received by the Company on or before 5:00 p.m. (PDT) on the last Business Day preceding the date of the Meeting.

The giving of such notice of dissent does not deprive a Dissenting Shareholder of his or her right to vote at the Meeting on the Arrangement Resolution. However, the procedures for exercising Dissent Rights given in Schedule "D" must be strictly followed as a vote against the Arrangement Resolution or the execution or exercise of a proxy voting against the Arrangement Resolution does not constitute such notice of dissent.

Legion Shareholders should be aware that they will not be entitled to exercise a Dissent Right with respect to any Legion Shares if they vote (or instruct or are deemed, by submission of any incomplete proxy, to have instructed his or her proxy holder to vote) in favour of the Arrangement Resolution. A Dissenting Shareholder may, however, vote as a proxy for a Legion Shareholder whose proxy requires an affirmative vote on the Arrangement Resolution, without affecting his or her right to exercise the Dissent Right.

In the event that a Legion Shareholder fails to perfect or effectively withdraws its claim under the Dissent Right or forfeits its right to make a claim under the Dissent Right, each Legion Share held by that Legion Shareholder will thereupon be deemed to have been exchanged in accordance with the terms of the Arrangement as of the Effective Date.

Legion Shareholders who wish to exercise Dissent Rights should review the dissent procedures described in Schedule "D" and seek legal advice, as failure to adhere strictly to the Dissent Right requirements will result in the

loss or unavailability of any right to dissent.

The discussion above is only a summary of the Dissent Procedures which are technical and complex. A Legion Shareholder who intends to exercise his or her Dissent Rights should carefully consider and comply with the provisions of Sections 237 to 247 of the BCA, as modified by the Plan of Arrangement, the Interim Order and the Final Order. It is suggested that any Legion Shareholder wishing to exercise Dissent Rights seek legal advice, as failure to comply strictly with the applicable provisions of the BCA, the Interim Order and this Information Circular may prejudice the availability of such Dissent Rights. Dissenting Shareholders should note that the exercise of Dissent Rights can be a complex, time consuming and expensive process.

Securities Law Matters

- *Canadian*

The Legion Securities to be issued in consideration for the surrender and cancellation of Nextleaf Securities under the Arrangement will be issued in reliance on exemptions from prospectus and registration requirements of Applicable Securities Laws. The Legion Securities will not be subject to any hold period under applicable securities laws of the provinces of Canada.

- *United States*

The Legion Shares to be issued under the Arrangement have not been and will not be registered under the U.S. Securities Act and will be issued in reliance upon the exemption from registration requirements provided by section 3(a)(10) of the U.S. Securities Act. Section 3(a)(10) of the U.S. Securities Act is an exemption from U.S. Securities Act registration for offers and sales of securities issued in exchange for one or more outstanding securities where the terms and conditions of the issuance and exchange of such securities have been approved by any court authorized to grant such approval after a hearing upon the fairness of the terms and conditions of the issuance and exchange at which all persons to whom the securities will be issued have the right to appear. The Court is authorized to conduct a hearing at which the fairness of the terms and conditions of the Arrangement will be considered. The Court entered the Interim Order on November 23, 2018 and, subject to the approval of the Arrangement by the Nextleaf Shareholders and Legion Securityholders, the application for the Final Order approving the Arrangement is scheduled for January 4, 2019 or as soon thereafter as counsel may be heard in the Court. Please see the section “The Arrangement – Court Approval of the Arrangement” in this Information Circular.

Under SEC rules, the securities to be issued to the Nextleaf Securityholders will be freely tradable under U.S. federal securities laws, except by Persons who are “affiliates” of Nextleaf after the Arrangement. Persons who may be deemed to be “affiliates” of an issuer include individuals or entities that control, are controlled by, or are under common control with, the issuer, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer.

Any resale of such securities by such an affiliate may be subject to the registration requirements of the U.S. Securities Act, absent an exemption therefrom. Securities to be issued to such affiliates pursuant to the Arrangement may also be resold in compliance with the resale provisions of Rule 145(d)(1) under the U.S. Securities Act, or as otherwise permitted under the U.S. Securities Act. Rule 145(d)(1) generally provides that such affiliates may not sell the securities received pursuant to the Arrangement unless pursuant to an effective registration statement or in accordance with the volume, current public information and manner of sale limitations of Rule 144 under the U.S. Securities Act. These limitations generally require that any sales made by an affiliate in any three month period not exceed the greater of 1% of the outstanding securities of Nextleaf.

In addition, Persons who are affiliates of Legion solely by virtue of holding a position as an officer or director of Nextleaf may sell Legion Shares without registration under the U.S. Securities Act if such sales are made in accordance with Rule 904 of Regulation S. Other affiliates of Legion may sell Legion Shares without registration under the U.S. Securities Act if such sales are made in accordance with Rule 903 of Regulation S.

The foregoing discussion is only a general overview of certain requirements of United States securities laws applicable to the Nextleaf Shares. All recipients of such securities are urged to consult with counsel to ensure that the resale of their securities complies with applicable securities laws and regulations.

Interest of Certain Persons in Matters to be Acted Upon

The Legion Board is aware of the following material interests in the matters to be acted upon at the Meeting: all directors and officers of Legion, except for Guy Pinsent, are shareholders of Nextleaf and therefore have a material interest in the Arrangement.

Other than as disclosed above, the Legion Board is not aware of any material interest, direct or indirect, by way of beneficial interest or otherwise, in any matter to be acted on at the Meeting.

The estimated costs to be incurred by Legion relating to the Arrangement including, without limitation, financial advisory, legal, tax, and accounting fees, and the preparation and printing of this Information Circular are expected to be approximately \$100,000 and under the terms of the Arrangement Agreement will be paid by Legion.

THE ACQUISITION AGREEMENT AND THE ARRANGEMENT AGREEMENT

Nextleaf is party to the Acquisition Agreement with Legion under which Legion will acquire 100% of the issued and outstanding shares of Nextleaf, subject to the terms and conditions of the Acquisition Agreement. Under the Acquisition Agreement, Legion has agreed to purchase all of the issued and outstanding Nextleaf Shares under the following sequence of events: (a) Legion shall consolidate its common shares of its capital stock resulting in no more than 3,647,029 common shares being issued and outstanding in the capital stock Legion following the consolidation; (b) Legion will transfer the Millen Mountain Property to Spinco in exchange for such number of Distributed Spinco Shares equal to the number of issued and outstanding Legion Shares multiplied by the Conversion Factor, which Distributed Spinco Shares will then be distributed to the Legion shareholders; (c) the Nextleaf Financing shall be completed by Nextleaf raising the gross proceeds of not less than \$3,000,000; and (d) each Nextleaf Share that is issued and outstanding immediately following the Nextleaf Financing will be transferred, and will be deemed to be transferred, without any act or formality on the Nextleaf Shareholder's part, to Legion in exchange for one (1) fully paid and non-assessable Legion Share, each Nextleaf Financing Warrant issued in connection with the Nextleaf Financing shall be cancelled and replaced with an equivalent Legion warrant, and each Nextleaf Financing Compensation Option issued in connection with the Nextleaf Financing shall be cancelled and replaced with an equivalent Legion compensation option.

Nextleaf, Legion and Myriad are also parties to the Arrangement Agreement. Pursuant to the Arrangement Agreement, it was agreed that the parties would carry out the Arrangement in accordance with the Arrangement Agreement on the terms set out in the Plan of Arrangement. Please see the section "The Arrangement – The Arrangement" elsewhere in this Information Circular.

The following description of certain material provisions of the Acquisition Agreement and the Arrangement Agreement is a summary only, is not comprehensive and is qualified in its entirety by reference to the full text of the Acquisition Agreement and the Arrangement Agreement, a copy of each of which is incorporated by reference to this Information Circular.

Conditions to the Arrangement

Mutual Conditions Precedent

The Acquisition Agreement and the Arrangement Agreement provide that the obligations of the Parties to complete the transactions contemplated by the Acquisition Agreement and the Arrangement Agreement are subject to the fulfillment, on or before the Effective Date, of each of the following conditions precedent:

To the Benefit of Legion. The obligations of Legion to complete the Arrangement are subject to fulfillment of the following conditions on or before the Effective Date or such other time as is specified below:

- (a) Nextleaf shall have fulfilled all of its obligations under the Arrangement Agreement to be fulfilled by it on or before the Effective Date and Legion shall have received a certificate of Nextleaf addressed to Legion and dated the Effective Date, signed on behalf of Nextleaf by its chief executive officer thereof confirming the same as at the Effective Date;
- (b) all conditions precedent in favour of Legion under Sections 10 and 11 of the Acquisition Agreement between Legion and Nextleaf shall have been satisfied, whereas:

Section 10. General Conditions Precedent:

- i) the Legion Shares to be issued upon the completion of the acquisition, and any incentive stock options granted by Legion in connection with and concurrently with the Closing, or in connection with the Acquisition shall have been accepted for listing or approved by the CSE, subject to Legion fulfilling the CSE's listing requirements;
- ii) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by the Acquisition Agreement, including, without limitation, the Acquisition; and all consents, orders and approvals required or necessary or desirable for the completion of the transactions provided for in the Acquisition Agreement shall have been obtained or received from the persons, authorities or bodies having jurisdiction in the circumstances, all on terms satisfactory to each of the Parties hereto, acting reasonably; and
- iii) Legion and Nextleaf shall have received from each other any legal opinions from counsel and certificates from officers with respect to such matters as counsel of Legion and Nextleaf may require, acting reasonably.

Section 11. Conditions Precedent in favour of Legion:

- i) Except as otherwise disclosed from Nextleaf and except as may be granted and issued under the Nextleaf Financing, including share purchase warrants issued to investors under the Nextleaf Financing and compensation options granted and issued to securities dealers and other agents assisting with the Nextleaf Financing, there shall be no convertible securities, rights or agreements which may be converted into or result in the issuance of common shares in Nextleaf other than the Acquisition Agreement;
- ii) The fair market value of each of the resulting common shares held by Legion shareholders and former Nextleaf shareholders of the Resulting Issuer after giving effect to the Acquisition shall not be less than \$0.35 based on respective fair market valuations of Nextleaf and Legion with the additional condition that the Acquisition be opined as fair to both Nextleaf and Legion in the opinion of the Acquisition Financial Advisor;
- iii) The Nextleaf Financing shall have been completed;
- iv) The spin out from Legion of the Millen Mountain Property and the disposition of the Cryptocurrency Assets shall have been completed as part of the transactions comprising the Acquisition;
- v) Legion having obtained the consent or approval of any parties from whom consent to the Acquisition and the CSE listing is required, including without limitation its shareholders and the CSE;
- vi) Except as may be granted and issued under the Nextleaf Financing, including share purchase warrants issued to investors under the Nextleaf Financing and compensation options granted and issued to securities dealers and other agents assisting with the Nextleaf Financing, all convertible securities of Nextleaf shall have expired or shall have been cancelled and shall no longer be of any force or effect;

- vii) at the request of Legion at any time before Closing, (i) Nextleaf shall use commercially reasonable best efforts to ensure that all directors, officers and shareholders holding more than 5% of the issued and outstanding number of ordinary shares of Nextleaf enter into support agreements with Legion for their continuing support of the Acquisition and the Acquisition Agreement, which support agreements shall contemplate providing support by way of voting for shareholders resolutions for the approval of the Acquisition, waiver of any applicable dissent rights and ensuring that good marketable title to any securities held by the foregoing individuals shall be delivered to Legion pursuant to the Acquisition;
 - viii) Legion and its counsel having had a reasonable opportunity to review and approve all material documentation in connection with the Acquisition, including without limitation, the Nextleaf Financial Statements, Valuation, business plan and business/corporate disclosure that complies with the requirements of the CSE;
 - ix) Legion and its counsel having had a reasonable opportunity to perform and satisfy themselves with the results of the searches and other due diligence reviews reasonable or customary in a transaction of a similar nature to that contemplated herein to be completed within the due diligence period in accordance with Section 6 of the Acquisition Agreement;
 - x) Nextleaf having furnished Legion with certified copies of the resolutions passed by the Board of Directors of Nextleaf approving the Acquisition Agreement or the superseding definitive documentation and the consummation of the transactions contemplated herein;
 - xi) the representations and warranties of Nextleaf contained in the Acquisition Agreement (subject to any qualifications, exceptions and other information provided by Nextleaf as otherwise disclosed) being true and correct in all material respects at and as of the Closing;
 - xii) all covenants, agreements and obligations in the Acquisition Agreement on the part of Nextleaf to be performed or complied with at or prior to the Closing contained in the Acquisition Agreement will have been performed and complied with in all material respects;
 - xiii) Nextleaf's auditors having completed all necessary audits and reviews of the Nextleaf financial statements and the pro forma financial statements and audits or reviews of any subsequent period required by regulatory authorities and such statements showing no material adverse matters; and
 - xiv) 100% of the Nextleaf Shares shall have been tendered for the sale and purchase under the Acquisition;
- (c) Legion, together with Nextleaf, will have obtained a favourable Acquisition Fairness Opinion;
 - (d) Legion will have obtained a favourable Spinout Fairness Opinion; and
 - (e) Nextleaf will have adopted all necessary resolutions, including the approval of the Requisite Nextleaf Majority, and all other necessary corporate action will have been taken by Nextleaf to permit the consummation of the Arrangement, including without limitation, the approval of the Nextleaf Shareholders to the Arrangement Resolution.

These conditions are for the sole benefit of Legion and may be waived in whole or in part by Legion at any time. If any of such conditions precedent are not satisfied or waived as aforesaid on or before the date required for performance thereof, Legion may rescind and terminate the Acquisition Agreement by written notice to Nextleaf.

To the Benefit of Nextleaf. The obligations of Nextleaf to complete the Arrangement are subject to fulfillment of the following conditions on or before the Effective Date or such other time as is specified below:

- (a) Legion shall have fulfilled all of its obligations under the Arrangement Agreement to be fulfilled by it on or before the Effective Date and Nextleaf shall have received a certificate of Legion addressed to Nextleaf and

dated the Effective Date, signed on behalf of Legion by its chief executive officer thereof confirming the same as at the Effective Date;

- (b) all conditions precedent in favour of Nextleaf under Sections 10 and 12 (Section 10 as stated above) of the Acquisition Agreement between Legion and Nextleaf shall have been satisfied, whereas:

Section 12. Conditions Precedent in favour of Nextleaf:

- i) At the Closing, the Board of Directors of Legion shall consist of such number of directors as shall be designated by Nextleaf;
- ii) Except as otherwise disclosed, there shall be no convertible securities, rights or agreements which may be converted into or result in the issuance of Legion Shares other than the Acquisition Agreement (including any Legion stock options issued on Closing);
- iii) Nextleaf having obtained the consent or approval of any parties from whom consent to the Acquisition and the CSE listing is required, including without limitation the Nextleaf Shareholders and the CSE;
- iv) The fair market value of each of the resulting common shares held by Legion shareholders and former Nextleaf shareholders of the Resulting Issuer after giving effect to the Acquisition shall not be less than \$0.35 based on respective fair market valuations of Nextleaf and Legion with the additional condition that the Acquisition be opined as fair to both Nextleaf and Legion in the opinion of the Acquisition Financial Advisor;
- v) At the request of Nextleaf at any time before Closing, (i) Legion shall use commercially reasonable best efforts to ensure that all directors, officers and shareholders holding more than 5% of the issued and outstanding number of common shares of Legion enter into support agreements with Nextleaf for their continuing support of the Acquisition and the Acquisition Agreement, which support agreements shall contemplate providing support by way of voting for shareholders resolutions for the approval of the Acquisition and waiver of any applicable dissent rights;
- vi) Legion having furnished Nextleaf with certified copies of the resolutions passed by the Board of Directors of Legion approving the Acquisition Agreement or the superseding definitive documentation and the consummation of the transactions contemplated herein;
- vii) Legion shall have furnished Nextleaf with:
 - (1) certified copies of the resolutions passed by the Board of Directors of Legion approving the Acquisition Agreement and the consummation of the transactions contemplated in the Acquisition Agreement; and
 - (2) a letter from the CSE conditionally approving the Acquisition subject to customary conditions;
- viii) The Nextleaf Financing shall have completed;
- ix) The spin out from Legion of the Millen Mountain Property and disposition of the Cryptocurrency Assets shall have been completed as part of the transactions comprising the Acquisition;
- x) Nextleaf and its counsel having had a reasonable opportunity to review and approve all material documentation in connection with the Acquisition, including without limitation, Legion submissions to the CSE;
- xi) Nextleaf and its counsel having had a reasonable opportunity to perform and satisfy themselves with the results of the searches and other due diligence reviews reasonable or customary in a transaction of a

similar nature to that contemplated herein to be completed within the Due Diligence Period in accordance with Section 6 of the Acquisition Agreement;

- xii) Legion shall not have incurred any liabilities other than those reasonably incurred in connection with the transactions contemplated in this Agreement and shall have spent its cash on hand at the date of this Agreement exclusively in the ordinary course of business and for the purpose of completing the Acquisition;
- xiii) the representations and warranties of Legion contained in the Acquisition Agreement (subject to any qualifications, exceptions and other information provided by Legion as otherwise disclosed) being true and correct in all material respects at and as of the Closing;
- xiv) all covenants, agreements and obligations in the Acquisition Agreement on the part of Legion to be performed or complied with at or prior to the Closing contained in the Acquisition Agreement will have been performed and complied with in all material respects;
- xv) Legion will be in good standing under the laws of British Columbia and shall be a reporting issuer not in default within the meaning of Securities Laws in British Columbia, Alberta and Ontario;
- xvi) there shall not be any legal proceedings or regulatory actions or proceedings against Legion at the Closing Date which may, if determined against the interest of Legion, have a material adverse effect on Legion or the Acquisition;
- xvii) Legion shall have issued no further Legion Shares or securities convertible into Legion Shares and shall have paid no dividends or made any other distributions whatsoever to its shareholders and that on Closing there shall be no more than 12,764,600 (3,647,029 following the Consolidation) Legion Shares outstanding, not including any common shares issued upon the exercise of any existing convertible securities, as indicated in Schedule "C" of the Acquisition Agreement;
- xviii) Nextleaf, together with Legion, will have obtained a favourable Acquisition Fairness Opinion; and
- xix) Legion will have adopted all necessary resolutions, including the approval of the Requisite Legion Majority, and all other necessary corporate action will have been taken by Legion to permit the consummation of the Arrangement, including without limitation, the approval of the Legion Securityholders of the Arrangement Resolution.

These conditions are for the sole benefit of Nextleaf and may be waived in whole or in part by Nextleaf at any time. If any of such conditions precedent are not satisfied or waived as aforesaid on or before the date required for performance thereof, Nextleaf may rescind and terminate the Acquisition Agreement by written notice to Legion.

To the Benefit of Legion and Nextleaf. The obligations of Legion and Nextleaf to complete the Arrangement are subject to fulfilment of the following conditions on or before the Effective Date or such other time as is specified below:

- (a) the Final Order shall have been granted in form and substance satisfactory to Legion and Nextleaf, acting reasonably, and shall not have been set aside or modified in a manner unacceptable to such Parties on appeal or otherwise;
- (b) the completion of the POA Effective Date Conditions to the satisfaction of Legion and Nextleaf, both acting reasonably;
- (c) the Effective Date shall be on or before the Termination Date;
- (d) there shall be no action taken under any Law or by any Governmental Entity that:

- i) makes it illegal or otherwise directly or indirectly restrains, enjoins or prohibits the Arrangement or any other transactions contemplated in the Acquisition Agreement; or
 - ii) results in a judgement or assessment of damages, directly or indirectly, relating to the transactions contemplated in the Acquisition Agreement which would have a material adverse effect on Legion or Nextleaf, as the case may be, or impede the completion of the Arrangement;
- (e) all approvals shall have been obtained and all other consents, waivers, permits, orders and approvals of any Governmental Entity or other Person, and the expiry of any waiting periods, in connection with, or required to permit, the consummation of the Arrangement, the failure of which to obtain or the non-expiry of which would have a material adverse effect on Legion or Nextleaf, as the case may be, or impede the completion of the Arrangement, shall have been obtained or received on terms reasonably satisfactory to each Party; and
- (f) any prospectus exemptions required in connection with the issuance of the Legion securities issuable under the Arrangement shall have been obtained or are available.

The foregoing conditions are for the mutual benefit of Legion and Nextleaf and may be waived, in whole or in part, by Legion and Nextleaf at any time. If any of the said conditions precedent are not satisfied or waived as aforesaid on or before the date required for the performance thereof, Legion or Nextleaf may rescind and terminate this Agreement by written notice to the other parties and shall have no other right or remedy.

Representations and Warranties

The Arrangement Agreement, together with the Acquisition Agreement, contains customary representations and warranties from each of Legion and Nextleaf relating to matters that include, among other things: organization; authority relative to the agreements; no conflict; required filings and consent; compliance with laws and licences; subsidiaries; capitalization; reports; shares; listing requirements; no cease trade; litigation, etc.; financial statements; and undisclosed liabilities.

Termination

The Arrangement Agreement may be terminated by notice in writing:

- (a) at any time prior to the Effective Date by mutual consent of Nextleaf and Legion;
- (b) by either Party, if any of the above mutual conditions precedent are not met or waived;
- (c) by Nextleaf, if any of the conditions precedent for the benefit of Nextleaf are not met or waived by Nextleaf;
- (d) by Legion, if any of the conditions precedent for the benefit of Legion are not met or waived by Legion; or
- (e) by either Party at the same time that such Party terminates the Acquisition Agreement in accordance with the terms of the Acquisition Agreement.

The Acquisition Agreement may be terminated by mutual agreement of Nextleaf and Legion. Unless otherwise agreed in writing by Legion and Nextleaf, the Acquisition Agreement shall terminate without further notice or agreement in the event that:

- (a) the listing application of Legion is rejected by the CSE and all recourse or rights of appeal have been exhausted;
- (b) any conditions precedent set out in the Acquisition Agreement are not satisfied, released or waived concurrently with the Closing;

- (c) the Effective Date is not on or before the Termination Date, or such later date as may be approved in writing by Legion and Nextleaf;
- (d) a definitive agreement is executed by the Parties that expressly supersedes the Acquisition Agreement;
- (e) either Nextleaf or Legion provides written notice of termination to the other Party indicating that it wishes to terminate the Acquisition Agreement in accordance with Section 15 of the Acquisition Agreement (as a result of receiving a “superior proposal” for an alternative transaction);
- (f) upon written notice by Legion or Nextleaf of termination of the Acquisition Agreement due to a breach of the terms of the Acquisition Agreement by the other Party thereto, provided such breach has not been cured to the reasonable satisfaction of the terminating Party within 10 days of such other Party receiving written notice thereof.

In addition, the Arrangement Agreement will terminate if the Effective Date is not on or before the Termination Date.

No Solicitation

Under the Acquisition Agreement, each of Nextleaf and Legion agrees that it will not initiate, solicit, encourage, discuss, negotiate or accept any offers from any third party or indicate any interest to any third party with respect to (i) the sale of all or substantially all of its assets, or (ii) any merger, business combination, or consolidation of it with any other person (the “**Alternative Transaction**”). If at any time following the date of the Acquisition Agreement, either Nextleaf or Legion, receives a *bona fide*, written proposal for an Alternative Transaction that the Board of Directors of Nextleaf or Legion determines in good faith, after consultation with its financial advisors and outside counsel, constitutes or, if consummated in accordance with its terms could reasonably be expected to be a superior proposal, then Nextleaf or Legion may, in response to a request made by the party making such written proposal for an Alternative Transaction, (i) furnish information with respect to itself to the person making such written proposal for an Alternative Transaction, and/or (ii) enter into, participate, facilitate and maintain discussions or negotiations with, and otherwise cooperate with or assist, the person making such written proposal for an Alternative Transaction. In the event that Nextleaf or Legion receives a written proposal for an Alternative Transaction, it shall promptly provide written notice to the other Party of the receipt of such written proposal for an Alternative Proposal, including the material terms and conditions thereof, and the identity of the person or persons making the written proposal for an Alternative Transaction. If either Nextleaf or Legion receives a written proposal for an Alternative Transaction that did not result from a breach and which the Board of Directors of Nextleaf or Legion determines in good faith, after consultation with its financial advisors and outside counsel, constitutes or, if consummated in accordance with its terms could reasonably be expected to be a superior proposal, then it may terminate this Agreement in order to enter into a definitive agreement with respect to such superior proposal.

TAX CONSIDERATIONS TO LEGION SHAREHOLDERS

Spinout Income Tax Considerations

Canadian federal income tax considerations for Legion Securityholders who participate in the Arrangement or who dissent from the Arrangement are set out in the summary herein entitled “Income Tax Considerations.”

Legion Securityholders should carefully review the tax considerations applicable to them under the Arrangement and are urged to consult their own legal, tax and financial advisors in regard to their particular circumstances.

Tax Considerations

The following fairly summarizes the principal Canadian federal income tax considerations relating to the Arrangement applicable to a Legion Securityholder (in this summary, a “**holder**”) who, at all material times for purposes of the Tax Act:

- holds all Legion Shares, and will hold all New Shares, and Spinco Shares, solely as capital property;
- holds all Legion Shares, and will hold all New Shares, and Spinco Shares that would not be a “tax shelter investment” as defined in the Tax Act;
- is not a trader or dealer in securities;
- is not a “foreign affiliate” as defined in the Tax Act that is a foreign affiliate of a taxpayer resident in Canada;
- deals at arm's length with Legion and Spinco, and is not “affiliated” with Legion or Spinco,
- is not exempt from tax under Part I of the Tax Act;
- is not a “financial institution” for the purposes of the mark-to-market rules in the Tax Act;
- did not make a functional currency reporting election pursuant to section 261 of the Tax Act;
- did not enter into or will enter into, a “synthetic disposition arrangement” or a “derivative forward agreement” as defined in the Tax Act in respect of the Legion Shares, New Shares, and Spinco Shares; and
- has not acquired Legion Shares on the exercise of an employee share option.

Legion Shares and Spinco Shares generally will be considered to be capital property of the holder unless the holder holds the shares in the course of carrying on a business or acquired them in a transaction considered to be an adventure in the nature of trade.

This summary is based on the current provisions of the Tax Act, the regulations there under (the “**Regulations**”) and management’s understanding of the current administrative practices and policies of the Canada Revenue Agency (the “**CRA**”). It also takes into account specific proposals to amend the Tax Act and Regulations (the “**Proposed Amendments**”) announced by the Minister of Finance (Canada) prior to the date hereof. It is assumed that all Proposed Amendments will be enacted in their present form, and that there will be no other relevant change to any relevant law or administrative practice, although no assurances can be given in these respects. This summary does not take into account any provincial, territorial, or foreign income tax considerations which may differ from the Canadian federal income tax considerations discussed below. An advance income tax ruling will not be sought from the CRA in respect of the Arrangement.

This summary also assumes that at the Effective Date under the Arrangement and all other material times thereafter, the paid-up capital of the Legion Class A Shares [(the re-designated Legion Shares)] as computed for the purposes of the Tax Act will not be less than the fair market value of the Millen Mountain Property to be transferred to Spinco pursuant to the Arrangement, and is qualified accordingly.

This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations. This summary is not intended to be, and should not be construed to be, legal or tax advice to any Legion Securityholder. Accordingly, Legion Securityholders should each consult their own tax and legal advisers for advice as to the income tax consequences of the Arrangement applicable to them in their particular circumstances.

Holders Resident in Canada

The following portion of the summary is applicable only to holders (each, in this portion of the summary, a “**Resident Holder**”) who are or are deemed to be residents in Canada for the purposes of the Tax Act.

Exchange of Legion Shares for New Shares and Legion Class A Preferred Shares

A Resident Holder whose Legion Class A Shares (the re-designated Legion Shares) are exchanged for New Shares and Legion Class A Preferred Shares pursuant to the Arrangement will not realize any capital gain or loss as a result of the exchange. The Resident Holder will be required to allocate the adjusted cost base (“**ACB**”) of the Resident Holder’s Legion Class A Shares, determined immediately before the Arrangement, pro-rata to the New Shares and Legion Class A Preferred Shares received on the exchange based on the relative fair market values of those New Shares and Legion A Preferred Shares immediately after the exchange.

Redemption of Legion Class A Preferred Shares

Pursuant to the Arrangement, the paid-up capital of the Legion Class A Shares immediately before their exchange for New Shares and Legion Class A Preferred Shares will be allocated to the Legion Class A Preferred Shares to be issued on the exchange to the extent of an amount equal to the fair market value of the Spinco Shares to be issued to Legion pursuant to the Arrangement in consideration for the Millen Mountain Property and the balance of such paid-up capital will be allocated to the New Shares to be issued on the exchange.

The Company expects that the fair market value of the Spinco Shares to be so issued will be materially less than the paid-up capital of the Legion Class A Shares immediately before the exchange. Accordingly, the Company is not expected to be deemed to have paid, and no Resident Holder is expected to be deemed to have received, a dividend as a result of the distribution of Spinco Shares on the redemption of the Legion Class A Preferred Shares pursuant to the Arrangement.

Each resident holder whose Legion Class A Preferred Shares are redeemed for Spinco Shares pursuant to the

Arrangement will realize a capital gain (capital loss) equal to the amount, if any, by which the fair market value of the Spinco Shares less reasonable costs of disposition, exceed (are exceeded by) their ACB immediately before the redemption. Any capital gain or loss so arising will be subject to the usual rules applicable to the taxation of capital gains and losses described below (see “Holders Resident in Canada — Taxation of Capital Gains and Losses”).

The cost to a Resident Holder of Legion Class A Preferred Shares acquired on the exchange will be equal to the pro-rata allocation of the Legion Shares to the holder on the exchange.

Disposition of New Shares and Spinco Shares

A Resident Holder who disposes of a New Share or Spinco Share will realize a capital gain (capital loss) equal to the amount by which the proceeds of disposition of the share, less reasonable costs of disposition, exceed (are exceeded by) the ACB of the share to the Resident Holder determined immediately before the disposition. Any capital gain or loss so arising will be subject to the usual rules applicable to the taxation of capital gains and losses described below. See “Holders Resident in Canada — Taxation of Capital Gains and Losses”.

Taxation of Capital Gains and Losses

A resident holder who realizes a capital gain (capital loss) in a taxation year must include one half of the capital gain (“**taxable capital gain**”) in income for the year, and may deduct one half of the capital loss (“**allowable capital loss**”) against taxable capital gains realized in the year, and to the extent not so deductible, against taxable capital gains arising in any of the three preceding taxation years or any subsequent taxation year.

The amount of any capital loss arising from a disposition or deemed disposition of an Legion Class A Preferred Share, New Share, or a Spinco Share by a Resident Holder that is a corporation may, to the extent and under circumstances specified in the Tax Act, be reduced by the amount of certain dividends received or deemed to be received by the corporation on the share. Similar rules may apply if the corporation is a member of a partnership or beneficiary of a trust that owns shares, or where a partnership or trust of which the corporation is a member or beneficiary is a member of a partnership or a beneficiary of a trust that owns shares.

A Resident Holder that is a “Canadian-controlled private corporation” for the purposes of the Tax Act may be required to pay an additional 10²³% refundable tax in respect of any net taxable capital gain that it realizes on disposition of a Legion Class A Preferred Share, New Share or Spinco Share.

Dissenting Resident Holders

A resident holder who validly exercises Dissent Rights) and consequently is paid the fair value for the resident dissenter's Legion Shares in accordance with the Arrangement will be deemed to have received a dividend equal to the amount, if any, by which the payment exceeds the paid-up capital of the resident dissenter's Legion Shares. Any such deemed dividend will be subject to tax as discussed below under “Holders Resident in Canada — Dividends on Legion Shares”. The resident dissenter will also realize a capital gain (capital loss) equal to the amount, if any, by which the payment, less the deemed dividend (if any) and less reasonable costs of disposition, exceeds (is exceeded by) the ACB of the shares. The resident dissenter will be required to include any resulting taxable capital gain in income, and to deduct any resulting allowable capital loss, in accordance with the usual rules applicable to capital gains and losses. See “Holders Resident in Canada – Taxation of Capital Gains and Losses”.

The resident dissenter must also include in income any interest awarded by a court to the Resident Dissenter.

Eligibility for Investment

Legion Class A Preferred Shares and New Shares will be qualified investments under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, and registered education savings plans (“**Registered Plans**”) at any particular time provided that, at that time, either the shares are listed on a “prescribed stock exchange” or Legion is a “public corporation” as defined for the purposes of the Tax Act.

Spinco Shares will only be qualified investments under the Tax Act for registered plans at any particular time provided that, at that time, the Spinco Shares are listed on a “prescribed stock exchange” or Spinco is a “public corporation” as so defined. If the Spinco Shares will not be listed on a “prescribed stock exchange” and will not be a “public corporation” as so defined, the Spinco Shares will not be qualified investments under the Tax Act.

Other Tax Considerations

This Information Circular does not address any tax considerations of the Arrangement other than certain Canadian income tax considerations to a Resident Holder. Holders of securities who are resident in jurisdictions other than Canada should consult their own tax advisors with respect to the Canadian and foreign tax implications of the Arrangement, including any associated filing requirements in such jurisdictions and with respect to the tax implications in such jurisdictions of owning shares after the Arrangement. Holders of securities should also consult their own tax advisors regarding provincial, territorial or state tax considerations of the Arrangement or of holding Spinco Shares.

Acquisition Income Tax Consequences

The following summary fairly describes the principal Canadian federal income tax considerations under the Tax Act in respect of the Arrangement generally applicable to holders of Nextleaf Shares who, for the purposes of the Tax Act and at all relevant times: (i) are, or are deemed to be, resident in Canada; (ii) hold Nextleaf Shares, and will hold Legion Shares received upon the Arrangement, as capital property; (iii) deal at arm’s length with Legion and Nextleaf; and (iv) are not affiliated with Legion or Nextleaf.

Generally, Nextleaf Shares will be considered to be capital property to a holder unless such shares are held in the course of carrying on a business or were acquired in one or more transactions considered to be an adventure in the nature of trade. Certain holders whose Nextleaf Shares or Legion Shares might not otherwise qualify as capital property may, in certain circumstances, be entitled to make an irrevocable election under subsection 39(4) of the Tax Act to have such shares and every other “Canadian security” (as defined in the Tax Act) owned by such holder in the taxation year of the election, and in all subsequent taxation years, deemed to be capital property. Such holders should consult their own tax advisors regarding whether an election under subsection 39(4) of the Tax Act is available and advisable in their particular circumstances.

This summary is not applicable to a holder: (i) who has acquired Nextleaf Shares upon the exercise of an employee stock option; (ii) that is a “financial institution” for purposes of the mark-to-market rules contained in the Tax Act; (iii) that is a “specified financial institution”, as defined in the Tax Act; (iv) whose Nextleaf Shares represent an interest which is a “tax shelter investment”, as defined under the Tax Act; (v) whose “functional currency” for the purposes of the Tax Act is the currency of a country other than Canada; or (vi) who has entered into, or will enter into, a “synthetic disposition arrangement” or a “derivative forward agreement” in respect of Legion Shares or Nextleaf Shares (vii) that is exempt from tax under Part I of the Tax Act; and (viii) is a “foreign affiliate” as defined in the Tax Act that is a foreign affiliate of a taxpayer resident in Canada.

This summary is based upon the facts set out in this Information Circular, the current provisions of the Tax Act, the regulations thereunder (the “**Regulations**”) and counsel’s understanding of the current administrative policies and practices of the CRA. This summary also takes into account all specific proposals to amend the Tax Act and Regulations (the “**Proposed Amendments**”) announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof and assumes that all such Proposed Amendments will be enacted in the form proposed. However, there can be no assurance that the Proposed Amendments will be enacted in the form proposed or at all. This summary does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action or decision, nor does it take into account provincial, territorial or foreign income tax considerations which may differ from the Canadian federal income tax considerations discussed below.

This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations. This summary is not, and should not be construed as, legal or tax advice to any particular holder. The tax liability of a holder will depend on the holder’s specific circumstances. Accordingly, holders should consult

their own tax advisors for advice as to the tax consequences to them of the Arrangement having regard to their own particular circumstances.

Exchange of Nextleaf Shares on the Plan of Arrangement

A holder who receives Legion Shares in exchange for Nextleaf Shares upon the Plan of Arrangement will generally not recognize any capital gain or capital loss on the exchange. The holder (other than a holder exercising Dissent Rights) will generally be deemed to have disposed of the Nextleaf Shares for proceeds of disposition equal to the aggregate adjusted cost base of the Nextleaf Shares to the holder immediately before the Plan of Arrangement. The cost to a holder of the Legion Shares received on the Plan of Arrangement will generally equal the holder's adjusted cost base of the Nextleaf Shares immediately before the Plan of Arrangement.

The adjusted cost base of all Legion Shares owned by the holder immediately after the Plan of Arrangement will be determined by averaging the cost of the Legion Shares acquired on the exchange with the adjusted cost base of any other Legion Shares held by the holder as capital property.

Dissenting Shareholders

A holder who exercises Dissent Rights and receives a cash payment from Legion in consideration for the holder's Nextleaf Shares, will be considered to have disposed of the Nextleaf Shares for proceeds of disposition equal to such cash payment (excluding interest). To the extent that such proceeds of disposition exceed (or are exceeded by) the dissenting holder's adjusted cost base of such Nextleaf Shares, the holder will be regarded as having realized a capital gain (or a capital loss) equal to the amount of such difference. See "Taxation of Capital Gains and Capital Losses" below for a general description of the treatment of capital gains and losses under the Tax Act.

Interest awarded by a court in connection with the Arrangement paid or payable to a dissenting holder will be included in the dissenting holder's income.

Holdings should consult their own tax advisors with respect to the Canadian federal income tax consequences of exercising their Dissent Rights.

Disposing of Legion Shares

Generally, on a disposition or deemed disposition of a Legion Security (other than to Legion), a holder will realize a capital gain (or a capital loss) equal to the amount, if any, by which the proceeds of disposition exceed (or are less than) the aggregate of the adjusted cost base to the holder of the Legion Security immediately before the disposition or deemed disposition and any reasonable costs of disposition. For a description of the tax treatment of capital gains and capital losses, see "Taxation of Capital Gains and Capital Losses" below.

Dividends on Legion Shares

A holder who is an individual will be required to include in income any dividends received or deemed to be received on the holder's Legion Shares and will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit rules applicable to any dividends designated by Legion as "eligible dividends", as defined in the Tax Act. There may be limitations on the ability of Legion to designate dividends as eligible dividends.

A holder that is a corporation will be required to include in income any dividend received or deemed to be received on the holder's Legion Shares, but generally will be entitled to deduct an equivalent amount in computing taxable income. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received by a holder that is a corporation as proceeds of a disposition or a capital gain. holders that are corporations should consult their own tax advisors having regard to their own circumstances.

A "private corporation" or a "subject corporation" (as defined in the Tax Act) may be liable under Part IV of the Tax Act to pay a refundable tax on any dividend that it receives or is deemed to receive on Legion Shares to the

extent that the dividend is deductible in computing the corporation's taxable income.

In the Federal Budget released on February 27, 2018, the Minister of Finance introduced amendments to the Tax Act (the “**February 27, 2018 Amendments**”) that, for taxation years beginning after 2018, would potentially reduce the “business limit” of a “Canadian controlled private corporation” (as those terms are defined in the Tax Act) to the extent such corporation’s “adjusted aggregate investment income” (as defined in the February 27, 2018 Amendments), which includes certain dividends received by the corporation, for a taxation year exceeds \$50,000.

Holders should consult their own tax advisors regarding the potential application of the February 27, 2018 Amendments in their particular circumstances.

Taxable dividends received by an individual or trust, other than certain specified trusts, may give rise to minimum tax under the Tax Act.

Taxation of Capital Gains and Capital Losses

Generally, one-half of any capital gain (a “**taxable capital gain**”) realized by a holder in a taxation year must be included in the holder's income for the year, and one-half of any capital loss (an “**allowable capital loss**”) realized by a holder in a taxation year must be deducted from taxable capital gains realized by the holder in that year (subject to and in accordance with rules contained in the Tax Act). Allowable capital losses for a taxation year in excess of taxable capital gains for that year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized by a holder that is a corporation on the disposition of a share may be reduced by the amount of certain dividends previously received (or deemed to be received) by the holder on such share (or another share where the share has been acquired in exchange for such other share) to the extent and under circumstances prescribed by the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns a share or where a trust or partnership of which a corporation is a beneficiary or a member is a member of a partnership or a beneficiary of a trust that owns any such share. Holders to whom these rules may be relevant should consult their own tax advisors.

A holder that throughout the relevant taxation year, is a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable to pay a refundable tax on its “aggregate investment income” (as defined in the Tax Act), including any taxable capital gains.

The February 27, 2018 Amendments introduced by the Minister of Finance would, for taxation years beginning after 2018, potentially reduce the “business limit” of a “Canadian controlled private corporation” (as those terms are defined in the Tax Act) to the extent such corporation’s “adjusted aggregate investment income” (as defined in the February 27, 2018 Amendments), which includes certain capital gains realized by the corporation, for a taxation year exceeds \$50,000.

Holders should consult their own tax advisors regarding the potential application of the February 27, 2018 Amendments in their particular circumstances.

Capital gains realized by an individual or trust, other than certain specified trusts, may give rise to a liability for minimum tax as calculated under the detailed rules set out in the Tax Act.

INFORMATION RESPECTING THE RESULTING ISSUER FOLLOWING THE MERGER OF LEGION AND NEXTLEAF

General

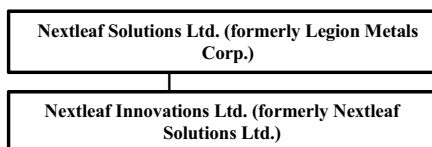
On completion of the Arrangement, Legion as the Resulting Issuer will own all of the issued and outstanding shares of Nextleaf. Legion will have changed its name to "Nextleaf Solutions Ltd." and Nextleaf will have changed its name to "Nextleaf Innovations Ltd."

The business and operations of Nextleaf will be managed and operated as a wholly-owned subsidiary of the Resulting Issuer. Legion expects that the business operations of Nextleaf and Legion will be consolidated and the principal executive office of the Resulting Issuer will be located at 304 – 68 Water Street, Vancouver, B.C. V6B 1A4.

Corporate Structure of the Resulting Issuer

The following chart shows the proposed inter-corporate relationships between Legion and Nextleaf after the completion of the Arrangement:

The inter-corporate relationships of the Resulting Issuer will be:



Upon the completion of the Plan of Arrangement the business of Nextleaf shall become the business of the Company.

The following table sets forth the share capital of Nextleaf and Legion, on a consolidated basis, as at the dates below. The table should be read in conjunction with and is qualified in its entirety by the pro forma financial statements of Legion and Nextleaf:

Consolidated Capitalization following the minimum Nextleaf Financing (\$3,000,000) and the Acquisition	
Description	Common Shares
Shares issued and outstanding in Nextleaf as at September 30, 2018	78,693,393
Nextleaf Financing Shares issuable under the minimum Nextleaf Financing (\$3,000,000)	8,571,429
Nextleaf Financing Warrants issuable under the minimum Nextleaf Financing (\$3,000,000), exercisable at \$0.70 for 24 months	8,571,429
Hunter Capital Advisors Pty Ltd. agent's options to be issued under the Hunter Agreement ⁽¹⁾	1,250,000
Hunter Capital Advisors Pty Ltd. agent's options currently outstanding ⁽¹⁾	750,000
Nextleaf Financing Compensation Options (Commission – 6%) ⁽²⁾	514,286

Mackie Research Capital Corporation Nextleaf Financing Compensation Options (Advisory fee – 2%) ⁽²⁾	171,429
Total shares issued before the Acquisition	98,521,964
Issued and outstanding number of Legion Shares following the Consolidation	3,647,029
Legion incentive stock options following the Consolidation	314,286
Legion Agent's Warrants following the Consolidation	112,203
Total	102,595,482
Post-Acquisition Securities	
Incentive stock options to be issued	6,400,000 ⁽³⁾
Performance Incentive stock options to be issued	7,500,000 ⁽⁴⁾
Grand Total	116,095,482
Consolidated Capitalization following the maximum Nextleaf Financing (\$8,050,000 which includes the 15% over-allotment option being exercised under the Nextleaf Financing) and the Acquisition	
Description	Common Shares
Shares issued and outstanding in Nextleaf as at September 30, 2018	78,693,393
Nextleaf Financing Shares issuable under the maximum Nextleaf Financing (\$8,050,000)	23,000,000
Nextleaf Financing Warrants issuable under the maximum Nextleaf Financing (\$8,050,000) at \$0.70 for 24 months	23,000,000
Hunter Capital Advisors Pty Ltd. Nextleaf agent's options to be issued under the Hunter Agreement ⁽¹⁾	1,250,000
Hunter Capital Advisors Pty Ltd. Nextleaf agent's options currently outstanding ⁽¹⁾	750,000
Nextleaf Financing Compensation Options (Commission – 6%) ⁽²⁾	1,380,000
Mackie Research Capital Corporation Nextleaf Financing Compensation Options (Advisory fee – 2%) ⁽²⁾	460,000
Total shares issued before the Acquisition	128,533,393
Issued and outstanding number of Legion Shares following the Consolidation	3,647,029

Legion incentive stock options following the Consolidation	314,286
Legion Agent's Warrant following the Consolidation	112,203
Total	132,606,911
Post-Acquisition Securities	
Incentive stock options to be issued	6,400,000 ⁽³⁾
Performance Incentive stock options to be issued	7,500,000 ⁽⁴⁾
Grand Total	146,506,911

Notes:

1. Agent's options issued or to be issued to Hunter Capital Advisors Pty Ltd exercisable at \$0.25 expiring March 1, 2019.
2. Nextleaf Financing Compensation Options exercisable at \$0.35 expiring two years from date of grant.
3. Stock options to be exercisable for five years at an exercise price of \$0.35. Immediately subsequent to Closing, these options will be issued under the Resulting Issuer's employee stock option plan.
4. Stock options to be exercisable for five years at \$0.35. Immediately subsequent to Closing, these options will be issued under the Resulting Issuer's employee stock option plan.

CORPORATE STRUCTURE

Name, Address and Incorporation

The Resulting Issuer's full corporate name shall be Nextleaf Solutions Ltd.

The Company was incorporated on December 8, 2016 under the BCA as 1099582 B.C. Ltd. The Company changed its name to "Legion Metals Corp." on March 28, 2017, and as part of the Acquisition the Company will change its name to "Nextleaf Solutions Ltd.". The Resulting Issuer's head office shall be located at 304 – 68 Water Street, Vancouver, B.C. V6B 1A4 and its registered and records office located at 1090 West Georgia Street, Suite 600, Vancouver, B.C. V6E 3V7.

INFORMATION RESPECTING NEXTLEAF SOLUTIONS LTD.

Nextleaf's full corporate name is "Nextleaf Solutions Ltd.". Nextleaf was incorporated on October 6, 2015, under the BCA, under the name "Cannabliss Technologies Ltd." It changed its name to "Nextleaf Innovations Ltd." on January 10, 2017, and then changed its name to "Nextleaf Solutions Ltd." on May 2, 2017. Nextleaf's head office is located at 304 – 68 Water Street, Vancouver, B.C. V6B 1A4 and its registered and records office is located at 1090 West Georgia Street, Suite 600, Vancouver, British Columbia V6E 3V7.

The audited financial statements of Nextleaf for the fiscal years ended September 30, 2017 and 2016 and for the 9 month interim period ended June 30, 2018 are attached hereto as Schedule "H". Davidson & Co. LLP, Chartered Professional Accountants, is Nextleaf's auditor and is independent of Nextleaf within the meaning of the applicable rules of professional conduct of Chartered Professional Accountants in British Columbia.

DESCRIPTION OF THE BUSINESS

General Development of the Business

General Development

Three Year History

Nextleaf was incorporated in the Province of British Columbia, Canada on October 6, 2015. Nextleaf's mission has been to acquire, 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.

Since 2015, Nextleaf has focused on acquiring and developing cannabis extraction technology, which has resulted in a portfolio of 20 issued and pending patents for the production of cannabinoid distillate and other derivative cannabis products. In 2018, Nextleaf and the Company began the process of seeking to complete the Plan of Arrangement.

Significant Acquisitions

Nextleaf acquired intellectual property and equipment from Ryan Ko on January 10, 2017 under an Asset Purchase Agreement, which was amended September 30, 2017. The assets acquired by Nextleaf included process intellectual property relating to cannabis extraction, refinement and distillation process, which now forms part of Nextleaf's intellectual property. Under the Asset Purchase Agreement, Nextleaf also acquired goodwill from Ryan Ko, including industry experience, expertise, key relationships with licensed producers and industry bodies in Canada.

Nextleaf has entered into an agreement with an equipment supplier dated October 31, 2018 (the "**Equipment Supply Agreement**"). Under the agreement, Nextleaf has agreed to invest \$500,000 to acquire 25% of the issued and outstanding shares of the equipment supplier and the equipment supplier has agreed to issue the shares on the terms and conditions set out in the Equipment Supply Agreement. The purchase price for the shares will be delivered in accordance with the following schedule: (a) \$200,000 on or before November 13, 2018 paid as follows (i) \$100,000 in cash paid by wire or bank draft and (ii) the balance of \$100,000 payable in cash by wire or bank draft or, if acceptable to both parties, units of Nextleaf at the price of \$0.35 comprised of one common share and one share purchase warrant per ordinary share, or in the alternative shares of Legion following completion of the Acquisition – Nextleaf does not anticipate issuing units or shares as consideration to the equipment supplier. Under the Equipment Supply Agreement, the equipment supplier will grant Nextleaf the exclusive right to sell and distribute their products for use in cannabis organic extraction process worldwide for a term of five (5) years that will automatically renew for successive five (5) years in perpetuity. The equipment supplier will continue to design, manufacture, manage and oversee all products that are subject of the agreement. Nextleaf will split the product sales net profits equally with the equipment supplier. "Net profits" is defined as gross sales revenue minus material and labor costs associated with the products. The equipment supplier retains the property rights in and to the products and all improvements, modifications, and enhancements. The remaining \$300,000 is due within thirty days of completion of the Closing.

Trends

The cannabis industry has experienced a surge in industry revenue and investment over the last several years due, in part, to changes to the regulatory framework governing the cultivation and distribution of cannabis and consumer trends toward the use of alternative forms of medical treatments such as cannabis. Nextleaf believes that the increased demand for legal cannabis products will continue over the next decade as a result of increasing awareness and acceptance of the safety and efficacy of the medicinal properties of cannabis. The regulation of cannabis has often been contentious, with regular legal challenges to a number of aspects of the industry. With the new regulatory framework governing cannabis in its infancy, Nextleaf expects this culture of legal challenges to continue. Although an increasing percentage of Canadians use cannabis products to alleviate pain and to treat other health conditions, physician attitudes toward prescribing medical cannabis remains cautious. Nextleaf believes that

only a small percentage of Canadian doctors consider cannabis as a therapeutic alternative for their patients, and an even smaller core group of medical practitioners are active and significant prescribers. Nextleaf expects a trend toward increased investment in education and research, which should contribute to physician awareness and help the market grow over time.

Nextleaf's business is dependent upon consumer awareness and market acceptance of the distilled cannabinoid oil created by Nextleaf's patented process, which can be consumed as an edible oil and can also be made into a variety of infused products for consumers, including: infused edible foods, cartridges for vape pens, topical creams and gel capsules. The primary competing method of legal cannabis consumption is smoking dried cannabis buds. Nextleaf may not be able to anticipate and react to trends within the licensed cannabis consumption market in a timely manner or accurately assess the impact that such trends may have on consumer preferences. New methods of consumption may adversely affect demand for edible cannabis products, and therefore adversely impact demand for Nextleaf's extraction units.

Failure to respond to changes in consumer preferences or anticipate market trends may adversely affect Nextleaf's future revenues and performance. Although Nextleaf has strived to establish market recognition for its products in the industry, it is too early in the life cycle of Nextleaf's brand to determine whether Nextleaf's extraction methodology will achieve and maintain satisfactory levels of acceptance and sustained take-up by licensed producers.

There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the legal cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for Nextleaf's products and services, and, correspondingly, on Nextleaf's business, results of operations, financial condition and cash flows.

The effect of consumer perceptions on the legal cannabis market means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the demand for Nextleaf's products and services, and, correspondingly, on Nextleaf's business, results of operations, financial condition and cash flows.

Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of cannabis in general, or associating the consumption of cannabis with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products appropriately or as directed.

Narrative Description of the Business

General

(1) Regulatory Framework

The production, distribution and sale of medicinal and adult-use cannabis is tightly controlled by the Canadian federal government. In 2013, Health Canada introduced the commercial cannabis licensed producer program under the Marihuana for Medical Purposes Regulations ("MMPR") program. In 2015, the Supreme Court of Canada found certain elements of the MMPR unconstitutional which led to the development of the ACMPR legislation, specifically medical cannabis patients having the right to use oils and derivative forms of cannabis. The February 2016 Supreme Court of Canada decision in *Allard v. Canada* found that requiring individuals to get their cannabis only from licensed producers violated liberty and security rights protected by the Canadian Charter of Rights and Freedoms. The Court found that individuals who require cannabis for medical purposes did not have "reasonable access" if only allowed to purchase from Licensed Producers. In August 2016, the MMPR was replaced by the ACMPR. The ACMPR program as it related to commercial production is very similar to the MMPR. However, the

major change was the streamlined approach to identifying and being approved for various cannabis-related activities. In April 2017, the federal government introduced legislation to legalize the recreational use of cannabis. This resulted in the *Cannabis Act (An Act respecting cannabis and to amend the Controlled Drugs and Substances Act, the Criminal Code and other Acts)*, also known as Bill C-45, which, upon coming into effect on October 17, 2018, legalized recreational use of cannabis in Canada, when combined with Bill C-46, *An Act to Amend the Criminal Code*. The *Cannabis Act* was passed by the House of Commons of Canada in late November 2017. It was passed in the Senate of Canada on June 7, 2018, and the House accepted certain Senate amendments and sent the bill back to the Senate on June 18, 2018. The Senate then passed the final version of the bill on June 19, 2018 and it received Royal Assent on June 21, 2018. The *Cannabis Act* became effective on October 17, 2018. The law is a milestone in the legal history of cannabis in Canada and is the evolution of Canada's commitment to rational cannabis laws. The *Cannabis Act* encompasses all constitutional rights protected under the ACMPR but also allows for the production and sale of cannabis in Canada to any individual over the age of majority. Under this legislation licenses granted by Health Canada are more specific to the activities allowed under those licenses. It also makes a differentiation between "standard" and "micro" licenses. Micro licenses, granted to smaller cultivators and producers, will allow a lower barrier to entry for individuals and smaller companies who do not have the capital expenditure to compete with large or standard licensed cannabis cultivators and producers. As an ACMPR licensed producer applicant, Nextleaf Labs has been grandfathered into the new licensing regime under the *Cannabis Act*. The transition of licensing to a new class of license, referred to as a "Standard Processing License", took place in October 2018. Distribution and sales of recreational adult-use cannabis will be determined by each individual province. The distribution model of each province will not adversely affect Nextleaf as a business-to-business provider.

(2) Nextleaf's Business

Nextleaf is a cannabis extraction technology company that has developed patented processes for the production of cannabinoid distillate, the precursor to every cannabis-infused product. Nextleaf's patented technology allows for low quality dried cannabis biomass, including failed crops, to be processed into high-purity distillate oil of up to 95% cannabinoids. Nextleaf delivers its proprietary and patented technology using its mobile extraction lab at licensed production facilities. Once Nextleaf's centralized processing facility in Coquitlam, British Columbia receives a Standard Processing License from Health Canada, Nextleaf will provide processing solutions to licensed cultivators of cannabis and hemp, and supply cannabis oil to qualified Canadian and international business-to-business partners under their own brand. Nextleaf generates revenue through four verticals: toll processing, white label production, licensing intellectual property, and equipment sales. In order to complete any sales of cannabis oil, Nextleaf must be granted an Authorization to Distribute License. A distribution authorization will permit Nextleaf to complete sales to other *Cannabis Act* licensed producers. The distribution authorization is contingent upon "practice lot" production, an evidence package submission and an additional inspection.

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 patented technology and market-validated formulations help cultivators increase revenue and profitability through extraction and purification of biomass into tasteless, odourless cannabinoid 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 medical and adult-use markets. Nextleaf owns one issued U.S. patent, expects one patent to be issued by the U.S. Patent and Trademark Office during Q1 2019, and has 18 patents pending.

Nextleaf is currently building out its 6,540 square feet centralized processing facility in Coquitlam, British Columbia, scheduled for completion in Q4 2018. Nextleaf has built out the facility to be able to offer toll processing and white label production to licensed standard and micro cultivators, hemp farmers, and standard processors. The centralized processing facility is intended to be used to commercialize Nextleaf's patented technology by offering cannabis extraction and distillation processing services to licensed cultivators and processors. The facility has an initial capacity to process up to 100,000 kg of dried cannabis biomass per year and

produce 307,000 litres of cannabis oil. Nextleaf's facility also includes dedicated research and laboratory infrastructure, allowing for the continued and rapid development of novel, scalable cannabis processing technologies.

Nextleaf Labs Ltd. ("**Nextleaf Labs**") was incorporated in June 2018 to apply to Health Canada for a Dealer's License (now a Research Licence) and ACMPR Licensed Producer (now a Standard Processing Licence). Nextleaf Labs is a fully independent corporate entity which has licensed intellectual property and subleased production space from Nextleaf Solutions in exchange for 100% of the revenue generated by Nextleaf Labs pursuant to a license agreement (the "**Nextleaf Labs License Agreement**") and a sublease agreement (the "**Nextleaf Labs Sublease Agreement**"), each dated as of July 26, 2018. Under the Nextleaf Labs License Agreement, Nextleaf Solutions has a priority right to negotiate the acquisition of any licenses obtained by Nextleaf Labs.

Nextleaf Solutions has designed and built a mobile extraction lab, fully-equipped to process 20 kg per hour of biomass into cannabis oil. The Nextleaf mobile extraction lab can process cannabis as a fee/toll-based service at any client's licensed facility.

(a) Significant Events/Milestones

1. Complete the CSE Listing and the Nextleaf Financing – \$3,000,000 minimum funding and up to \$7,000,000 of funding (which may be increased up to \$8,050,000 if a 15% over-allotment option under the Nextleaf Financing is exercised). Nextleaf has raised approximately \$5,000,000 to date and needs the new round of capital to secure its required licenses, to further build out its central processing facilities, expand its mobile system functionality and commence more active marketing. Target quarter ended March 31, 2019.
2. Complete construction of its centralized processing facility in Coquitlam, B.C. Nextleaf's management will oversee the completion of its initial 6,540 sq. ft. centralized extraction facility including the purchase and installation of equipment, lighting, ventilation, security system and vault. Target: completion: quarter ended December 31, 2018 or quarter ended March 31, 2019.
3. Secure a Health Canada Research Licence. Holders of a Research Licence (formally Dealer's Licence) under the Health Canada Narcotic Control Regulations are parties who are licensed to conduct defined research activities with medical and adult-use cannabis. Target: quarter ended March 31, 2019 or quarter ended June 30, 2019.
4. Purchase and setup extraction and processing equipment at centralized processing facility. Nextleaf will fully outfit its centralized facility with equipment necessary to process cannabis using its patented technology. The system will be a larger version of the equipment and system currently installed in Nextleaf's mobile extraction lab. Target: quarter ended March 31, 2019 or quarter ended June 30, 2019.
5. Secure a Health Canada Standard Processing Licence (formally Licenced Producer) for production of cannabis oil and sale of cannabis oil to other Health Canada licenced companies (business to business sales only). Target: quarter ended June 30, 2019 or quarter ended September 30, 2019.
6. Secure an Authorization to Distribute License from Health Canada. A distribution authorization will permit Nextleaf to complete sales to other *Cannabis Act* licensed producers. The distribution authorization is contingent upon "practice lot" production, an evidence package submission and an additional inspection. Target: quarter ended June 30, 2019.

(b) Total Funds Available

Nextleaf entered into an agreement with MRCC on August 23, 2018 (the "**MRCC Agreement**") for a private

placement financing proposal. MRCC is to act as lead agent and sole bookrunner, on a best-efforts basis, for a private placement Offering of a minimum amount of \$3,000,000 up to a maximum of \$7,000,000 (which may be increased up to \$8,050,000 if a 15% over-allotment option under the Nextleaf Financing is exercised). At closing of the private placement Offering, Nextleaf will pay to MRCC a cash commission of 6.0% of the aggregate gross proceeds arising from the Offering and their agreement. At Closing, MRCC will receive Nextleaf Financing Compensation Options exercisable at any time up to 24 months following the closing to purchase shares of Nextleaf in an amount equal to 6.0% of the number of securities sold in connection with the Offering, but not including any securities issued under the President's List. Each Nextleaf Financing Compensation Option shall be exercisable for \$0.35 for one ordinary share of Nextleaf. For providing corporate finance services in connection with the Offering, MRCC will be entitled to receive and Nextleaf will pay a fee in the amount of \$40,000. Nextleaf shall pay to MRCC, in its role as advisor, and in consideration of the provision of the services, a non-refundable advisory fee of 2.0% cash commission and, subject to director and stock exchange approval, 2.0% in Nextleaf Financing Compensation Options of the gross proceeds of the Offering.

Nextleaf also entered into an agreement with Hunter on August 16, 2018 (the "**Hunter Agreement**"). Under the Hunter Agreement, Hunter will assist Nextleaf in raising a minimum of \$1.5 million in working capital from the exercise of the previously issued warrants on issue and it will procure a minimum of \$2,000,000 from investors as part of the private placement financing contemplated by the MRCC Agreement. Under the Hunter Agreement, Hunter is to be issued 1,250,000 broker warrants, each having an exercise price of \$0.25 and expiring March 1, 2019. In addition, upon completion of the above capital raising milestones and qualified bids, Hunter will retain the 2,500,000 shares previously issued to it under prior private placement mandates.

Principal Uses of Funds

Nextleaf intends to use the funds available on completion of the Offering as follows:

	\$3.0m	\$7.0m
Processing, Extraction and Distillation Equipment	\$1,300,000	\$3,000,000
Patents and R&D	\$400,000	\$2,900,000
Strategic Investments	\$350,000	\$1,350,000
General and Administration	\$710,000	\$1,190,000
Capital Market Placement Costs	\$240,000	\$560,000
Capital Needed for 2018 and 2019	\$3,000,000.00	\$7,000,000.00

(3) Services Offerings

Nextleaf is a cannabis extraction technology company that has developed patented processes for the production of cannabinoid distillate, the precursor to every cannabis-infused product. Nextleaf's patented technology allows for low quality dried cannabis biomass, including failed crops, to be processed into high-purity distillate oil of up to 95% cannabinoids. Nextleaf delivers its proprietary and patented technology using its mobile extraction lab at licensed production facilities. Once Nextleaf's centralized processing facility in Coquitlam, British Columbia receives a Standard Processing License from Health Canada, Nextleaf will provide processing solutions to licensed cultivators of cannabis and hemp, and supply cannabis oil to qualified Canadian and international business-to-business partners under their own brand. Nextleaf generates revenue through four verticals: toll processing, white label production, licensing intellectual property, and equipment sales. In order to complete any sales of cannabis oil, Nextleaf must be granted an Authorization to Distribute License. A distribution authorization will permit Nextleaf to complete sales to other *Cannabis Act* licensed producers. Nextleaf's four verticals are described in more

detail below:

Mobile Toll Processing

Nextleaf has designed and built a mobile extraction lab, fully-equipped to process 20 kg per hour of biomass into cannabis oil. The Nextleaf mobile extraction lab can process cannabis as a fee/toll-based service at any client's licensed facility. The Nextleaf mobile extraction lab was built with the micro-processor in mind to process cannabis oil as a service at the client's licensed facility. The mobile extraction lab can travel to Health Canada licensed production facilities to process client's cannabis biomass into distilled cannabinoid oil. The mobile lab is a customized flat-bed trailer specifically designed to transport the mobile extraction lab from one facility to another. In order to manufacture additional mobile extraction labs, in 2017 Nextleaf entered into a manufacturing agreement with K-Line Trailers Ltd. of Langley, British Columbia for the custom design, development and manufacture of the mobile extraction labs. As Nextleaf's exclusive manufacturing partner, K-Line has over 20 years of industry expertise in the manufacturing of custom industrial trailers.

Manufacturing Facility in Coquitlam

Nextleaf is currently building out its 6,540 square feet centralized processing facility in Coquitlam, British Columbia, scheduled for completion in Q4 2018. Nextleaf's manufacturing facility is located in a M2 zoned light industrial area which complies with the city's zoning by-laws. As per Health Canada regulations, it is located well away from any residential and school zones. The building is a retrofitted warehouse that has been purpose-built for cannabis production. Nextleaf's state of the art facility is designed to adhere to Good Manufacturing Practices (GMP) requirements. Nextleaf has built out the facility to be able to offer toll processing, and white label production to licensed standard and micro cultivators of cannabis, standard processors, and hemp farmers. The Coquitlam processing facility is intended to be used to commercialize Nextleaf's patented technology by offering cannabis extraction and distillation processing services to licensed cultivators and processors. The facility has an initial capacity to process up to 100,000 kg of dried cannabis biomass per year and produce 307,000 litres of cannabis oil. Nextleaf generates revenue from licensing its intellectual property. Upon Nextleaf holding the appropriate Health Canada licensing, the company expects to generate revenues through toll processing and white label production. In order to complete any sales of cannabis oil, Nextleaf must be granted an Authorization to Distribute License. A distribution authorization will permit Nextleaf to complete sales to other *Cannabis Act* licensed producers. The distribution authorization is contingent upon "practice lot" production, an evidence package submission and an additional inspection.

Nextleaf Labs is a fully independent corporate entity which has licensed intellectual property and subleased production space from Nextleaf Solutions in exchange for 100% of the revenue generated by Nextleaf Labs. Nextleaf Labs is led by its President Tom Ulanowski, who from 2015-2018 was the Quality Assurance Person, Qualified Person in Charge, and Manager of Canna Farms, B.C.'s first licensed producer. Tom is a Chartered Chemist (ACPO) and holds an HBC Degree in Analytical Chemistry from the University of Toronto, as well as a MSc Degree in Biogeochemistry from the University of Western Ontario. At Canna Farms, Tom ensured that all of the company's dried cannabis and cannabis oil products were produced under current Good Production/Manufacturing Practices (cGPP/GMP), and that all products exceeded strict quality standards, as required under Health Canada's ACMPR. During his three years at Canna Farms, Tom quality-assured hundreds of batches of cannabis, while helping the company to obtain multiple production and sales licenses, expand operations, and increase output ten-fold via improvements to current practices and the development of new processes and products. Tom was successful in achieving a "Low-Risk" rating for Canna Farms (one of the first LPs in Canada to obtain this important designation), showcasing his meticulous attention to detail, and knowledge of regulations and industry best practices.

Licensing Intellectual Property

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 patented technology and market-validated formulations help cultivators

increase revenue and profitability through extraction and purification of biomass into tasteless, odourless cannabinoid 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 medical and adult-use markets. Nextleaf owns one issued U.S. patent, expects one patent to be issued by the U.S. Patent and Trademark Office in Q1 2019, and has 18 patents pending. Nextleaf licenses its intellectual property to qualified Canadian and international business-to-business partners for use in producing products under their own brand.

Selling Equipment

Nextleaf generates revenue by selling extraction related equipment to customers for use in producing cannabis products at their own licensed facilities.

(4) Production and Sales

Nextleaf has designed and built a mobile extraction lab, fully-equipped to process 20 kg per hour of biomass into cannabis oil. The Nextleaf mobile extraction lab can process cannabis as a fee/toll-based service at any client's licensed facility. Nextleaf is currently building out its 6,540 square feet centralized processing facility in Coquitlam, British Columbia, scheduled for completion in Q4 2018. Nextleaf has built out the facility to be able to offer toll processing, and white label production to licensed standard and micro cultivators, hemp farmers, and standard processors. The centralized processing facility is intended to be used to commercialize Nextleaf's patented technology by offering cannabis extraction and distillation processing services to licensed cultivators and processors. The facility has an initial capacity to process up to 100,000 kg of dried cannabis biomass per year and produce 307,000 litres of cannabis oil. Nextleaf generates revenue through four verticals: toll processing, white label production, licensing intellectual property and selling equipment. In order to complete any sales of cannabis oil, Nextleaf must be granted an Authorization to Distribute License. A distribution authorization will permit Nextleaf to complete sales to other *Cannabis Act* licensed producers. The distribution authorization is contingent upon "practice lot" production, an evidence package submission and an additional inspection.

Nextleaf leases the industrial space where its lab is located from an arm's length party. The standard commercial lease (the "Nextleaf Lease") commenced July 1, 2018 and runs five years with an option to renew five additional year at current prevailing market rates. The leased facility is approximately 6,544 square feet in total. Currently monthly rent and common area costs are \$8,996 plus GST.

Management believes there is an ample supply of low-quality cannabis and hemp biomass available and a lack of extraction and processing capacity in the industry. Once licensed, Nextleaf can purchase raw biomass from licensed standard and micro cultivators of cannabis along with CBD rich hemp flower from hemp farmers. The company is projecting the price of raw biomass to cost at or below \$1,750 per kilogram.

Nextleaf has developed a portfolio of patented and patent pending processes and technology for the production of cannabinoid distillate, the precursor to every cannabis-infused product. Nextleaf's patented technology allows for low quality dried cannabis biomass, including failed crops, to be processed into high-purity distillate oil of up to 95% cannabinoids. The company believes its portfolio of patented and patent pending technology will create a competitive advantage versus competitors that do not possess intellectual property and patents. Nextleaf has also been issued two trademarks related to its brand and logo.

The ownership and protection of Nextleaf's intellectual property rights is a significant aspect of its future success. Currently Nextleaf relies on its patents, patents pending, trade secrets, technical know-how and proprietary information to protect its intellectual property. Nextleaf attempts to protect its intellectual property by entering into confidentiality agreements with parties that have access to it, such as business partners, collaborators, employees and consultants. Any of these parties may breach these agreements and Nextleaf may not have adequate remedies for any specific breach. In addition, Nextleaf's trade secrets and technical know-how, which are not protected by patents, may otherwise become known to or be independently developed by competitors, in which event Nextleaf's business, financial condition and results of operations could be materially adversely affected. Unauthorized parties may attempt to replicate or otherwise obtain and use Nextleaf's products, trade secrets, technical know-how and

proprietary information that are not protected by patents. Policing the unauthorized use of Nextleaf's current or future intellectual property rights could be difficult, expensive, time-consuming and unpredictable, as may be enforcing these rights against unauthorized use by others. Identifying unauthorized use of intellectual property rights is difficult as Nextleaf may be unable to effectively monitor and evaluate the products being distributed by its competitors, including parties such as unlicensed dispensaries, and the processes used to produce such products. In addition, in any infringement proceeding, some or all of Nextleaf's current or future trademarks, patents or other intellectual property rights or other proprietary know-how, or arrangements or agreements seeking to protect the same for the benefit of Nextleaf, may be found invalid, unenforceable, anti-competitive or not infringed. An adverse result in any litigation or defense proceedings could put one or more of Nextleaf's current or future trademarks, patents or other intellectual property rights at risk of being invalidated or interpreted narrowly and could put existing intellectual property applications at risk of not being issued. Any or all of these events could materially and adversely affect the business, financial condition and results of operations of Nextleaf. In addition, other parties may claim that Nextleaf's products infringe on their proprietary and perhaps patent protected rights. Such claims, whether or not meritorious, may result in the expenditure of significant financial and managerial resources, legal fees, result in injunctions, temporary restraining orders and/or require the payment of damages. As well, Nextleaf may need to obtain licenses from third parties who allege that Nextleaf has infringed on their lawful rights. However, such licenses may not be available on terms acceptable to Nextleaf or at all. In addition, Nextleaf may not be able to obtain or utilize on terms that are favorable to it, or at all, licenses or other rights with respect to intellectual property that it does not own.

In the event that Nextleaf obtains all requisite licenses for the production of cannabis oil and related products, its operations will be subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect Nextleaf's operations. Government approvals and permits are currently and may in the future be required in connection with Nextleaf's operations. To the extent such approvals are required and not obtained, the Resulting Issuer may be curtailed or prohibited from its proposed production of cannabis oil or related products or from proceeding with the development of its operations as currently proposed. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Nextleaf may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permits governing the production of cannabis oil and related products, or more stringent implementation thereof, could have a material adverse impact on Nextleaf and cause increases in expenses, capital expenditures or production costs or reduction in levels of production or require abandonment or delays in development.

Nextleaf currently has a total of 10 full-time equivalent employees and consultants.

(5) Competitors

Currently, the extraction technology industry (specifically those focused on cannabis extraction technologies) is relatively new and immature - with much of the existing equipment being retrofitted from other applications or industries, such as essential oil extraction and decaffeination. Nextleaf is unique in that its process is patented, which protects the methodology of the entire extraction to distillation solution. Nextleaf utilizes existing technology to provide this turnkey solution for its customers.

There exists a number of extraction technology companies, each specializing in selling equipment that relates to extraction and, refinement of cannabinoids or distillation technology. Companies that provide this technology are (without limitation): Vitalis Extraction Solutions, Advanced Extraction Solutions, Apex Supercritical, United

Science, Eden Labs, and Precision Extraction Systems. These competitors offer a range of options to clients interested in purchasing such equipment, from very basic units and small scale offerings, to highly optimized commercial machines.

There are a number of companies in Canada offering toll processing to licensed cultivators of cannabis and hemp and supplying cannabis oil to qualified Canadian business-to-business partners under their own brand. The cannabis production industry is competitive in all of its phases. Nextleaf faces strong competition from other companies in connection with such matters. Many of these companies have greater financial resources, and operational experience than Nextleaf. Nextleaf may face additional competition from new entrants. If the number of users of marijuana in Canada increases, the demand for products will increase and Nextleaf expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products. To remain competitive, Nextleaf will require a continued high level of investment in research and development, marketing, sales and client support. Nextleaf has two specific types of competition: (i) existing licensed producers and their ability to conduct extraction in-house; and (ii) other similar cannabis concentrate processors. To Nextleaf's knowledge, there are three publicly traded companies with a similar business model to Nextleaf; however, as of November 3, 2018 none of these companies have developed, received or acquired patented technology for proprietary methodology or process. There are approximately 131 licensed producers currently authorized to grow cannabis in Canada as at the date hereof. Approximately more than 50 of those 131 Licensed Producers have an oil production and/or sales license. Nextleaf anticipates that Health Canada will continue to license many cannabis businesses in the future under the *Cannabis Act*, which replaced the ACMPR as of October 17, 2018. A higher number of approved commercial cultivators is expected to be beneficial to Nextleaf's business as it will lower the wholesale cost of dried cannabis, which is Nextleaf's biggest expense in the ordinary course of business. Nextleaf cannot predict the number of other similar cannabis concentrate processors that will enter the industry.

SELECTED FINANCIAL INFORMATION

Annual Information

The following tables set out certain selected financial information of Nextleaf for the periods indicated.

Please refer to Management's Discussion and Analysis below for a full discussion of the data, including, among other matters, the comparability of data and changes in accounting policies.

	Nine Months Ended June 30, 2018 (\$)	Year Ended September 30, 2017 (\$)	Year Ended September 30, 2016 (\$)
Revenues	\$341,408	\$119,760	\$0
Net Income (Loss)	\$ (1,366,743)	\$ (504,488)	\$ (7,016)
Basic & Diluted Income (Loss) per share	(\$0.02)	(\$0.03)	(\$0.00)
Total Current Assets	\$1,067,004	\$802,183	\$0
Total Assets	\$3,667,591	\$ 2,008,232	\$0
Total Current Liabilities	\$578,148	\$144,143	\$2,016
Long Term Liabilities	\$0	\$0	\$0
Working Capital (deficit)	\$ 488,856	\$ 658,040	\$ (2,016)

Quarterly Information

The following table summarizes information derived from Nextleaf's financial statements for the each of the eight most recently completed quarters:

Quarter Ended	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30
Year	2018	2018	2017	2017	2017	2017	2016	2016
Income	\$ 90,172	\$221,002	\$30,234	\$119,760	\$0	\$0	\$0	\$0
Net Income (Loss)	\$(428,424)	\$(614,305)	\$(324,014)	\$(356,161)	\$(123,659)	\$(24,667)	\$0	\$0
Basic & Diluted Income (Loss) per share	\$ (0.01)	\$(0.01)	\$(0.01)	\$(0.01)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)

MANAGEMENT'S DISCUSSION AND ANALYSIS

Annual MD&A

The following discussion and analysis of the financial condition and results of operations of Nextleaf Solutions Ltd. for the fiscal year ended September 30, 2017 and compares these results to the previous fiscal year ended September 30, 2016. This MD&A should be read in conjunction with, the audited financial statements for the years ended September 30, 2017 and September 30, 2016. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") in Canada. All monetary amounts in the MD&A are expressed in Canadian dollars, except per share amounts or as otherwise indicated.

Nextleaf is a cannabis extraction technology company that holds multiple U.S. issued and pending patents for the process of producing cannabinoid distillate, the precursor of every cannabis infused product. 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 delivers its proprietary technology at both its centralized processing facility in Coquitlam, British Columbia, and using its mobile extraction lab at licensed production facilities.

Nextleaf is currently building out its 6,540 square feet centralized processing facility in Coquitlam, British Columbia. The centralized processing facility is intended to be used to commercialize Nextleaf's patented technology by offering large-scale cannabis distillation processing services to licensed cultivators and processors. Nextleaf also offers white label production of cannabis oil for its partners with branded products.

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's mobile extraction lab can process 20 kg of dried biomass into cannabis oil per hour, allowing the client to pay for processing as a service instead of tying up capital in under-utilized equipment that requires specialized expertise.

Selected Annual Information

Statement of Comprehensive Loss	Year Ended September 30,	
	2017	2016
	\$	\$
Revenue	119,760	0
Cost of sales	267,001	0
Expenses	357,247	7,016
Net loss	(504,488)	(7,016)
Total comprehensive loss	(504,488)	(7,016)
Weighted average ordinary shares outstanding	14,958,589	2,112,111
Loss per share	(0.03)	(0.00)

Statement of Financial Position	September 30,	
	2017	2016
	\$	\$
Total assets	2,008,232	0
Working capital	658,040	(2,016)
Total liabilities	144,143	2,016
Long-term liabilities	-	-
Share capital and reserves	2,373,602	5,000
Deficit	(509,513)	(7,016)

The focus of Nextleaf's operations during 2016 and 2017 was the development of its intellectual property and patents.

Results of Operations

The following table sets out the statement of comprehensive loss for the years ended September 30, 2017 and September 30, 2016:

Statement of Comprehensive Loss	Year Ended September 30,	
	2017	2016
	\$	\$
Revenue	119,760	0
Cost of sales	(267,001)	0
	(147,241)	0
Expenses		
Sales and marketing	92,222	0
General and administration	34,003	0
Share-based payments	0	5,000
Professional fees and consulting	231,022	2,016
	357,247	7,016
Net loss	(504,448)	(7,016)

Revenues

Nextleaf generated \$119,760 from the rental of equipment.

Operating expenses

Net loss for the year ended September 30, 2017 was \$504,488 (2016 - \$7,016), operating expenses were up over the prior year as a result of Nextleaf's research and development of its cannabis processing technology and acquiring equipment.

Sales and marketing of \$92,222 (2016 - \$0) increased over the prior year due to increased activity from the developing and promotion of Nextleaf.

General and administration of \$34,003 (2016 - \$0) increased as a result of increased business activity from increased staff.

Professional fees of \$231,022 (2016 - \$2,016) increased as a result of legal, consulting and legal fees related to the development of Nextleaf's intellectual property and general business activities.

Loss per ordinary share

The table below presents the basic and diluted loss per ordinary share for each of the comparative fiscal years ended September 30, 2017 and September 30, 2016.

	Year Ended September 30,	
	2017	2016
	\$	\$
Basic and diluted loss per ordinary share	(0.03)	(0.00)
Weighted average number of ordinary shares	14,958,589	2,112,111

Due to a net loss from operations, financial instruments, including warrants and options, are anti-dilutive.

The following table sets out the statement of comprehensive loss for the three-month period ended September 30, 2017 and September 30, 2016:

Statement of Comprehensive Loss	Three-Months Ended September 30,	
	2017	2016
	\$	\$
Revenue	119,760	0
Cost of sales	(240,245)	0
	(120,485)	0
Expenses		
Sales and marketing	29,828	0
General and administration	33,672	0
Professional fees and consulting	172,176	0
	235,676	0
Net loss	(356,161)	0

Revenues

Nextleaf generated \$119,760 from the rental of equipment.

Operating expenses

Net loss for the three-months ended September 30, 2017 was \$356,161 (2016 - \$0), operating expenses were up over the prior year as a result of the company's research and development of its cannabis processing technology and acquiring equipment.

Sales and marketing of \$29,828 (2016 - \$0) increased over the prior period due to increased activity from the developing and promotion of the company.

General and administration of \$33,672 (2016 - \$0) increased as a result of increased business activity from increased staff.

Professional fees of \$172,176 (2016 - \$0) increased as a result of legal, consulting and legal fees related to the development of the company's intellectual property and general business activities.

Loss per ordinary share

The table below presents the basic and diluted loss per ordinary share for each of the comparative three-months ended September 30, 2017 and September 30, 2016.

	Three-Months Ended September 30,	
	2017	2016
	\$	\$
Basic and diluted loss per ordinary share	(0.01)	0.00
Weighted average number of ordinary shares	43,678,222	6,770,831

Liquidity

Nextleaf's objectives when managing its liquidity and capital structure are to generate sufficient cash to fund Nextleaf's operating and growth strategy.

As at September 30, 2017 Nextleaf had cash of \$342,572 (2016 - \$0) and working capital of \$658,040 (2016 - \$(2,016)). The increase in cash and working capital as compared to the prior year was primarily the result of the closing of equity financings throughout the year for gross cash proceeds of \$2,555,904.

Share Capital

As at September 30, 2017 Nextleaf had 47,516,596 ordinary shares outstanding and as at the date of this MD&A Nextleaf had 78,693,393 ordinary shares outstanding.

On December 19, 2017, Nextleaf effected a 2.25 for 1 stock split of its ordinary shares. All ordinary share and per-share amounts for all periods presented in these financial statements have been adjusted retroactively to reflect the stock split.

Share capital issuances

On January 10, 2017, Nextleaf issued 25,729,166 ordinary shares with a value of \$571,759 for the purchase of equipment. This transaction was valued in reference to the estimated fair value of the equipment acquired.

On June 2, 2017, Nextleaf issued 837,000 units at a price \$0.1111 per unit for gross proceeds of \$93,000. Each unit comprised of one ordinary share, and one ordinary share purchase warrant, exercisable at a price of \$0.2222 per share until June 2, 2018. Nextleaf also issued 66,960 finders' warrants in connection with this financing, recorded at a fair value of \$2,976, and paid cash finders' fees of \$5,580. The finders' warrants expire on June 2, 2018, and are exercisable at a price of \$0.1111 per share.

On July 10, 2017 Nextleaf issued 713,250 units at a price \$0.1111 per unit for gross proceeds of \$79,250. Each unit comprised of one ordinary share, and one ordinary share purchase warrant, exercisable at a price of \$0.2222 per share until July 10, 2018. Nextleaf also issued 57,060 finders' warrants in connection with this financing, recorded at a fair value of \$2,536, and paid cash finders' fees of \$4,755. The finders' warrants expire on July 10, 2018, and are exercisable at a price of \$0.1111 per share. \$74,495 related to this unit issuance was received subsequent to September 30, 2017.

On July 20, 2017, Nextleaf issued 9,540,000 units at a price \$0.1111 per unit for gross proceeds of \$1,060,000. Each unit comprised one ordinary share and one ordinary share purchase warrant, exercisable at a price of \$0.2222 per share until July 20, 2018. Nextleaf also issued 954,000 finders' warrants in connection with this financing, recorded at a fair value of \$42,400. Further, Nextleaf paid cash finders' fees of \$42,400, and issued an additional 381,600 units to finders' (in lieu of a cash commission), recorded at a fair value of \$42,400 within share issue costs, having a net \$nil effect on share capital. The finders' warrants expire on July 20, 2018, and are exercisable at a price of \$0.1111 per share.

On July 31, 2017, Nextleaf issued 114,750 units at a price \$0.1111 per unit for gross proceeds of \$12,750. Each unit comprised of one ordinary share and one ordinary share purchase warrant, exercisable at a price of \$0.50 per share until July 31, 2018. Nextleaf also issued 9,180 finders' warrants in connection with this financing, recorded at a fair value of \$408, and paid cash finders' fees of \$765. The finders' warrants expire on July 31, 2018, and are exercisable at a price of \$0.25 per share.

On August 14, 2017, Nextleaf issued 3,429,997 units at a price \$0.10 per unit for gross proceeds of \$343,000. Each unit comprised of one ordinary share and one ordinary share purchase warrant, exercisable at a price of \$0.2222 per share until August 14, 2018.

During the year ended September 30, 2017, Nextleaf received \$342,645 in the form of subscription deposits for units that were issued subsequent to September 30, 2017.

Aggregate cash share issue costs pursuant to the financings completed during the year ended September 30, 2017, totaled \$131,811, of which \$53,500 were cash commissions to finders (as disclosed above), and \$78,311 were professional and other fees related to the financings.

Outstanding options

As at September 30, 2017 Nextleaf had nil (2016 – nil) stock options outstanding. As at the date of this MD&A Nextleaf had nil stock options outstanding.

Outstanding warrants

As at September 30, 2017, Nextleaf had 7,157,244 warrants outstanding. At the date of this MD&A Nextleaf had 750,000 warrants outstanding. The following table summarizes the changes in warrants during the year:

	Number of warrants outstanding	Weighted average exercise price
Balance, September 30, 2016, October 5, 2016	-	\$ -
Issued – attached to units	15,016,599	0.22
Issued – finders’ warrants	1,087,200	0.11
Balance, September 30, 2017	16,103,799	0.21

Off Balance Sheet Arrangements

As of September 30, 2017, Nextleaf had no off-balance-sheet arrangements.

Related Party Transactions

Nextleaf has determined that key management personnel consist of directors and officers. The remuneration to directors during the years ended September 30, 2017 and 2016 was \$40,000 and \$5,000, respectively.

As at September 30, 2017, a net amount of \$68,523 (2016 - \$0) is due from related parties. Amounts owed by Nextleaf to related parties are: \$29,015 due from Nextleaf for reimbursement of expenses to officers of Nextleaf; and \$2,462 due from Nextleaf under a promissory note owed to the CTO of Nextleaf which bears interest of 3% per annum. Amounts owed from related parties to Nextleaf are: \$75,000 due from a former director of Nextleaf; and \$25,000 due from the CTO of Nextleaf, both by way of promissory notes which bear interest at 3-6% per annum.

Changes in Accounting Policies

Accounting standards issued but not yet effective

A number of new IFRS standards, amendments to standards and interpretations are not yet effective for the year ended September 30, 2017, and have not been applied in preparing these financial statements.

IFRS 9 - Financial Instruments (“IFRS 9”)

IFRS 9 is a new standard that replaced IAS 39 for classification and measurement, effective for annual periods beginning on or after January 1, 2018.

IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking “expected loss” impairment model. As most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, Nextleaf’s accounting policy with respect to financial liabilities is unchanged.

On adoption of IFRS 9, Nextleaf will classify its financial instruments in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive income (“FVTOCI”) or at amortized cost. Nextleaf determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by Nextleaf’s business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL. For other equity instruments, on the day of acquisition Nextleaf can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured

at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or Nextleaf has opted to measure them at FVTPL.

Adoption of IFRS 9 is expected to increase the required disclosure for financial instruments.

	<i>Original classification</i> <i>IAS 39</i>	<i>New classification</i> <i>IFRS 9</i>
Financial assets		
Cash	FVTPL	FVTPL
Receivables	Loans and receivables	Amortized cost
Due from related parties	Loans and receivables	Amortized cost
Financial liabilities		
Accounts payable and accrued liabilities	Amortized cost	Amortized cost

IFRS 15 – Revenue from Contracts with Customers (“IFRS 15”)

IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is effective for annual periods beginning on or after January 1, 2018. Adoption of this standard is not expected to have a significant impact on the financial statements.

IFRS 16 – Leases (“IFRS 16”)

IFRS 16, Leases, new standard contains a single lessee accounting model, eliminating the distinction between operating and financing leases from the perspective of the lessee. The accounting requirements from the perspective of the lessor remains largely in line with previous IAS 17 requirements, effective for annual reporting periods beginning on or after January 1, 2019. Nextleaf is currently assessing the impact of this standard on the financial statements.

IFRIC 23 – Uncertainty over Income Tax Treatments (“IFRIC 23”)

IFRIC 23 clarifies the accounting for income tax treatments and is applicable for annual periods beginning on or after January 1, 2019.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on Nextleaf’s financial statements.

Capital Management

Nextleaf manages its capital to ensure that there are adequate capital resources to safeguard Nextleaf’s ability to continue as a going concern through the optimization of its capital structure. The capital structure consists of shareholders’ equity comprising of share capital, contributed surplus, warrants and deficit. The basis for Nextleaf’s capital structure is dependent on Nextleaf’s expected business growth and changes in business environment. In order to facilitate the management of capital, Nextleaf prepares annual expenditure budgets which are updated as necessary and are reviewed and periodically approved by Nextleaf’s Board of Directors. To maintain or adjust the capital structure, Nextleaf may issue new shares through private placement, incur debt or return of capital to shareholders.

There have been no changes made to the capital management policy during the years ended September 30, 2017 and 2016.

Interim MD&A

The following discussion and analysis of the financial condition and results of operations of Nextleaf Solutions Ltd. for the nine-month period ended June 30, 2018. This MD&A should be read in conjunction with Nextleaf's condensed interim consolidated financial statements for the nine-month period ended June 30, 2018 and the audited financial statements for the year ended September 31, 2017, which have been prepared in accordance with IFRS in Canada. All monetary amounts in the MD&A are expressed in Canadian dollars, except per share amounts or as otherwise indicated.

Selected Financial Information

Statement of Comprehensive Loss	Nine Months Ended June 30,	
	2018	2017
	\$	\$
Expenses	1,245,890	148,326
Net loss	(1,366,743)	(148,326)
Total comprehensive loss	(1,366,743)	(148,326)
Weighted average ordinary shares outstanding	56,931,860	38,051,835
Loss per share	(0.02)	(0.00)

Statement of Financial Position	June 30,	September 30,
	2018	2017
	\$	\$
Total assets	3,667,591	2,008,232
Working capital	488,856	658,040
Total liabilities	578,148	144,143
Long-term liabilities	-	-
Share capital and reserves	4,965,699	2,373,602
Deficit	(1,876,256)	(509,513)

The focus of Nextleaf's operations during the nine-months ended June 30, 2018 was the continued development of its intellectual property and patents and establishing a centralized processing facility.

Quarterly Financial Information

Quarter Ended	Jun 30	Mar 31	Dec 31	Sep 30
Year	2018	2018	2017	2017
Income	\$ 90,172	\$221,002	\$30,234	\$119,760
Net Income (Loss)	\$(428,424)	\$(614,305)	\$(324,014)	\$(356,161)
Basic & Diluted Income (Loss) per share	\$(0.01)	\$(0.01)	\$(0.01)	\$(0.01)

Quarter Ended	Jun 30	Mar 31	Dec 31	Sep 30
Year	2017	2017	2016	2016
Income	\$0	\$0	\$0	\$0
Net Income (Loss)	\$(123,659)	\$(24,667)	\$0	\$0
Basic & Diluted Income (Loss) per share	\$(0.03)	\$(0.00)	\$(0.00)	\$(0.00)

Results of Operations

Summary of results for the nine-month period ended June 30, 2018 compared to the nine-month period ended June 30, 2017.

The following table sets out the statement of comprehensive loss for the nine-month period ended June 30, 2018 and June 30, 2017:

Statement of Comprehensive Loss	Nine-Months Ended June 30,	
	2018	2017
	\$	
Revenue	341,408	0
Cost of sales	(462,261)	0
	(120,853)	0
Expenses		
Sales and marketing	125,723	51,434
General and administration	428,540	38,046
Share-based payments	27,000	0
Professional fees and consulting	664,627	58,846
	1,245,890	148,326
Net loss	(1,366,743)	(148,326)

Revenues

Nextleaf generated \$341,408 from the rental of equipment.

Operating expenses

Net loss for the nine-months ended June 30, 2018 was \$1,366,743 (2017 - \$148,326), operating expenses were up over the prior year as a result of Nextleaf's research and development activities and development of its central processing facility.

Sales and marketing of \$125,723 (2017 - \$51,434) increased over the prior year due to increased activity from the developing and promotion of Nextleaf.

General and administration of \$428,540 (2017 - \$38,046) increased as a result of increased business activity and hiring key staff.

Professional fees of \$664,627 (2017 - \$58,846) increased as a result of legal, consulting and legal fees related to the development of Nextleaf's intellectual property, Nextleaf exploring strategic opportunities and general business activities.

Loss per ordinary share

The table below presents the basic and diluted loss per ordinary share for each of the comparative nine-months ended June 30, 2018 and June 30, 2017.

	Nine-Months Ended June 30,	
	2018	2017
	\$	\$
Basic and diluted loss per ordinary share	(0.02)	(0.00)
Weighted average number of ordinary shares	56,931,860	38,051,835

Due to a net loss from operations, financial instruments, including warrants and options, are anti-dilutive.

Liquidity

Nextleaf's objectives when managing its liquidity and capital structure are to generate sufficient cash to fund Nextleaf's operating and growth strategy.

As at June 30, 2018 Nextleaf had cash of \$723,621 (September 30, 2017 - \$342,572) and working capital of \$488,856 (September 30, 2017 - \$658,040). The decrease in cash and working capital as compared to the year ended September 30, 2017 was primarily the result of increased business activities related to developing Nextleaf's centralized processing facility.

Share capital

As at June 30, 2018 Nextleaf had 63,170,951 ordinary shares outstanding and as at the date of this MD&A Nextleaf had 78,693,393 ordinary shares outstanding.

On December 19, 2017, Nextleaf effected a 2.25 for 1 stock split of Nextleaf's ordinary shares. All ordinary share and per-share amounts for all periods presented in these financial statements have been adjusted retroactively to reflect the stock split.

Share capital issuances

On October 31, 2017, 3,708,252 units were issued at a price of \$0.1111 per unit for gross proceeds of \$412,028. Each unit comprises one ordinary share and one ordinary share purchase warrant exercisable at a price of \$0.2222 per ordinary share until July 20, 2018. Related to this issuance, \$342,645 of subscriptions received in advance as at September 30, 2017, were reclassified to share capital.

On January 31, 2018, 4,500,000 shares were issued at a price of \$0.1083 a share for gross proceeds of \$487,566. Nextleaf also paid cash finders' fees of \$34,130.

On January 31, 2018, 3,775,144 shares were issued at a price of \$0.1764 a share for gross proceeds of \$665,734. Nextleaf also paid cash finders' fees of \$46,601.

On February 22, 2018, 150,000 shares were issued with a value of \$27,000 for services provided by a consultant.

On March 1, 2018, upon the exercise of 954,000 broker share purchase warrants, 954,000 shares were issued at a price of \$0.1111 per share for gross proceeds of \$105,989. The warrants were previously valued at \$42,400.

On March 1, 2018, 2,500,000 shares were issued at a value of \$450,000 for service provided related to share issuances.

On June 18, 2018, upon the exercise of 66,960 broker share purchase warrants, 66,960 shares were issued at a price of \$0.1111 per share for gross proceeds of \$7,440. The warrants were previously valued at \$2,976.

At June 30, 2018, there was \$1,309,716 share subscriptions received in advance. These subscriptions were issued subsequent to the period end.

Outstanding options

As at June 30, 2018 Nextleaf had Nil (2017 – Nil) stock options outstanding. As at the date of this MD&A Nextleaf had Nil stock options outstanding.

Outstanding warrants

As at June 30, 2018 Nextleaf had 18,704,091 warrants outstanding. At the date of this MD&A Nextleaf had 750,000 warrants outstanding. The following table summarizes the changes in warrants during the period:

	Number of warrants outstanding	Weighted average exercise price
Balance, September 30, 2016	-	\$ -
Issued – attached to units	15,016,599	0.22
Issued – finders’ warrants	1,087,200	0.11
Balance, September 30, 2017	16,103,799	0.21
Issued – attached to units	3,708,252	0.22
Issued – finders’ warrants	750,000	0.25
Exercised	(1,020,960)	0.11
Expired	(837,000)	0.11
Balance, June 30, 2018	18,704,091	\$ 0.22

Off Balance Sheet Arrangements

As of June 30, 2018, Nextleaf had no off-balance-sheet arrangements.

Related Party Transactions

Nextleaf has determined that key management personnel consist of directors and officers. The remuneration to the officers of Nextleaf during the nine-months ended June 30, 2018 was \$77,700 and to a director of Nextleaf \$10,000.

As at June 30, 2018, a net amount of \$73,432 is due from related parties to related parties. The amount owed by Nextleaf to related parties is \$28,044 for reimbursement of expenses to officers of Nextleaf. Amounts owed from related parties to Nextleaf are: \$78,375 due from a former director of Nextleaf; and \$23,101 due from the CTO of Nextleaf, both by way of promissory notes which bear interest at 3-6% per annum.

Changes in Accounting Policies

Accounting standards issued but not yet effective

A number of new IFRS standards, amendments to standards and interpretations are not yet effective for the period ended June 30, 2018, and have not been applied in preparing these financial statements.

IFRS 9 - Financial Instruments ("IFRS 9")

IFRS 9 is a new standard that replaced IAS 39 for classification and measurement, effective for annual periods beginning on or after January 1, 2018.

IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. As most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, Nextleaf's accounting policy with respect to financial liabilities is unchanged.

On adoption of IFRS 9, Nextleaf will classify its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. Nextleaf determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by Nextleaf's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL. For other equity instruments, on the day of acquisition Nextleaf can make an irrevocable election (on an instrument-by-instrument basis) to designate them as FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or Nextleaf has opted to measure them at FVTPL.

Adoption of IFRS 9 is expected to increase the required disclosure for financial instruments.

	<i>Original classification IAS 39</i>	<i>New classification IFRS 9</i>
Financial assets		
Cash	FVTPL	FVTPL
Receivables	Loans and receivables	Amortized cost
Due from related parties	Loans and receivables	Amortized cost
Financial liabilities		
Accounts payable and accrued liabilities	Amortized cost	Amortized cost

IFRS 15 – Revenue from Contracts with Customers ("IFRS 15")

IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is effective for annual periods beginning on or after January 1, 2018. Adoption of this standard is not expected to have a significant impact on the financial statements.

IFRS 16 – Leases ("IFRS 16")

IFRS 16, Leases, new standard contains a single lessee accounting model, eliminating the distinction between operating and financing leases from the perspective of the lessee. The accounting requirements from the perspective of the lessor remains largely in line with previous IAS 17 requirements, effective for annual reporting periods beginning on or after January 1, 2019. Nextleaf is currently assessing the impact of this standard on the financial statements.

IFRIC 23 - Uncertainty over Income Tax Treatments ("IFRIC 23")

IFRIC 23 clarifies the accounting for income tax treatments and is applicable for annual periods beginning on or after January 1, 2019.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on Nextleaf's financial statements.

Capital Management

Nextleaf manages its capital to ensure that there are adequate capital resources to safeguard Nextleaf's ability to continue as a going concern through the optimization of its capital structure. The capital structure consists of shareholders' equity comprising of share capital, warrants and deficit. The basis for Nextleaf's capital structure is dependent on Nextleaf's expected business growth and changes in business environment. In order to facilitate the management of capital, Nextleaf prepares annual expenditure budgets which are updated as necessary and are reviewed and periodically approved by Nextleaf's Board of Directors. To maintain or adjust the capital structure, Nextleaf may issue new shares through private placement, incur debt or return of capital to shareholders.

There have been no changes made to the capital management policy during the period ended June 30, 2018.

DESCRIPTION OF THE SECURITIES

Description of Capital

The authorized share capital of Legion consists of an unlimited number of common shares without par value. At the date of this Circular, Legion has an aggregate of 12,764,600 fully paid common shares issued and outstanding.

The holders of Legion's common shares are entitled to:

- vote at all meetings of shareholders of Legion, except meetings at which only holders of a specified class of shares are entitled to vote;
- receive, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of Legion (of which there are none as at the date of this Circular), any dividends declared by Legion; and
- receive, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of Legion, the remaining property of Legion upon the liquidation, dissolution or winding-up of Legion, whether voluntary or involuntary.

Prior Sales of Legion

The following table summarizes the sales of common shares by Legion from incorporation to the date of this Circular.

Allotment Date	Price per Share	No. of Shares	Reason for Issuance
December 8, 2016	\$0.01	1	Incorporation ⁽¹⁾
March 31, 2017	\$0.02	6,100,000	Private Placement
March 31, 2017	\$0.02 ⁽²⁾	125,000	Shares for Services
May 9, 2017	\$0.10 ⁽²⁾	1,500,000	Consideration for Property
September 14, 2017	\$0.10	4,039,600	Initial Public Offering
January 12, 2018	\$0.0825 ⁽²⁾	1,000,000	Consideration for Cryptocurrency Assets

Total as at the date of this Circular **12,764,600**

Notes:

- (1) This share was surrendered and cancelled on March 31, 2017.
(2) These shares were not issued for cash, and this is a deemed price per share.

Prior Sales of Nextleaf

The following table sets forth the number and price at which securities of Nextleaf have been sold within the 12-month period prior to the date of the Arrangement:

Date	Number	Type of Security	Issue Price per Security	Aggregate Issue Price	Consideration Received
September 28, 2018	8,104,643	Nextleaf Shares	\$0.2222	\$1,800,852	Cash
August 17, 2018	7,417,798	Nextleaf Shares	\$0.2222	\$1,648,235	Cash
June 18, 2018	66,960	Nextleaf Shares	\$0.1111	\$7,439	Cash
March 1, 2018	954,000	Nextleaf Shares	\$0.1111	\$105,989	Cash
March 1, 2018	2,500,000	Nextleaf Shares	\$0.1800	\$450,000	Services
February 22, 2018	150,000	Nextleaf Shares	\$0.1800	\$27,000	Services
January 31, 2018	4,500,000	Nextleaf Shares	\$0.1083	\$487,566	Cash
January 31, 2018	3,775,144	Nextleaf Shares	\$0.1764	\$665,734	Cash
October 31, 2017	3,708,252	Nextleaf Units (one share and one warrant at \$0.2222)	\$0.1111	\$411,987	Cash

ESCROWED SECURITIES

Peter Smith, Paul Pedersen, Guy Pinsent, Larry Timlick, Fred Bonner and Michael Raven entered into an agreement (the "**Legion Escrow Agreement**") dated August 2, 2017 with Legion and AST Trust Company (Canada), whereby they agreed to deposit in escrow their Legion Shares.

The number of Legion Shares subject to escrow is as follows:

<u>Designation of class</u>	<u>Number of securities held in escrow or that are subject to a contractual restriction on transfer</u>	<u>Percentage of class</u>
Common Shares	2,056,485 ⁽¹⁾	16.11%

Notes:

- (1) 15% of the Legion Shares subject to escrow will be released on each of [dates], or at any time prior thereto with the consent of the applicable regulatory authorities.

On completion of the Arrangement, all of the principals of the Resulting Issuer will be required to enter into an escrow agreement (the “**Nextleaf Escrow Agreement**”) that provides for the escrow of the principals’ shares for a period of 36 months, with 10% of the shares to be released immediately, followed by six subsequent releases of 15% each six months thereafter.

PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and senior officers of Legion, no person or company, as at the date of this Circular, beneficially owns, directly or indirectly, or exercises control or direction over Legion Shares carrying more than 10% of the outstanding voting rights attached to the Legion Shares.

To the knowledge of the directors and senior officers of Nextleaf, no person or company, as at the date of this Circular, beneficially owns, directly or indirectly, or exercises control or direction over Legion Shares carrying more than 10% of the outstanding voting rights attached to the Nextleaf Shares other than Ryan Ko who holds 9,445,311 Nextleaf Shares (12.00%).

DIRECTORS AND OFFICERS

Name, Address, Occupation and Security Holdings

The following table sets out the names of the anticipated directors and officers of the Resulting Issuer following the closing of the proposed Transaction and Concurrent Financing, the province or state, and country in which each is ordinarily resident, all offices of the Issuer held by each of them, their principal occupations and the number of common shares of the Issuer or any of its subsidiaries beneficially owned by each, directly or indirectly, or over which control or direction is exercised.

Name, Municipality of Residence, Position with the Issuer and Date First Appointed	Principal Occupation During Last Five Years	Number of common shares held in the Issuer ⁽¹⁾	Percentage of Class Held or Controlled ⁽¹⁾ (minimum financing/ maximum financing)
Paul Pedersen Vancouver, BC <i>President, Chief Executive Officer and Director</i> May 1, 2016	President and Chief Executive Officer of Nextleaf since May 1, 2016; President and Chief Executive Officer of Rheingold Exploration Corp., a mineral exploration company, from July 2010 to June 2017; President of Greywood Partners, a consulting company, since November 2013.	7,124,331	7.84%/7.01%
Charles Ackermann Halifax, NS <i>Director and Chief Financial Officer and Director</i> March 3, 2017	CFO of Nextleaf since May 2018; CFO of Radial Research Corp., a technology company that develops online and download technologies and services, since March 2018; President and CEO of Novillo Capital Limited, a consulting company, since September 2017; CFO of Legion since March 2017; Manager of Mergers and Acquisitions at Iona Resources Holdings Limited, an investment company, from August 2015 to September 2017; accountant at Grant Thornton LLP, an accounting firm, from January 2015 to August 2015; accountant at AC HTBA LLP from April 2012 to January 2015.	405,900	0.45%/0.40%
Ryan Ko Coquitlam, BC <i>Chief Technology Officer</i> September 27, 2018	Vice President – Operations of Nextleaf from January 2017 to June 2017; Chief Technology Officer of Nextleaf since September 27, 2018; from 2002, consultant respecting MMAR licensed production, developing and implementing R&D and intellectual property.	9,445,311	10.39%/9.29%
Paul MacLeman Loch, Australia <i>Director</i> ⁽²⁾	Executive Director of AusCann, an Australian medicinal cannabis company, since 2018; Managing Director of IDT Australia Ltd., an Australian pharmaceutical company, from 2013 to 2017; CEO of Genetic Technologies Ltd., a molecular diagnostics company, from 2009 to 2013.	0	0%
Fred Bonner Halifax, NS <i>Director</i> ⁽²⁾	Chief Geologist of Legion Metals Corp. since March 2017; independent consultant through Eduterra Consulting since February 2015; President of TBL Resource Solutions Inc. from November 2010 to June 2015; VP of Silvore Fox Minerals Corp. from 2008 to 2010.	25,000	0.03%/0.02%

Notes:

- (1) Assumes no exercise of outstanding share purchase warrants. Includes shares held directly and indirectly.
(2) Mr. MacLeman and Fred Bonner are standing for election as a director of Nextleaf at the Nextleaf Meeting.

Term of Directorship

The directors of the Resulting Issuer will be elected at each annual general meeting and will hold office until the next annual general meeting or until their successors are appointed.

Voting Interest of Directors and Officers as a Group

The following table discloses the number of Nextleaf Shares and Legion Shares held by the directors and executive officers of Legion.

Name of Director or Officer of Legion	No. of Nextleaf Shares held Directly and Indirectly	Percentage of Nextleaf Shares	No. of Legion Shares held Directly and Indirectly	Percentage of Legion Shares
Peter Smith, Director, President and CEO	1,015,625	1%	873,667	6.84%
Charles Ackerman, CFO	405,900	0.5%	0	0%
Larry Timlick, Director	2,714,167	3%	500,000	3.92%
Michael Raven, Corporate Secretary	270,833	0.3%	543,000	4.25%
Fred Bonner, Chief Geologist	25,000	0.001%	125,000	0.98%

The following table discloses the number of Nextleaf Shares and Legion Shares held by the directors and executive officers of Nextleaf.

Name of Director or Officer of Legion	No. of Nextleaf Shares held Directly and Indirectly	Percentage of Nextleaf Shares	No. of Legion Shares held Directly and Indirectly	Percentage of Legion Shares
Paul Pedersen, President, CEO and Director	7,124,331	9.05%	869,141	6.81%
Charles Ackerman, CFO	405,900	0.5%	0	0%
Ryan Ko, Chief Technology Officer	9,445,311	12.00%	0	0%

Board Committees

It is anticipated that the Resulting Issuer will have an audit committee, comprised of Paul Pedersen, Paul MacLeman and Fred Bonner.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer, or proposed director or executive officer, of the Resulting Issuer is, as at the date of this Circular, or was within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including Resulting Issuer), that:

- (a) other than as described below, was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of the above paragraph, "order" means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days.

Other than as disclosed below, no director or executive officer of the Resulting Issuer, or a shareholder holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer:

- (a) is, as at the date of this Circular, or has been within the 10 years before the date of this Circular, a director or executive officer of any company (including the Resulting Issuer) that, while that person was acting in

that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

- (b) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No director or executive officer of the Resulting Issuer, or a shareholder holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

To the knowledge of the directors or officers of Legion after reasonable enquiry, Paul Pedersen, a director, President and Chief Executive Officer of Nextleaf, owns securities of Legion.

Management

Below is a brief description of the anticipated key management of the Resulting Issuer.

Paul Pedersen — President, CEO, Director

Mr. Pedersen has over twelve years of experience starting and growing emerging high-growth companies. Since 2013, Paul has been focused on Canada's emerging cannabis industry, consulting for a variety of cannabis companies and investors and is regularly quoted by industry trade publications MJBiz and Lift. He has founded several startups, including a media company acquired in 2007 by Towerstream Corporation (NASDAQ: TWER), YDreams Interactive Technologies (TSXV:YD) and International Battery Metals (CSE: IBAT).

In 2013, Mr. Pedersen launched Greywood Partners Ltd., a corporate finance advisory firm that specializes in equity financings, acquisitions, divestitures, and minority and majority share sales. Paul was one of the first professional advisers in Canada to develop a focus on the cannabis industry. He has advised a variety of cannabis industry participants, including licensed producers, processors, retailers, seed-to-sale software, and investors.

Mr. Pedersen holds an MBA in Finance from the Eli Broad Graduate School of Management at Michigan State University where he served as a Fellow at the Center for Venture Capital Private Equity and Entrepreneurial Finance – and a Bachelor of Commerce Degree from the Sobey School of Business at Saint Mary's University. He spends 100% of his available time on the affairs of Nextleaf and is expected to spend 100% of his available time on the affairs of the Resulting Issuer.

Charles Ackerman – CFO, Director

Mr. Ackerman has extensive experience in corporate finance and financial reporting for high growth companies. He has successfully lead mergers and acquisitions, divestitures and private and public capital raises. He has served in a number of finance and corporate leadership roles developing and executing growth strategies, with private and public companies and family offices across Canada.

He has worked as the CFO of Legion since March of 2017. He worked previously with Iona Resources Holdings in Dartmouth, Nova Scotia from 2015 to the present date.

Previously he worked as an accountant with Grant Thornton LLP in Halifax, Nova Scotia as an accountant during 2015. Before this he worked with AC HTBA LLP in Dartmouth, Nova Scotia as an accountant from 2012 to 2015. He spends 50% of his available time on the affairs of Nextleaf and is expected to spend 70% of his available time on the affairs of the Resulting Issuer.

Ryan Ko — Chief Technology Officer

Mr. Ko has 18 years of operational experience in the medical cannabis industry from the management of large scale MMAR licensed production facilities. Ryan brings instrumental intellectual property and extraction expertise, key to the development of Nextleaf's business model and value proposition. He spends 100% of his available time on the affairs of Nextleaf and is expected to spend 100% of his available time on the affairs of the Resulting Issuer.

Paul MacLeman — Director

Mr. MacLeman is from Loch, Victoria, Australia. He is a science-based professional with not-for-profit, public and private company experience in non-executive chairman, non-executive director, managing director, CEO, senior management and state/federal policy advisory roles. His professional experience spans animal health & welfare, pharmaceuticals, medtech and agriculture. He has life science, business and risk management qualifications and experience, with a track record creating, funding, structuring and re-structuring new and existing global human and animal health businesses.

From 2013 to 2017 Mr. MacLeman was the Managing Director, IDT Australia Ltd (publicly listed ASX:IDT). He was involved in the acquisition and deployment of specialty generic pharmaceutical portfolio. He also undertook senior management and science oversight of generic pharmaceuticals, contract drug manufacture and clinical trial services. Previous to this, from 2009 to 2013 he was the Chief Executive Officer, Genetic Technologies Ltd (dual listed ASX:GTG, NASDAQ OM:GENE) where he managed the overall business operations of the firm.

His education background was that in 2006 he earned his Graduate Diploma Technology Management (Risk Management) from Swinburne University of Technology. He has earned his Graduate Diploma, Australian Institute of Company Directors, Australian Institute of Company Directors in 2004. He completed his Master of Business Administration in 1998.

He attended Macquarie Graduate School of Management (MGSM) and obtained his Graduate Certificate of Engineering (Process Design & Control) in 1995. He also attended the University of Wollongong where he earned his Bachelor of Veterinary Science in 1994 and attended the University of Sydney. He also received an academic award in 1997 from Strickland Memorial Prize for Excellence in Management Thought, MGSM. He is expected to spend 25% of his available time on the affairs of the Resulting Issuer.

Fred Bonner — Director

Fred received an Honours Geology from St. Mary's University in Halifax and Masters' Degrees in Applied Science and Urban and Rural Planning from Dalhousie University, Halifax. Fred is professional geologist, a Fellow of Geoscientists Canada and a Fellow of the Society of Economic Geologists. He worked in the Nova Scotia government for 22 years where he initiated projects in environmental geology, land reclamation and public safety. He also worked with numerous communities to manage risks to their drinking water supplies. Fred left government in 2007 to become vice-president of Silvore Fox Minerals Corp. (formerly TSXV: SFX). In 2010 Fred entered the consulting field where he focused on environmental management, corporate social responsibility and community engagement. He is also the Director of Sustainability & Community Affairs for XT Energy Group (a Canadian carbon capture/renewable energy company) and Chief Geologist with Legion Metals Corp. (CNSX: LEGN). Fred sat on the BOD of Rheingold Exploration Corp., which became International Battery Metals Ltd. (CNSX: IBAT), from 2012 – 2017.

Fred is a past president and council member of the Association of Professional Geoscientists of Nova Scotia. He is a former member of the BOD of the Canadian Land Reclamation Association (CLRA). He is the founding President of CLRA Atlantic and created the Atlantic Reclamation Conference series in 2008. He is a co-founder and BOD member of the non-profit, Rural Water Watch Association, an Industry Advisor for Saint Mary's University's, Society of Economic Geologists Student Chapter and is an environmental advisor with the Environmental Noxiousness, Racial Inequities & Community Health (ENRICH) Project at Dalhousie University. He is expected to spend 25% of his available time on the affairs of the Resulting Issuer.

EXECUTIVE COMPENSATION

Historical Compensation

The historical executive compensation for Nextleaf is summarized in the following table.

Name and Principal position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of Perquisites (\$)	All other compensation (\$)	Total compensation (\$)
Paul Pedersen, President, CEO and Director	2017 2016	20,000 0	Nil Nil	Nil Nil	Nil Nil	Nil Nil	20,000
Charles Ackerman, CFO and Director	2017 2016	0 0	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil
Ryan Ko, Chief Technology Officer	2017 2016	0 0	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil

Proposed Compensation

The proposed executive compensation for the Resulting Issuer is summarized in the following table.

Name and Position	Period Ended	Salary, Consulting Fee, Retainer or Commission	Bonus	Committee of meeting Fees	Value of Perquisites	Value of All Other Compensation	Total Compensation
Paul Pedersen, CEO and Director	September 30, 2019	\$168,000	\$0 ⁽¹⁾	\$0	\$0	\$0	\$168,000 ⁽¹⁾
Charles Ackerman, CFO and Director	September 30, 2019	\$96,000	\$0 ⁽²⁾	\$0	\$0	\$0	\$96,000 ⁽²⁾
Ryan Ko, CTO	September 30, 2019	\$168,000	\$0 ⁽¹⁾	\$0	\$0	\$0	\$168,000 ⁽¹⁾

Notes:

- (1) Based on certain performance milestones the executive can earn additional bonus compensation to bring total compensation to no more than \$250,000 per annum. Proposed granting share purchase options 1,500,000 and 2,500,00 performance options which vest upon certain milestones being met and would be granted in accordance with the Resulting Issuer's stock option plan and subject to board approval.
- (2) Based on certain performance milestones the executive can earn additional bonus compensation to bring total compensation to no more than \$180,000 per annum. Proposed granting share purchase options 600,000 and 1,000,00 performance options which vest upon certain milestones being met and would be granted in accordance with the Company's stock option plan and subject to board approval.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

There is one amount outstanding of \$25,000, by way of promissory note, to one of the executive officers, which bears interest of 3% and is callable on demand.

No other anticipated director or executive officer of the Resulting Issuer is, as at the date of this Circular, or is anticipated on the date of completion of the Arrangement, to be indebted to the Resulting Issuer.

RISK FACTORS

Risk Factors

In assessing the Arrangement, Legion Securityholders and Nextleaf Shareholders should carefully consider the risks described in this Circular. Additional risks and uncertainties, including those currently unknown to or considered immaterial by Nextleaf, may also adversely affect the business of the Resulting Issuer. In particular, the Arrangement and the operations of the Resulting Issuer are subject to certain risks including the following risks.

An investment in Nextleaf and its securities should be considered speculative due to the nature of Nextleaf's business. In addition to the other information contained in this Circular, prospective investors should give careful consideration to the following risk factors, which are qualified in their entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Circular. Any of the matters highlighted in these risk factors could have a material adverse effect on the business of Nextleaf, results of its operations and its financial condition.

Nextleaf believes the following risks to be the most significant for potential investors. However, the risks listed do not necessarily comprise all those associated with an investment in Nextleaf. Additional risks and uncertainties not presently known to Nextleaf, or which Nextleaf currently deems immaterial may also have an adverse effect upon Nextleaf. The risks listed are set out in order of priority in the opinion of Nextleaf but history may well prove that Nextleaf is not prescient.

Risks Related to Nextleaf's Business

Risks Related to Failure to Comply with Laws, Regulations and Standards

Any changes to the existing regulatory framework or the imposition of new legislation or regulations applicable to the cannabis industry in which Nextleaf operates may adversely affect the financial and operating performance of Nextleaf. This risk factor applies to government policy and legislative changes in Canada, as well as the other countries in which Nextleaf operates and intends to operate in the future.

The legal cannabis industry is a new industry and Nextleaf anticipates that regulations governing the industry will be subject to change as the Canadian Government monitors producers and distributors of cannabis products. Changes to government regulations, including those relating to taxes and other government levies, could significantly affect the financial condition of market participants, including Nextleaf.

Regulatory reform could significantly delay, hamper or otherwise adversely impact the development of the legal cannabis industry, as well as have a material adverse effect on Nextleaf's business, results of operations, and financial condition.

Although the commercial medical cannabis industry has been legalised in Canada, the transport, production, distribution, storage, sale and possession of cannabis for non-medical purposes remains illegal. The Government of Canada may also choose not to legalise cannabis for the adult-use or recreational market.

In addition, the Government of Canada may require that technology providers in the cannabis industry (such as Nextleaf) require specific licenses to operate. Obtaining a licence would significantly impact revenue forecasts and costs associated with compliance.

Product Liability Risk

Nextleaf aims to lease or sell extraction units to licensed producers in order for the client to manufacture distilled cannabinoid oil to sell to individuals. The products are subject to stringent safety standards and are otherwise highly regulated. If components or equipment manufactured using the extraction unit does not meet manufacturing standards or are found to be faulty, defective or unsafe, Nextleaf may face product liability claims from lessees and/or purchasers of extraction units, regulators or members of the public, which may affect Nextleaf's brand reputation, revenue-earning potential and operating results. Nextleaf may not be able to successfully secure or renew product liability insurance, or defend itself against product liability claims. Any product liability claims may disrupt Nextleaf's business operations and financial performance.

Risks Related to Competition

Competitors may be working on developing new products and technologies that are superior to Nextleaf's extraction, refinement and distillation technology. The development of a new and superior product by a competitor could affect Nextleaf's ability to successfully exploit its products. Nextleaf may be unable to develop further products or keep pace with developments in its market space, and may lose market share to competitors. If Nextleaf's competitors develop a more efficient product or undertake a more aggressive marketing campaign, it would likely adversely affect Nextleaf's financial performance and marketing strategies.

There is no guarantee that licenced growers will utilize Nextleaf's extraction technology. The Resulting Issuer may be unable to compete successfully with more established distillation or processing companies on price or quality, or may be unsuited to the established preferences of potential users. Nextleaf is unable to influence or control the conduct of its competitors and such conduct may detrimentally affect Nextleaf's financial and operating performance.

Risks Related to Intellectual Property Rights

Nextleaf holds the patents, which constitute a primary asset of Nextleaf. The ability of Nextleaf to licence and monetize its intellectual property or to attract commercial partners is largely dependent on Nextleaf protecting the monopoly rights to exploit the inventions and methods described in the patents. Whilst Nextleaf is not aware of the distillation technology infringing any third party's patents, it has not undertaken an exhaustive assessment of existing patents to determine any overlapping technology or potential infringement, as the costs of such would be prohibitive. Accordingly, there is a risk that a third party may claim that Nextleaf's technology (including as set out in the patents) infringes that third party's patent.

Any event that would jeopardise Nextleaf's proprietary rights or any claims of infringement by third parties could have an adverse effect on Nextleaf's ability to market or exploit Nextleaf's distillation technology.

The status of the applications for the patents remains pending as at the date hereof. Nextleaf provides no guarantee that the applications will not be accepted, however Nextleaf has no reason to believe that the patents will not be accepted.

There is no guarantee that the patents will provide adequate protection for Nextleaf's intellectual property, or that third parties will not infringe or misappropriate the patents or similar proprietary rights. In addition, there can be no assurance that Nextleaf will not have to pursue litigation against other parties to assert its rights.

Risks Related to Reliance on Key Members

Nextleaf's research and development and its operational success will substantially depend on the continued employment of senior executives, technical staff and other key members. The loss of key management personnel may have a detrimental impact on Nextleaf.

Risks Related to Commercialization

There can be no assurance that Nextleaf will successfully commercialise the business model of offering extraction services to licensed producers. There can be no assurance that existing distillation technology will continue to develop or that new markets will develop and that Nextleaf's technology becomes obsolete.

If market uptake of the extraction services is slow or does not meet expectations, Nextleaf's business, financial condition and operational results will be compromised.

Risks Related to Consumer Preferences

Nextleaf's business is dependent upon consumer awareness and market acceptance of the cannabinoid oil, which can be consumed as an edible oil and can also be made into a variety of infused products for consumers, including; infused edible foods, cartridges for vape pens, topical creams and gel capsules. The primary competing method of legal cannabis consumption is smoking dried cannabis buds. Nextleaf may not be able to anticipate and react to trends within the licenced cannabis consumption market in a timely manner or accurately assess the impact that such trends may have on consumer preferences. New methods of consumption may adversely affect demand for edible cannabis products, and therefore adversely impact demand for cannabis oil.

Failure to respond to changes in consumer preferences or anticipate market trends may adversely affect Nextleaf's future revenues and performance. Although Nextleaf has strived to establish market recognition for its services in the industry, it is too early in the life cycle of Nextleaf's brand to determine whether Nextleaf's services and technology will achieve and maintain satisfactory levels of acceptance and sustained take-up by licensed producers.

There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the legal cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for Nextleaf's products and services, and, correspondingly, on Nextleaf's business, results of operations, financial condition and cash flows.

The effect of consumer perceptions on the legal cannabis market means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the demand for Nextleaf's products and services, and, correspondingly, on Nextleaf's business, results of operations, financial condition and cash flows.

Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of cannabis in general, or associating the consumption of cannabis with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products appropriately or as directed.

General Risks of an Investment in Nextleaf

Limited Operating History

In addition to being subject to general business risks and to risks inherent in the nature of an early stage business, Nextleaf will be exposed to risks inherent to participating in an early stage industry. The new legal cannabis

industry into which Nextleaf is entering may have competitive conditions, consumer tastes, patient requirements and unique circumstances, and spending patterns that differ from existing markets.

Nextleaf will need to build consumer awareness of its brand in the emerging legal cannabis industry and market through significant investments in its strategy, its production capacity, quality assurance, and compliance with regulations. These activities may not promote Nextleaf's brand, products and services as effectively as intended, or at all.

Nextleaf must rely largely on its own market research to forecast sales and demand for its products and services, as detailed forecasts are not generally obtainable from other sources at this early stage of the legal cannabis industry.

If demand for Nextleaf's products or services fails to materialise as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of Nextleaf.

Risks Related to Use of Proceeds

Although Nextleaf currently intends to use the net proceeds from the Offering in the manner described herein, Nextleaf's management will have broad discretion in the application of the balance of the net proceeds from the Offering and could spend the proceeds in ways that do not improve Nextleaf's results of operations or enhance the value of its shares. The failure by Nextleaf's management to apply these funds effectively could result in financial losses that could have a material adverse effect on Nextleaf's business, cause the price of Nextleaf's shares to decline and delay the development of new products. Pending the use of Offering funds, Nextleaf may invest the net proceeds from the Offering in a manner that does not produce income or that loses value.

Estimates and Assumptions

Preparation of its financial statements requires Nextleaf to use estimates and assumptions. Accounting for estimates requires Nextleaf to use its judgment to determine the amount to be recorded on its financial statements in connection with these estimates. If the estimates and assumptions are inaccurate, Nextleaf could be required to write down its recorded values. On an ongoing basis, Nextleaf re-evaluates its estimates and assumptions. However, the actual amounts could differ from those based on estimates and assumptions.

Costs and Compliance Risks

Legal, accounting and other expenses associated with public company reporting requirements are significant. Nextleaf anticipates that costs may increase with corporate governance related requirements, including, without limitation, requirements under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*, National Instrument 52-110 – *Audit Committees* and National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

Nextleaf also expects these rules and regulations may make it more difficult and more expensive for it to obtain director and officer liability insurance, and it may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for Nextleaf to attract and retain qualified individuals to serve on its board of directors or as executive officers.

Promoters

Each of Paul Pedersen and Ryan Ko may be considered to be the promoter of the Resulting Issuer in that each took the initiative in founding and organizing Nextleaf.

Legal Proceedings and Regulatory Actions

Neither Legion or Nextleaf, or any of their respective assets, is or has been the subject of any legal proceedings,

penalties or sanctions imposed by a court or regulatory authority, or settlement agreements before a court or regulatory, and no such legal proceedings, penalties or sanctions are known by either Legion or Nextleaf to be contemplated.

Interest of Management and Others in Material Transactions

Except as set forth in this Circular under “Interest of Certain Persons or Companies in Matters to be Acted Upon” below, no:

- (a) director, proposed director or executive officer of Nextleaf;
- (b) person or company who beneficially owns, directly or indirectly, Nextleaf Securities or who exercises control or direction of Nextleaf Securities, or a combination of both carrying more than ten percent of the voting rights attached to the Nextleaf Securities outstanding (an “**Insider**”);
- (c) director or executive officer of an Insider; or
- (d) associate or affiliate of any of the directors, executive officers or Insiders, has had any material interest, direct or indirect, in any transaction since the commencement of Nextleaf’ most recently completed financial year or in any proposed transaction which has materially affected or would materially affect Nextleaf, except with an interest arising from the ownership of Nextleaf Securities where such person will receive no extra or special benefit or advantage not shared on a pro rata basis by all holders of the same class of Nextleaf Securities.

Except as disclosed below or elsewhere in this Circular, no director or executive officer of Nextleaf who was a director or executive officer since the beginning of Nextleaf’ last financial year, or any associate or affiliates of any such directors, officers or nominees, has any material interest, direct or indirect, by way of beneficial ownership of Nextleaf Shares or other Nextleaf securities, or otherwise, in any matter to be acted upon at the Meeting.

Ownership of Securities of Nextleaf

The following directors and officers of Nextleaf and Legion, and to the knowledge of the directors and officers of Nextleaf and Legion after reasonable enquiry, their respective associates, own beneficially, directly or indirectly, or exercise control or direction over, the following Nextleaf Securities:

All of the above persons have agreed with Nextleaf to approve the Arrangement, or to the knowledge of Legion and Nextleaf intend to approve the Arrangement.

There will be no direct or indirect benefits paid by Nextleaf to the above persons who are directors and officers of Legion, in consideration for their approval of the Arrangement.

AUDITORS, TRANSFER AGENTS AND REGISTRARS

Auditor Name and Address

Davidson & Co., Chartered Professional Accountants, #1200 – 609 Granville Street, Vancouver, British Columbia V7Y 1G6, the current auditors of Nextleaf and Legion, are expected to continue as the auditor of the Resulting Issuer following the Effective Date.

Transfer Agent and Registrar Name

The registrar and transfer agent for the Company’s common shares is AST Trust Company (Canada), at Suite 1600-1066 West Hastings Street, Vancouver, British Columbia, V6E 3X1.

MATERIAL CONTRACTS

The following will be the material contracts of the Resulting Issuer following completion of the Arrangement:

1. The Equipment Supply Agreement;
2. The Manufacturing Agreement;
3. The Legion Escrow Agreement;
4. The Nextleaf Escrow Agreement
5. The MRCC Agreement;
6. The Hunter Agreement;
7. The Nextleaf Lease;
8. The Nextleaf Labs License Agreement;
9. The Nextleaf Labs Sublease Agreement; and
10. Consulting agreements with consulting services companies of Paul Pedersen, Charles Ackerman and Ryan Ko.

Copies of the above material contracts will be available for inspection at the registered and records office of Legion and Nextleaf, at Beadle Raven LLP, #600 – 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7, during regular business hours.

INFORMATION RESPECTING MYRIAD METALS CORP.

Note to Reader

The disclosure in this section has been prepared prior to giving effect to the Arrangement. Unless otherwise defined herein, all capitalized words and phrases used herein have the meanings ascribed to such words and phrases under the headings “Glossary of Terms” in the Circular.

Name, Address and Incorporation

Myriad was incorporated under the *Business Corporations Act* (British Columbia) on October 5, 2018 for the purposes of the Arrangement and the divestment of the Millen Mountain Property from Legion to Myriad. Myriad is currently a private company and a wholly-owned subsidiary of Legion. Myriad’s registered and records office is located at #600-1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7.

Inter-corporate Relationships

Myriad has no subsidiaries and does not hold securities in any corporation, partnership, trust or other corporate entity.

Significant Acquisition and Dispositions

Myriad has not completed a fiscal year. There are no significant acquisitions or dispositions, completed or probable, for which financial statements would be required under applicable securities legislation, save pursuant to the Arrangement and the divestment of the Millen Mountain Property from Legion to Myriad. Details of the Arrangement are provided under “The Arrangement”. The Arrangement, if successfully completed, will result in Myriad acquiring the Millen Mountain Property. The future operating results and financial position of Myriad cannot be predicted.

Trends

Myriad plans to complete the Arrangement and to become the owner of the Millen Mountain Property, following which Myriad plans to carry on a mineral exploration business. Accordingly, Myriad's financial success may be dependent upon the extent to which it can explore and develop mineral properties, and in particular the Millen Mountain Property.

Other than as disclosed in this Circular, Myriad is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect upon its revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause reported financial information not necessarily to be indicative of future operating results or financial condition.

General Development of Myriad's Business

Myriad was incorporated under the *Business Corporations Act* (British Columbia) on October 5, 2018 for the purposes of the Arrangement and the divestment of the Millen Mountain Property from Legion to Myriad. On completion of the Arrangement, Myriad will become the owner of the Millen Mountain Property. Completion of the Arrangement and the divestment of the Millen Mountain Property from Legion to Myriad are subject to the approval of the Arrangement by the Legion Securityholders and the Court.

Myriad's Business History

Myriad was incorporated on October 5, 2018 and does not yet have a business history.

The Legion Board has determined that it is in the best interests of Legion to pursue the Acquisition and to divest the Millen Mountain Property to Myriad pursuant to the Arrangement.

Selected Unaudited Pro-Forma Financial Information of Myriad

Myriad was incorporated on October 5, 2018 and has not yet conducted any commercial operations. The following is a summary of certain financial information on a pro forma basis for Myriad as at October 5, 2018, assuming completion of the Arrangement and the divestment of the Millen Mountain Property from Legion to Myriad as of such date, and should be read in conjunction with the unaudited combined financial statements of Legion appended to this Circular as Schedule G. This statement of financial position was prepared as if the Arrangement had occurred on October 5, 2018, taking into account the assumptions stated therein. The statement of financial position is not necessarily reflective of the financial position that would have resulted if the events described therein had occurred on October 5, 2018. In addition, the balance sheet is not necessarily indicative of the financial position that may be attained in the future.

Myriad Metals Corp.		05-Oct-18
Pro-forma Statement of Financial Position		
ASSETS		
Share subscription receivable		\$1
Exploration and Evaluation Property		150,000
		\$150,001
LIABILITIES AND SHAREHOLDERS' EQUITY		
SHAREHOLDERS' EQUITY		
Share capital		\$150,001
		\$150,001

Dividends

Myriad does not anticipate paying any dividends on its common shares in the short or medium term. Any decision to pay dividends on the Myriad shares in the future will be made by the board of directors of Myriad on the basis of the earnings, financial requirements and other conditions existing at such time.

Business of Myriad

Myriad is not carrying on any business at the present time. On completion of the Arrangement and the divestment of the Millen Mountain Property from Legion to Myriad, Myriad will commence its business as a mineral exploration company.

Liquidity and Capital Resources

Since incorporation, Myriad's capital resources have been limited. Once Myriad is operational, it will require further working capital in order to continue the exploration activities and pay operating expenses and may seek to raise additional funds through one or more private placements.

Pursuant to the Arrangement, the Millen Mountain Property will be divested from Legion to Myriad in exchange for approximately 1,276,460 Myriad common shares, which shares will be distributed to the Legion Shareholders who hold Legion Shares on the Share Distribution Record Date.

Myriad is a start-up company and therefore has no regular source of income. As a result, Myriad's ability to conduct operations is based on its current cash and its ability to raise funds, primarily from equity sources, and there can be no assurance that Myriad will be able to do so. Myriad does not have any other commitments for material capital expenditures over the near and long term other than as disclosed herein plus normal operating expenses. Myriad's ongoing operating expenses are estimated to be approximately \$60,000 per year (\$5,000 per month).

Off Balance Sheet Arrangements

There are no off balance sheet arrangements to which Myriad is committed.

Transactions with Related Parties

Myriad has no transactions with related parties except for the proposed the divestment of the Millen Mountain Property from Legion to Myriad pursuant to the Arrangement.

See “Selected Unaudited Financial Information” for information concerning the financial assets of Myriad resulting from the Arrangement and the divestment of the Millen Mountain Property from Legion to Myriad.

Results of Operations

Myriad has not carried out any commercial operations to date.

Available Funds

The estimated unaudited working capital of Myriad as at October 5, 2018 was and as of the date of this Circular is \$1.00. Myriad intends to raise additional funds in order to finance its activities.

Share Capital of Myriad

Myriad is authorized to issue an unlimited number of common shares without par value. On completion of the Arrangement, approximately 1,276,460 common shares of Myriad will be issued and outstanding. There are no special rights or restrictions attached to Myriad common shares.

Share Capital	Authorized	Prior to the Completion of The Arrangement	After Completion of the Arrangement
Common Shares	Unlimited	1 ⁽¹⁾	1,276,460 ⁽²⁾

Notes:

- (1) One Myriad common share was issued to Legion on incorporation of Myriad. After completion of the Arrangement, that share will be cancelled.
- (2) Under the Arrangement, Myriad will grant and issue Echelon Wealth Partners Inc., as the holder of the Legion Agent’s Warrant, an option to purchase 39,271 Myriad common shares exercisable to purchase Myriad common shares at an exercise price of \$0.10 per share and expiring on September 14, 2019. Accordingly, Myriad’s total issued and outstanding common shares, on a fully diluted basis, following completion of the Arrangement, will be 1,315,731 common shares.

Prior Sales of Securities of Myriad

Myriad issued one common share to Legion at a price of \$1.00 pursuant to incorporation on October 5, 2018.

Principal Shareholders of Myriad

To the knowledge of the directors and executive officers of the Legion and Myriad, no person will hold, directly or indirectly, or will have control or direction over, a combination of direct or indirect beneficial ownership of and control or direction over, voting securities that will constitute more than 10% of the issued Myriad common shares following completion of the Arrangement.

Directors and Officers of Myriad

<u>Name, Residence and Current Position with the Company</u>	<u>Date Appointed</u> ⁽¹⁾	<u>Principal Occupation or Employment during the Past Five Years</u> ⁽²⁾	<u>Number of Common Shares</u>
Peter Smith ⁽³⁾ Victoria, British Columbia, Canada Director, President and Chief Executive Officer	October 5, 2018	President and CEO of Less Mess Storage Inc. (now, Less Mess Storage S.A.), a self-storage company, from September 2010 to April 2014; President and CEO of Legion since March 2017; CEO of Radial Research Corp., a technology company that develops online and download technologies and services, since March 2018.	Nil
Guy Pinsent ⁽³⁾ Warsaw, Poland Director	October 22, 2018	President and CEO of Less Mess Storage S.A. (formerly Less Mess Storage Inc.), a self-storage company, since April 2014; Director and Partner of Premium Energy Fund from August 2012 to April 2014; independent consultant through Cenlap Properties Ltd. from March 2008 to April 2014.	Nil
Larry Timlick ⁽³⁾ Vancouver, British Columbia Director	October 22, 2018	President of Triplet Management since December 2016; Vice-President of Western Canada of Avaya Inc. from September 2014 to November 2016; Regional Sales Leader of Arista Networks Inc. from November 2011 to August 2016.	Nil
Charles Ackerman Fall River, Nova Scotia Chief Financial Officer	N/A ⁽⁴⁾	CFO of Nextleaf since May 2018; CFO of Radial Research Corp., a technology company that develops online and download technologies and services, since March 2018; President and CEO of Novillo Capital Limited, a consulting company, since September 2017; CFO of Legion since May 2017; Manager of Mergers and Acquisitions at Iona Resources Holdings Limited, an investment company, from August 2015 to September 2017; accountant at Grant Thornton LLP, an accounting firm, from January 2015 to August 2015; accountant at AC HTBA LLP from April 2012 to January 2015.	Nil

Notes:

- (1) Each director of the Company ceases to hold office immediately before an annual general meeting for the election of directors is held but is eligible for re-election or re-appointment.
- (2) Unless otherwise indicated, to the knowledge of the applicable officer or director, the organization at which the officer or director was occupied or employed is still carrying on business.
- (3) Member of the audit committee.
- (4) Mr. Ackerman is Chief Financial Officer of Myriad, but is not a director.

Myriad is a wholly-owned subsidiary of Legion. Accordingly, none of the directors or officers of Myriad own, directly or indirectly, or exercise control or direction over, any Myriad common shares.

Management of Myriad

The Company's President and Chief Executive Officer provides overall leadership and vision in developing the strategic direction of Myriad, in consultation with Myriad's board of directors (the "**Myriad Board**"). The Chief

Executive Officer also manages the overall business of Myriad to ensure its strategic plan is effectively implemented and the results are monitored and reported to the Myriad Board. The Company's Chief Financial Officer is responsible for establishing and maintaining financial disclosure controls and procedures for Myriad in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements.

The following is a description of the officers and directors of Myriad.

Peter Smith, 48, Director, President and Chief Executive Officer

Peter Smith obtained a Bachelor of Laws degree from the University of British Columbia in 1999, a Masters degree from Cambridge University in the United Kingdom in 1997, and a Bachelor of Arts degree from Simon Fraser University in 1995. Mr. Smith was a director of Amicus Capital Corp. and Palatine Capital Corp. in from 2007 to 2009 and from 2009 to 2011 respectively, and a director of Terra Firma Resources Inc., a TSX Venture Exchange company, from 2007 to 2010. Mr. Smith co-founded DGM Minerals Corp. in 2010, which became a TSX Venture Exchange company in 2012 (TSXV:DGM), acquired self-storage assets in Eastern Europe in 2014 and changed its name to "Less Mess Storage Inc." (TSXV:LMS), and was acquired in a go-private transaction pursuant to a plan of arrangement in 2015. Mr. Smith has also been the President and CEO of Legion since March 2017 and the CEO of Radial Research Corp., a technology company that develops online and download technologies and services, since March 2018. Mr. Smith has not signed a non-disclosure agreement or a non-competition agreement with Myriad. He currently plans on spending 25% of his time on Myriad matters following completion of the Arrangement. As CEO (as an independent contractor), Peter Smith is responsible for the day to day operations of Myriad and the implementation of significant corporate policies as may be directed by the board of directors from time to time.

Charles Ackerman, 28, Chief Financial Officer

Charles Ackerman obtained a Bachelor of Commerce Degree in Accounting from Saint Mary's University and received a CPA, CA designation in 2014, following which he spent time with Grant Thornton LLP in corporate finance and mergers and acquisitions focused on mid-market transactions. In 2015 Mr. Ackerman left Grant Thornton to develop a corporate finance consulting business providing strategic consulting to family offices and high growth businesses. Mr. Ackerman has been CFO of Nextleaf since May 2018, CFO of Legion since May 2017, CFO of Radial Research Corp., a technology company that develops online and download technologies and services, since March 2018, and President and CEO of Novillo Capital Limited, a consulting company, since September 2017. Mr. Ackerman has not signed a non-disclosure agreement or non-competition agreement with Myriad. He currently plans on spending 10% of his time on Myriad matters following completion of the Arrangement. As CFO (as an independent contractor), Mr. Ackerman is responsible for establishing and maintaining financial disclosure controls and procedures for Myriad in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements.

Guy Pinsent, 42, Independent Director

Guy Pinsent holds a Master of Arts Degree in Economics from Cambridge University (Pembroke College). In 2013, Mr. Pinsent teamed up with the DGM Minerals Corp. (TSXV: DGM) board to pursue a self-storage acquisition in Warsaw, Poland, and Prague, Czech Republic. After a successful capital raise, the acquisition closed in April 2014 and the company changed its name to "Less Mess Storage Inc." (TSXV:LMS), with Mr. Pinsent becoming the President and CEO, a role which Mr. Pinsent maintains to date as the business pursues growth in Poland and the Czech Republic under the name Less Mess Storage S.A. Mr. Pinsent has not signed a non-disclosure agreement or non-competition agreement with Myriad. He currently plans on spending 10% of his time on Myriad matters following completion of the Arrangement.

Larry Timlick, 59, Independent Director

Mr. Timlick has been President of Triplet Management since December 2016. Previously, he was Vice-President of Western Canada of Avaya Inc. from September 2014 to November 2016 and regional sales leader of Arista

Networks, Inc. from November 2011 to August 2016. He currently serves as a director of CounterPath Corp. (TSX:PATH; NASD:CPAH), Para Resources Inc. (TSXV:PBR), Sora Capital Corp. (TSXV:SOR) and Glance Technologies Inc. (CSE:GET). Mr. Timlick has not signed a non-disclosure agreement or non-competition agreement with Myriad. He currently plans on spending 10% of his time on Myriad matters following completion of the Arrangement.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of Myriad is, as at the date of this Prospectus, or was within 10 years before the date of this Prospectus, a director, chief executive officer or chief financial officer of any company (including Myriad), that:

- (a) other than as described below, was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of the above paragraph, “order” means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days.

Other than as disclosed below, no director or executive officer of Myriad, or a shareholder holding a sufficient number of securities of Myriad to affect materially the control of Myriad:

- (a) is, as at the date of this Circular, or has been within the 10 years before the date of this Circular, a director or executive officer of any company (including Myriad) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No director or executive officer of Myriad, or a shareholder holding a sufficient number of securities of Myriad to affect materially the control of Myriad, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Myriad’s directors are required by law to act honestly and in good faith with a view to the best interests of Myriad and to disclose any interests that they may have in any project or opportunity of Myriad. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. To the best of Myriad’s knowledge, and other than as disclosed in the following paragraph, there are no known existing or potential conflicts of interest among Myriad, its directors and officers or other

members of management or of any proposed promoter, director, officer or other member of management as a result of their outside business interests.

Certain of the directors and officers currently serve as directors and officers of other private and public companies. Some of the directors and officers are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other corporations, and situations may arise where these directors and officers may be serving another corporation with interests that are in direct competition with Myriad. In the event of any conflicts of interest, such conflicts must be disclosed to Myriad and dealt with in accordance with the provisions of the *Business Corporations Act* (British Columbia).

Executive Compensation of Myriad

The executive officers of Myriad are Peter Smith, the President and Chief Executive Officer of Myriad, and Charles Ackerman, the Chief Financial Officer of Myriad.

Neither of the executive officers has an employment or other agreement pursuant to which they will be compensated for their services as executive officers of Myriad.

Since Myriad's incorporation, none of the executive officers or directors of Myriad has received compensation from Myriad.

Indebtedness of Directors and Executive Officers of Spino

No individual who is, or at any time from the date of Myriad's incorporation to the date hereof, was a director or executive officer of Myriad, or an associate or affiliate of such an individual, is or has been indebted to Myriad.

Myriad's Auditor

The auditor of Myriad is Smythe LLP, Chartered Professional Accountants, #700 – 355 Burrard Street, Vancouver, British Columbia V6C 2G8.

Myriad's Material Contracts

The only material contracts entered into by Myriad from incorporation until the date of this Circular, other than contracts entered into in the ordinary course of business, are as follows: the Arrangement Agreement. On completion of the Arrangement and the divestment of the Millen Mountain Property from Legion to Myriad, Myriad will assume Legion's obligations under the Option Agreement.

Copies of the above material contracts will be available for inspection at the registered and records office of Myriad, at Beadle Raven LLP, #600 – 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7, during regular business hours

Promoters

Legion is the promoter of Myriad.

Millen Mountain Property

Legion is the registered holder of exploration licence (the "**Licence**") 10577 in the Province of Nova Scotia. The Licence is comprised of 80 mineral claims covering approximately 1,280 hectares known as the Millen Mountain Property (the "**Property**"). On completion of the Arrangement and the divestment of the Millen Mountain Property from Legion to Myriad, Myriad will commence its business as a mineral exploration company.

Property Option Agreement

Legion entered into an amended and restated property option agreement (the “**Option Agreement**”) respecting the Property with Probe Metals Inc. (“**Probe**”) on October 3, 2017. In April 2017, Legion entered into a property option agreement whereby Probe may earn a 50% interest in the Property by incurring exploration expenditures of \$250,000 by October 2018. Under the Option Agreement, the parties have agreed that upon successfully earning a 50% interest in the Property, Probe will have the right to earn an additional 25% interest in the Property (for an aggregate 75% interest) by incurring an additional \$250,000 in exploration expenditures (for an aggregate of \$500,000 in exploration expenditures) by October 2019. The Option Agreement also increases, from 1% to 2%, the net smelter royalty payable to a party that has its interest in the Property diluted to 10% or less pursuant to the joint venture to be formed once Probe earns its interest in the Property.

During the option period, Probe is required to, among other things: maintain the Property in good standing and pay all costs in respect thereof and not in any way encumber the Property; conduct exploration in a professional, good and workmanlike manner in accordance with good mining practice and comply with all applicable laws with respect to its activities on the Property; be responsible for the remediation of all surface and environmental disturbances resulting from its activities on the Property; provide Legion with an annual report on the Property summarizing exploration activity within 90 days of the end of the programs conducted in each year including the cost of the expenditures made in the past year and total expenditures made to date; allow the employees, agents and contractors of Myriad to conduct site visits on the Property on reasonable prior notice to Probe; maintain true and correct books, accounts and records of expenditures; and provide Legion at Legion’s own cost, upon reasonable request and within five business days thereof, all Property-related exploration information, including any notices, demands or other material communications Probe receives relating to the Property. Probe may, at its expense, register on title to the Property, or elsewhere as permitted by applicable law, notice of its interest in the Option Agreement and its right to acquire an interest in the Property pursuant to the Option Agreement.

During the option period, Legion is required to, among other things: remain the registered owner of the Property and not in any way encumber the Property, and prior to the date of formation of the joint venture pursuant to the Option Agreement, discharge any encumbrances, other than permitted encumbrances, against the Property; refrain from any conduct or activity, including any omission or failure to act, that might jeopardize title to or the status of the Property or hinder the obligations of Probe to fulfil its obligations and rights under the Option Agreement; allow the employees, agents and contractors of Probe to: (i) enter upon the Property; (ii) have exclusive and quiet possession thereof; (iii) do such prospecting and exploration work thereon and thereunder as Probe in its sole discretion may deem advisable; (iv) bring and erect upon the Property such facilities as Probe deems advisable; and (v) remove from the Property and sell or otherwise dispose of reasonable amounts of mineral products, but only for the purpose of bulk sampling or other testing; co-operate as reasonably necessary with Probe in obtaining any surface, water or other rights on or related to the Property as Probe deems necessary or desirable; make available to Probe and its representatives all records and files in its possession relating to the Property and permit Probe and its representatives, at their own expense, to take abstracts therefrom and make copies thereof; other than a transfer in accordance with the Option Agreement, not solicit offers or engage in any discussions with a third party relating to the ownership or development of the Property; provide Probe access to all Property-related information, including financial information and any notices, demands or other material communications they receive relating to the Property. The Company has the right to audit the information in each annual report on the Property delivered to Legion by Probe and the information regarding expenditures incurred which are set forth in a notice from Probe to Legion that Probe has successfully exercised its option under the Option Agreement.

If either party is in default of any material obligation under the Option Agreement, the non-defaulting party may give written notice of default to the defaulting party, and the defaulting party will not lose any rights under the Option Agreement, unless within 30 days after the notice of default the defaulting party has failed to take reasonable steps to cure the default by the appropriate performance, and if the defaulting party fails within such period to take reasonable steps to cure any such default, the non-defaulting party is entitled to seek any remedy it may have on account of such default including terminating the Option Agreement and/or seeking the remedies of specific performance, injunction or damages. The Option Agreement will terminate at the election of the non-defaulting party in accordance with the foregoing, upon the mutual written agreement of the parties, or if Probe fails to

successfully exercise its option under the Option Agreement on or before November 9, 2018 (which option period includes the 30 day default period described above). Upon termination of the Option Agreement, Probe shall have no further obligations, financial or otherwise, under the Option Agreement; provided however that notwithstanding termination of the Option Agreement, the indemnification and confidentiality provisions of the agreement shall survive termination; and further provided that if Probe fails to exercise its option it shall: (a) leave the Property free and clear of all liens, charges and encumbrances arising from the Option Agreement or its operations on the Property and in a safe and orderly condition, including by removing from the Property all facilities erected or installed at the Property and by completing such remediation or reclamation necessary to leave the Property in compliance with applicable mining rules and regulations and applicable environmental law; and (b) deliver to Legion copies of all information regarding its exploration expenditures and activities in respect of the Property.

Prior to the formation of the joint venture under the Option Agreement, neither party may transfer, convey, assign, mortgage, grant an option in respect of, grant a right to purchase or in any other manner dispose of or alienate any or all of its direct or indirect interest in the Property or transfer or assign any of its rights under the Option Agreement (except (i) a transfer to an affiliate, (ii) an amalgamation, merger or other form of corporate reorganization involving or the acquisition of shares or assets of the transferring party which is a bona fide business transaction that has the effect in law of the amalgamated or surviving corporation possessing, directly or indirectly, substantially all the property, rights and interests and being subject to substantially all the debts, liabilities and obligations of the transferring party, or (iii) a sale, forfeiture, charge, withdrawal, transfer or other disposition or encumbrance which is otherwise specifically required or permitted under the Option Agreement) without the prior written consent of the other party, which consent shall not be unreasonably withheld. If a party wishes to transfer its interest in the Property (other than in accordance with exceptions (i) to (iii) described above), it must first offer its interest to the other party under the Option Agreement on the same terms and conditions.

Upon successful exercise of the option by Probe, Legion and Probe will form a joint venture pursuant to a joint venture agreement which will be based on the joint venture terms set out in the Option Agreement. Probe will be the operator under the joint venture for so long as it holds at least a 50% interest in the Property. The joint venture terms provide that: a party that doesn't participate in joint venture expenditures will have its interest in the Property reduced accordingly; and if a party's interest in the Property is reduced to 10%, the joint venture will terminate, the participating party will receive a 100% interest in the Property and the non-participating party will receive a 2% net smelter royalty ("NSR") in the Property.

Probe has provided Legion with formal notice that Probe has incurred \$250,000 in exploration expenditures on the Property and has successfully exercised its option to earn a 50% interest in the Property.

A geological report (the "**Technical Report**") prepared by Mark Graves, P. Geo., who is a "Qualified Person" as defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**"), was completed in relation to the Property on August 2, 2017. The Technical Report recommends that Legion conduct a two phase exploration program comprised of: phase one, consisting of rock sampling and exploration geochemistry; and phase two, if warranted by the results of phase one, consisting of diamond drilling. The estimated budget for phase one is \$102,050, and the estimated budget for phase two is \$111,125, for total recommended exploration expenditures of \$213,175. Exploration conducted on the Property by Legion or Myriad will partly depend on exploration activities conducted by Probe. The Technical Report is available for review under Legion's SEDAR profile at www.sedar.com.

On completion of the Arrangement and the divestment of the Property to Myriad, Myriad will assume Legion's obligations under the Option Agreement.

Property Description and Location

The Millen Mountain Property is located approximately 65 kilometres northeast of Halifax and 20 kilometres east of Stewiacke, Nova Scotia (Figure 1). It is hosted in the Halifax Formation of the Meguma Group which forms the topographically elevated prominence referred to as Wittenburg Mountain. The Property is five kilometres from the nearest village of Middle Musquodoboit. That community is capable of providing basic services and amenities in

the support of mineral exploration activities. The Property is easily accessed via paved secondary roads and four-wheel drive trails.

The Millen Mountain Property consists of 80 contiguous claims making up Exploration Licence 10577. The Property contains four historical gold occurrences that are interpreted to be hosted by the South Branch Stewiacke Anticline. The two main prospects referred to as the 'South Branch Gold Mine' were exploited by deep trenching, pitting and the erection of a crusher on the eastern side of the South Branch Stewiacke River. This mining activity apparently occurred in the late 1800's as reference to the mine can be seen on Fletcher and Faribault (1903). The vein systems on the Property have a strike length of two kilometres.

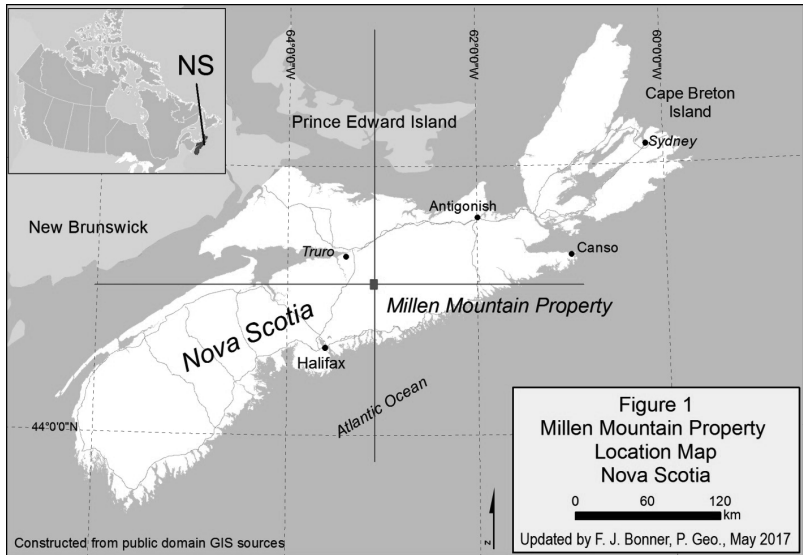


Figure 1: Property Location Map

According to records of the Nova Scotia Department of Natural Resources, Exploration Licence 10577 is in good standing. Following staking of the claims, the first year exploration expenditure requirements were satisfied, and the licences forming the Millen Mountain claim block were renewed each year from 2013 to 2016 with exploration work credits. Claims in the Licence must be renewed by November 9, 2017.

Mineral rights are vested in the Crown in Nova Scotia and title to mineral claims allow for the exploration of minerals throughout the province pending landowner permission. Non-intrusive methods of exploration such as geochemical sampling, some geophysical surveys, mapping or surveying do not require additional government permitting. However, drilling and excavation activities require a company to notify the Department of Natural Resources prior to commencement of such forms of exploration.

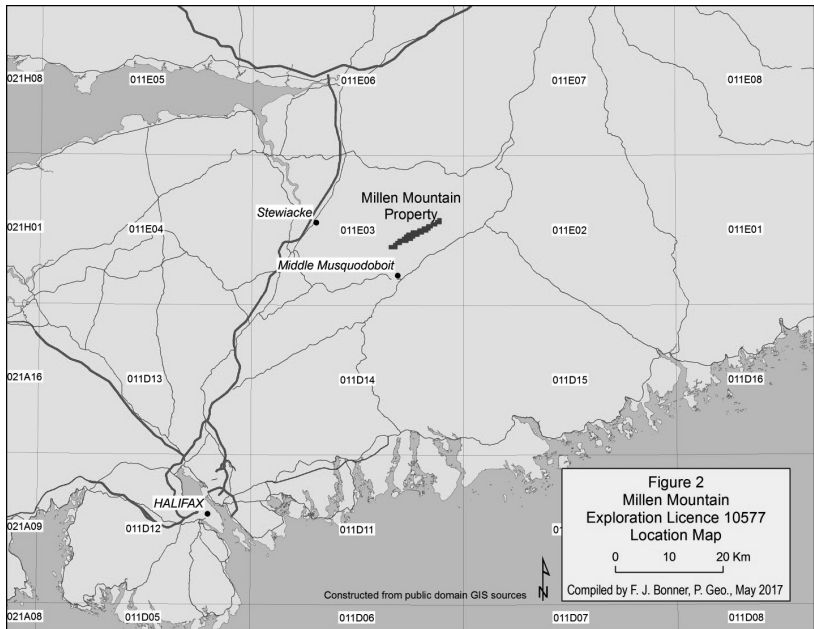


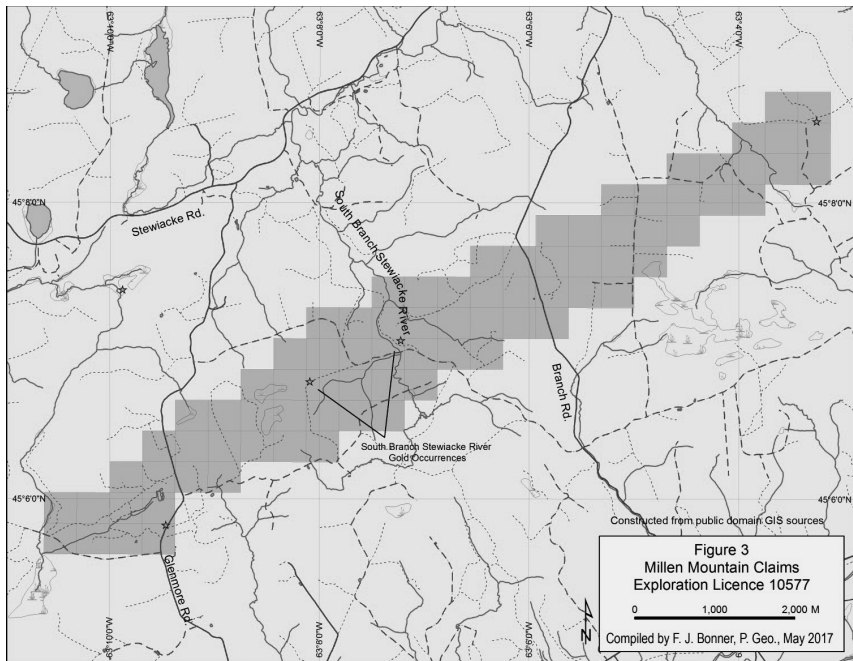
Figure 2: Millen Mountain Property Location Map (Exploration Licence 10577)

Figure 2 shows the location of the Millen Mountain licence area with respect to the 1:50,000 National Topographic Map System (NTS), local communities and main access roads/highways.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Figure 3 is a map of the claims at Millen Mountain in relation to site access roads and the local drainage system. The Millen Mountain Property is accessed via the Glenmore and Branch Roads (near Middle Musquodoboit) and Provincial Highways #224 and #277 that connects Middle Musquodoboit and Elmsdale 50 km to the southeast. Elmsdale lies approximately 45 minutes north of Halifax.

Millen Mountain straddles the Halifax and Colchester County line and the area is for the most part uninhabited with a mixed rural land use dominated by forestry operations. To a lesser degree, blueberry farming and maple sugar production operate seasonally on the western highland flanks of the Property. The central portion of the Property is dominated by a mixed hardwood and softwood forest. Interspersed are small hay and blueberry fields whose access roads provided excellent ways of grid entry for geophysical crew. The eastern part of the Property is wooded with ongoing forestry operations consisting of selective clear cutting and silviculture. The area is a rural based economy



with current emphasis on forestry and agriculture and one active mining operation nearby. There has been substantial exploration activity in the area over the past 5-10 years for gold, lead, zinc and a range of industrial minerals. In the late 1800's into the mid 1900's the area was a very active mining centre with over a dozen small gold mines operating within a 50 km radius.

Figure 3: Millen Mountain Claims

The Property sits on a northeast – southwest trending upland plateau with lowland valleys to the northwest and southeast. The regional geologic setting is postulated to be a horst structure by Horne, King and Young (1999) formed as a result of uplift and faulting along the northern and southern margins of Wittenburg Mountain which respectively represent the Meadowvale Fault and the Musquodoboit Valley Faults. The Property is accessed by paved highway and secondary unpaved roads while an extensive network of forestry roads and trails provide good access throughout the entire Property. While access to the Property was exceptional, some local areas had extremely challenging access issues due to severe blow-down damage to trees during Hurricane Juan in September 2003.

Topographic elevations range from a low of about 65m along the South Branch Stewiacke River in the north-central

portion of the Property to about 160m in the west and 180m in the east. The tops of the higher elevations are often glacially polished with very thin till cover. Outcrops are difficult to evaluate while mapping as they tend to be flat and disaggregate when collecting samples.

The South Branch Stewiacke River cuts through the Property and provides outcrop exposure for geological and structural mapping. Aside from some steep slopes and cliffs along the river, the topography rises more moderately away from the river to the east and west.

Most of Nova Scotia has a northern temperate zone climate that is moderated by the surrounding Atlantic Ocean. Spring to fall temperatures range from 5° to 20° C with maximums peaking around 30° C. Winter temperatures range from above freezing to about -10° C with maximums as low as -25° C on occasion. Rainfall is frequent through the spring and fall. Summer is usually drier.

Environmental Affairs

As a matter of environmental due diligence, all ground activity should be conducted in a fashion that protects water courses, wetlands and minimizes environmental disruption. According to Nova Scotia Government web-based databases (Significant Species and Habitats Database; Restricted and Limited Use Land Database) no significant environmental encumbrances were identified on the Millen Mountain Property. The claims overlap watershed supply areas; however Nova Scotia legislation allows for non-destructive mineral exploration as of right and advanced exploration through permission of the municipal water supply operator. The main areas of interest at the Millen Mountain Property are not located inside water supply areas. To the knowledge of the author of the Technical Report, at the time of writing the Technical Report there were no additional outstanding environmental issues related to the Millen Mountain Property.

Aboriginal Affairs

In 2012, the Nova Scotia Office of Aboriginal Affairs produced a Proponents' Guide on *The Role of Proponents in Crown Consultation with the Mi'kmaq of Nova Scotia* to strengthen the Province's commitment to consultation with the Mi'kmaq. The guide references the 2004 and 2005 Supreme Court of Canada (SCC) decisions that found the Crown (provincial and federal) had a duty to consult with First Nations peoples where there was a potential that an activity or decision may adversely affect their established or potential First Nations rights. While proponents do not have a legal duty to consult (according to the SCC), the Province as part of their consultation with the Mi'kmaq, may require proponents to undertake certain aspects of consultation.

The guide outlines the steps for proponents to engage the Mi'kmaq where necessary including working in areas in close proximity to First Nations lands, areas that have cultural/archeological significance to Mi'kmaq (determined through a Mi'kmaq Ecological Knowledge Study) or potentially working on Crown land. Engagement may simply consist of notifying the Mi'kmaq where there is a remote possibility of impact whereas full consultation is generally required for larger projects affecting First Nations lands or development on Crown land. The Millen Mountain Property is not in close proximity to any First Nations lands and only four partial claims are located on Crown land (less than 1.5% of licence area). Since Mi'kmaq Ecological Knowledge Studies are only carried out at the pre-development stage, it is too early in the exploration of the Millen Mountain Property to conduct a project of that sort.

History and Historical Exploration

Gold was first reported in the South Branch Stewiacke area in a Nova Scotia Mines Report dated 1865. This showing became known as the South Branch Stewiacke gold occurrence (and is now included within the Millen Mountain Property). The Property is comprised of four historical gold occurrences that are believed to be hosted along the South Branch Stewiacke Anticline. Two of these occurrences constitute the South Branch Gold Mine which witnessed extensive trenching, particularly on the western side of the South Branch Stewiacke River. Although the exact location has not been determined, a crusher was erected near the above mentioned trenches but

on the eastern side of the South Branch Stewiacke River. The position of this equipment is noted on Fletcher and Faribault (1903).

An 1867 Mines Report discussed prospecting having been carried out with “considerable success” and the report went on to state that “This locality promises to become of importance.” The Property was surveyed in 1889-1891 by H. Fletcher and E. R. Faribault. They identified an array of bedding parallel or concordant veins accompanied by small, cross-cutting auriferous veins similar in nature to many other Meguma gold deposits and they also mapped large milky white cross-cutting auriferous veins. However, Messervey (1928) reports the only recorded production was of 43 gold-ounces crushed from 181 tons of ore mined in 1906-07 by E. P. Crowe.

Malcolm (1929) reported that cross veins occurring at South Branch Stewiacke were the richer veins as evidenced by a large cross vein, located 1.2 km west of the South Branch Gold Mine was significantly more gold bearing.

Cameron (1948) in a typed correspondence as part of a Nova Scotia Department of Natural Resources assessment report described prospecting activities near the old South Branch Gold Mine and included field sketch of various pits and trenches in the area in relation to the old Crowe Shaft.

Stevenson reported (1959) the gold at the South Branch Stewiacke occurrence had been found in milky quartz veins and also in inter-bedded and cross veins hosted by grey-black slates of the Halifax Formation located along the south limb of the South Branch Stewiacke Anticline.

In the 1980’s, aeromagnetic surveys were flown over portions of Nova Scotia by the federal government. Data from those surveys (including data that covered the South Branch Stewiacke occurrence) were reprocessed by King (2006) and provide valuable information to further mineral exploration at Millen Mountain. In 1999 Horne, King and Young reported on the regional magnetic similarities between southwest – northeast trending slate belts of the Rawdon Hills and Wittenburg Mountain where the Millen Mountain Property is located. These similarities also included lithology, structure, alteration and gold mineralization styles.

Assessment reports on the Property were filed in 1998, 1999 and 2000 by Joseph Collier. His work over the three years focussed on prospecting, limited soil and rock chip sampling of quartz veins and basic data compilation. Collier (1998) confirmed the presence of gold at the South Branch Stewiacke vein system. He notes visible gold in one of the historic trenches and rock samples collected by him returned assays of 33.5 ppm, 880 ppb and 700 ppb. The claims lapsed and Blackfly Exploration & Mining Company Ltd. staked and worked the claims covering the South Branch Stewiacke occurrence in 2007. That exploration essentially duplicated work that had been conducted over the past hundred years with little new information. Stream sediments were sampled without satisfactory results and quartz vein sampling was repeated, also with poor results from only six samples.

Rheingold Exploration Corp. staked 235 claims in four exploration licences during the summer and fall of 2011 covering the old South Branch Stewiacke occurrence, which licences (since consolidated into Exploration Licence 10577) are known as the Millen Mountain Property.

In the spring of 2012, Rheingold completed a GIS compilation of available information from a variety of publicly released assessment reports, local landowners, prospectors and regional geological and airborne geophysical surveys. Limited regional mapping and prospecting was also undertaken in the spring of 2012. A GIS analysis of available structural information (Digital Elevation data) was completed and a 3000m X 500m grid was established. The spring exploration program was also undertaken to meet the assessment reporting requirements to renew claims and further understand the geology of the Property (Bonner, 2012).

On June 29, 2012 Beja Resources Inc. entered into an option agreement to acquire a 100% interest in the Millen Mountain Property. Beja completed its obligations under the option agreement and earned a 100% interest in the Property. As a result of market conditions and Beja not further pursuing its interest in the Licence, registration of the Licence was not transferred to Beja. Instead, Rheingold continued to be the registered holder of the Licence, holding the Licence in trust for Beja.

Geological Setting and Mineralization

Regional Geology

The Millen Mountain Property is situated on the Halifax Formation slates of the Meguma Group (Figure 4). The Meguma Group is part of the Meguma Terrane of the Canadian Appalachians, an allocthonous terrane accreted to the eastern margin of North America during the Devonian (410-400 Ma; Acadian orogeny). This event resulted in Nova Scotia being divided into two geologically and structurally distinct terranes, the Avalon Terrane to the north and the Meguma Terrane to the south. The Minas Geofracture or more commonly referred to as the Cobequid-Chedabucto Fault separates the two terranes. This fault system is a major east-west trending structural boundary that experienced mainly sinistral displacement with subsequent minor dextral movement.

The Meguma Terrane was folded, deformed and underwent regional metamorphism (greenschist and locally amphibolite facies) during the Devonian and subsequently intruded by per-aluminous granitoids at 380 Ma. Evaporate, carbonate and clastic sediments of the Horton and Windsor Groups overly the Meguma Group sequences. The Meguma Terrane is approximately 480 km long by about 120 km wide at its maximum width. Virtually all gold production in Nova Scotia has been associated with the Meguma Group.

The Cambro-Ordovician age Meguma Group comprises two formations. These are the Goldenville Formation and the overlying Halifax Formation. The Goldenville Formation is a thick (5.4 km - unknown base) sequence of metamorphosed clastic sediments dominated by massive thick metagreywacke beds that range in colour from dark grey (thought to be unaltered) to light grey (interpreted to be carbonate altered). The massive metagreywacke is commonly interbedded with thin "slaty" horizons. In the Nova Scotia gold districts these slaty horizons host former mining operations.

The overlying Halifax Formation (0.5-13.4 km thick) is dominated by a lower black carbonaceous, sulphide rich slate interbedded with minor thin metasiltstone (Cunard Member). The upper portions of the Halifax Formation are grey-green in colour with minor siltstone (Glen Brook Member).

Quaternary Geology

The glacial sediments of Nova Scotia were deposited and shaped by four distinct ice flow events (Stea and Mott, 1990). Ice flow phase 1 crossed Nova Scotia in an eastward to southeastward direction. Till from this event is generally compacted, fissile only seen coring drumlins. The second major ice flow was southward from Escuminac Ice Centre in Prince Edward Island and this advance produced red muddy, matrix tills and hosts clast lithologies of both local and far-travelled derivation. Ice flow phase 3 flowed northward in the late Pleistocene, perhaps due to marine incursion into the Bay of Fundy. Tills derived from this ice flow are stony, clast rich and locally derived. Ice flow phase 4 was caused by late remnant ice caps and flowed westward. Erosional and depositional evidence related to this advance is largely seen in low lying areas.

Stea et al. (1992) compiled a surficial geology map for the province of Nova Scotia. The Millen Mountain Property area is at a boundary between two distinctly different glacial tills. A silty, compacted till of dual provenance exhibiting local and distal clast lithologies likely formed by Ice flow phase 2 and a stony till with a sandy matrix hosting predominantly local bedrock deposited by Ice flow phase 3. Additionally, upland areas are mapped as having a thin and discontinuous till veneer.

Reconnaissance mapping of the surficial geology of the Millen Mountain Property shows that the area contains a variety of Quaternary features. The glacial till appears to be a mixture of the two till units described by Stea et al. (1992). In general, the area is mantled by a flat, reddish-brown silty to sandy till that contains material derived from local as well as distant sources. On the higher elevations, till is thin (0-0.5m) with abundant glacial pavement. Multiple striation directions were observed with a general south east direction of ~135° to ~160°. Glacial pavement is especially abundant in road-side ditches where material was excavated to construct the road base. Slopes leading to the South Branch Stewiacke River have thicker till cover and abundant ablation boulders at surface.

The variability of the glacial units needs to be carefully considered in the design of geochemical exploration studies of till or soil.

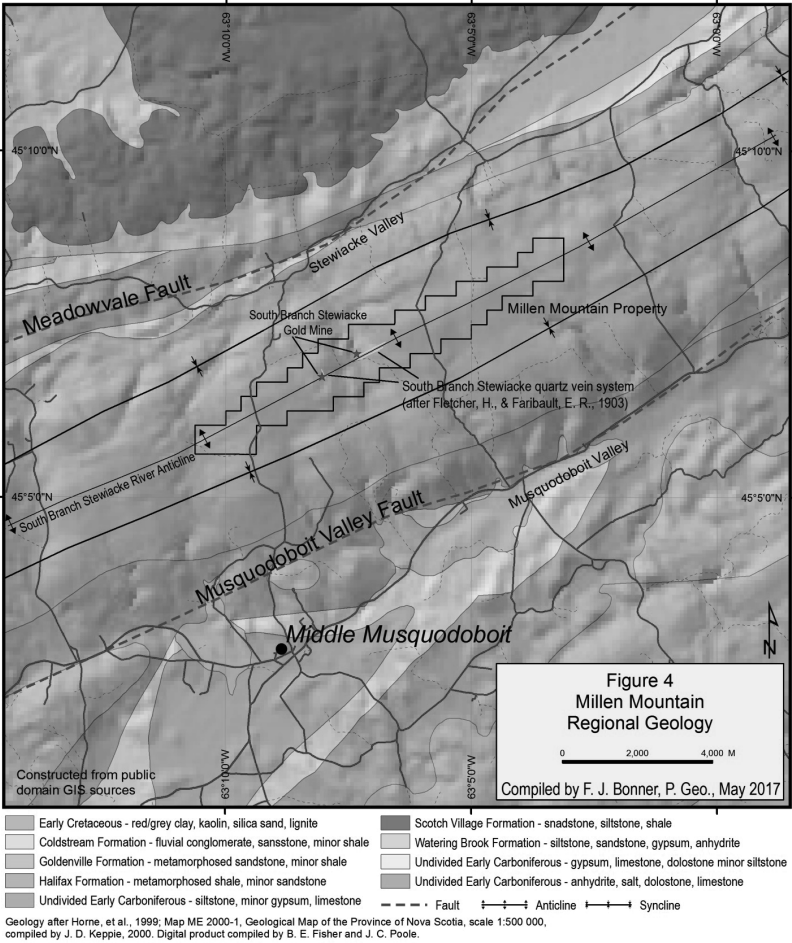


Figure 4: Regional Geological Map

Property Geology

Until recently, the Wittenburg Mountain Slate Belt was mapped as undivided rocks of the Halifax Formation. Horne et al. (1999) mapped parts of the Wittenburg Mountain immediately northeast of the Millen Mountain Property as belonging to the Glen Brook Member. This unit is fairly homogenous for the length of the upland structure and reconnaissance mapping by Beja has established the entire Millen Mountain Property area is underlain by the Glen Brook Member.

The Glen Brook Member is comprised of grey to green thinly bedded metasiltstone and slate with minor metamorphosed sandstone. Decimetre to one metre thick metamorphosed sandstone beds also occur in this unit. The South Branch Stewiacke River provides good access to observe the local stratigraphy. The lighter coloured light-grey to green siltstone is often cross-bedded and distinct layering. The rocks are folded into upright tight folds with the fold hinge visible in the river cut. The anticline was mapped back in the late 1800's and passes directly through the Millen Mountain Property. Approximately 1 metre thick sandstone units can be seen in the large excavations from the late 1800's. The author of the Technical Report mapped some of the trenches at the South Branch occurrences, and the wall rock is largely sandstone with lesser slate. The sandstone in this area appears to be bleached by carbonate alteration.

The Glen Brook member does not contain appreciable amounts of sulphides whereas the underlying Cunard member contains high concentrations of pyrrhotite and other sulphides. Airborne magnetic surveys flown by the Geological Survey of Canada in the late 1980's clearly illustrate the difference in magnetic response in these two units which is useful in mapping large scale features. Airborne magnetic surveys (Figure 5) revealed a magnetic high along the anticline and Horne, et al. (1999) postulated that the magnetic high was associated with the pyrrhotite-rich Cunard member below. Figure 6 illustrates their proposed model.

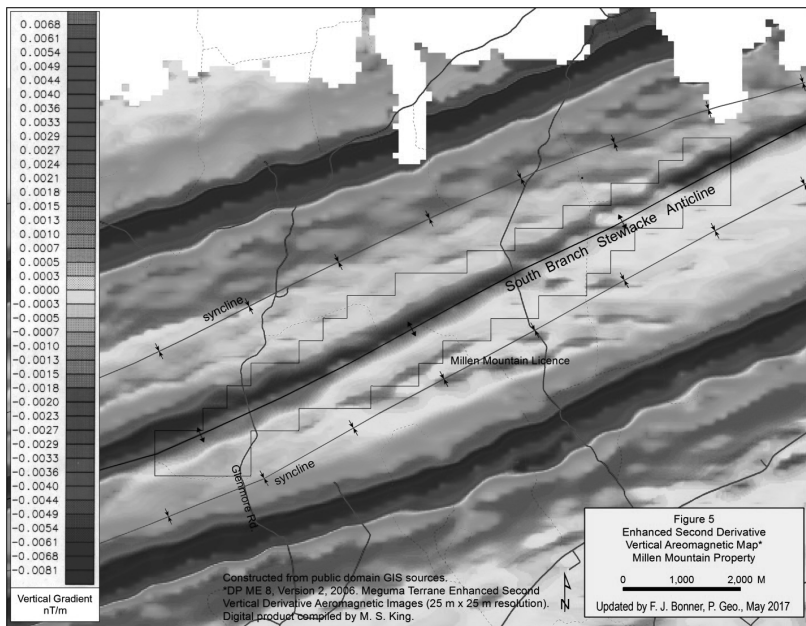


Figure 5: Enhanced 2nd Derivative Aeromagnetic Image

Mineralization

The Millen Mountain Property has a number of Meguma-style gold deposit attributes that include similar structural features such as:

1. Tight anticlinal folding and abundant faulting quartz-rich zones;
2. Variation in meta-siltstone/slate and meta-sandstone stratigraphy where gold is often located; and
3. Pervasive carbonate alteration and possible hydrothermal sulphide.

Horne, King and Young (1999) reported on the similarities between southwest – northeast trending slate belts of the Rawdon Hills and at Wittenburg Mountain where the Millen Mountain Property is located. These similarities include lithology, structure, alteration and quartz vein styles. Figure 6 depicts airborne magnetic draped on a digital elevation model of the Wittenburg Synclinorium. The magnetic signature is seen to be reliably mapping the bedrock geology.

The Rawdon Hills hosts several Halifax Formation Slate gold deposits including the Central Rawdon Gold Mine (https://gesner.novascotia.ca/modb/queryView/singlereport.aspx?Occ_number=E04-024), the East Rawdon Gold Mine (https://gesner.novascotia.ca/modb/queryView/singlereport.aspx?Occ_number=E04-005), and the West Gore Antimony/Gold Mine (https://gesner.novascotia.ca/modb/queryView/singlereport.aspx?Occ_number=E04-001), which are all concordant vein style deposits. The past-producing Centre Rawdon Gold Mine (District) is also located in the Rawdon Hills but gold mineralization is found in northwest – southeast discordant (or A-C style) oriented auriferous quartz veins, trending approximately 340° (https://gesner.novascotia.ca/modb/queryView/singlereport.aspx?Occ_number=E04-006).

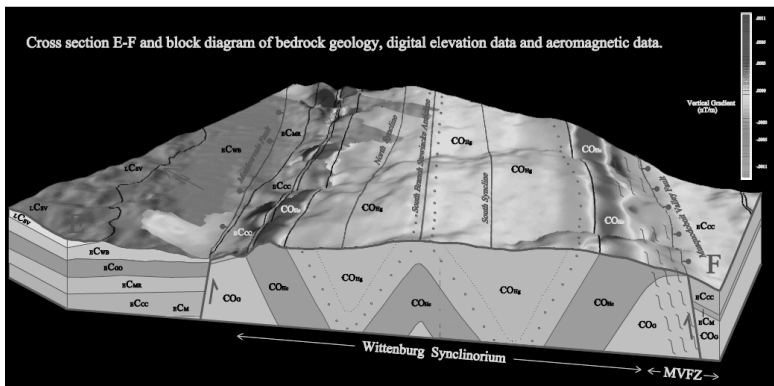


Figure 6: Airborne magnetics draped on Wittenburg Synclinorium

Deposit Types

The vast majority of Meguma gold deposits and occurrences have been discovered throughout the aerial extent of the Meguma Group. The meta-sedimentary rocks of this group have been folded into long waves of anticlines and synclines, running from Canso in the northeast to Yarmouth in the southwest, a distance of about 450 kilometres. The best gold is found where the anticlines have undergone secondary folding or faulting within domed portions of the anticlines. Mineralization is found in well-defined ore shoots formed by secondary flexures and crosscutting quartz feeders near the domed portion of the anticlines.

Most gold bearing veins are associated with thicker than normal interbedded slate units in the massive greywackes of the Goldenville Formation. Several deposits have disseminated gold in the slate and greywacke in addition to vein-style mineralization. Minor gold deposits are found in the younger Halifax Formation slate.

There are a number of gold-bearing vein styles found at the various gold districts in Nova Scotia. Stratiform veins, more commonly referred to as bedding parallel (BP), laminated and interbedded veins are the earliest formed (this group includes strata bound veins as well). These veins are believed to be the result of periodic overpressure causing cracks and minor-fractures that are then filled with hydrothermal fluid, cool and develop a crack-seal texture. The crack-seal texture may also be formed in response to ductile deformation of the quartz caused by bedding parallel faults generated along flexural dip-slip planes during folding. Bedding parallel veins are concordant at the fold scale but cross-cut individual laminations and local bedding. In anticlinal hinges, these veins can maintain their thickness around the fold hinge and are therefore not classic saddle reef style veins but M-folded buckled veins. Only a few deposits have true saddle reef style veins present with substantially thickened quartz veins in the nose of the fold.

En echelon veins are found on the flanks of major folds in slate between greywacke units. Extensional fractures on the limbs of the fold are filled with vein material. Angular veins and cross veins are discordant and range in orientation, thickness and lateral extent. These veins may cross-cut several stratigraphic horizons.

Younger northwest trending faults are believed to have influenced gold concentrations at several deposits and in a few cases have produced stockwork style mineralization. Some late stage faults contain gold bearing veins. Minor gold bearing vein styles included late stage A-C extensional veins that form parallel to the fold axis and granite related veins near intrusions.

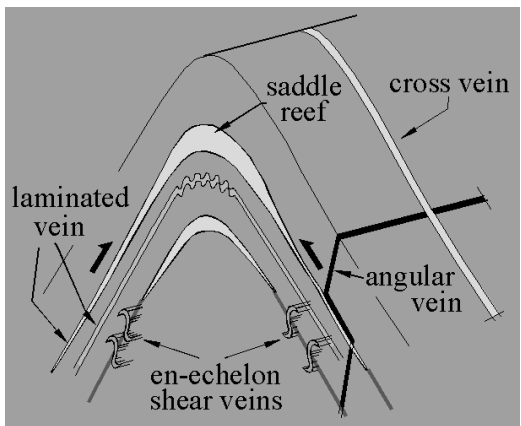


Figure 7: Schematic Diagram of Meguma Gold Deposit Style Vein Array

Figure 7 is a schematic diagram illustrating the relationships between the various vein styles discussed and a typical anticlinal fold structure in Meguma Group rock units (Horne 2012 personal communication).

The origin and genesis of Meguma-style gold deposits was controversial at one time but has now been largely settled by scientific work such as Horne and Culshaw (2001) and Kontak and Horne (2010). The syngenetic, hydrothermal seafloor depositional hypothesis has reasonably lost support to a syntectonic, metamorphic fluid model associated with tectonism related to the Acadian Orogeny and granitoid intrusion. During Devonian

continental collision, hydrothermal solutions were driven out of the basement or perhaps the deep Goldenville Formation rocks. These fluids travelled along flexural slip faults in the argillites or mudstones and were eventually trapped at the hinges of anticlinal folds. The Meguma style of gold deposit normally occurs in the Goldenville Formation. Hanging-wall and footwall sandstones bounding the auriferous argillite perhaps act as barriers preventing migration of fluids into the surrounding country rock.

Kontak and Horne (2010) describe very well the occurrence of gold in Meguma-style deposits. “Gold occurs as a Au-Ag phase with fineness exceeding 900 (e.g., Kontak and Smith, 1993), although the rare presence of more Ag-rich grains (as much as 20-30% Ag) and trace amounts of mixed Au-Te-Bi phases are also known. Grain size is highly variable, from rare cases of multi-ounce nuggets to the more common occurrences of mm- to cm size grains. Gold may be present as free gold in both white crystalline quartz and the darker laminated variety, although the former is more common; along stylolitic surfaces of either wall rock ribbons or chlorite; coating vein-wall rock contacts; and along fractures in sulfide phases, particularly arsenopyrite. Although there are few indicators of gold proximity, the presence of galena is commonly an indicator. As noted above, gold occurs within ore shoots, the orientations of which are variable between deposits.”

In the context of the above paragraph, fineness is a term used to describe the purity of gold with 1000 equating to 100% Au, thus a fineness of 900 means there are 10% impurities, which is commonly Ag but may also be Cu, Hg, Te.

Exploration

An analysis of historical information and data in the spring of 2012 indicates the Millen Mountain Property has been underexplored in comparison to other Meguma style gold properties in the province. Reconnaissance mapping and prospecting identified alteration that was not previously discussed in the literature. Bleaching, likely caused by carbonate alteration was observed associated with the thicker metasandstone units in the old open cuts along the South Branch Stewiacke River. Furthermore, sulphide mineralization was observed in the altered metasandstones with quartz veining perpendicular (AC veins) to the bedding parallel veins. Old trenches have traced at least one quartz vein system several hundred metres to the east where a shaft was encountered. This may be the historical Crowe Shaft.

Beja contracted Matrix GeoTechnologies Ltd. (“**Matrix**”) from Toronto, Ontario, to carry out a high resolution geophysical survey (Induced Potential, Resistivity and Magnetics) to better understand alteration patterns, subsurface geological structure, identify follow-up targets and attempt to correlate geophysical responses with the few known geological parameters at Millen Mountain.

A 500X3000 metre cut grid (Figure 8) with 100 metre line spacing was established in the western portion of the claim block that focussed on the historical workings, two mineral occurrences as reported in the Nova Scotia Department of Natural Resources’ Mineral Occurrence Database and the vein system mapped by H. Fletcher, & E. R. Faribault in 1903. Line flagging and cutting proved to be extremely difficult in certain areas that experienced extensive forest damage as a result of Hurricane Juan in 2003.

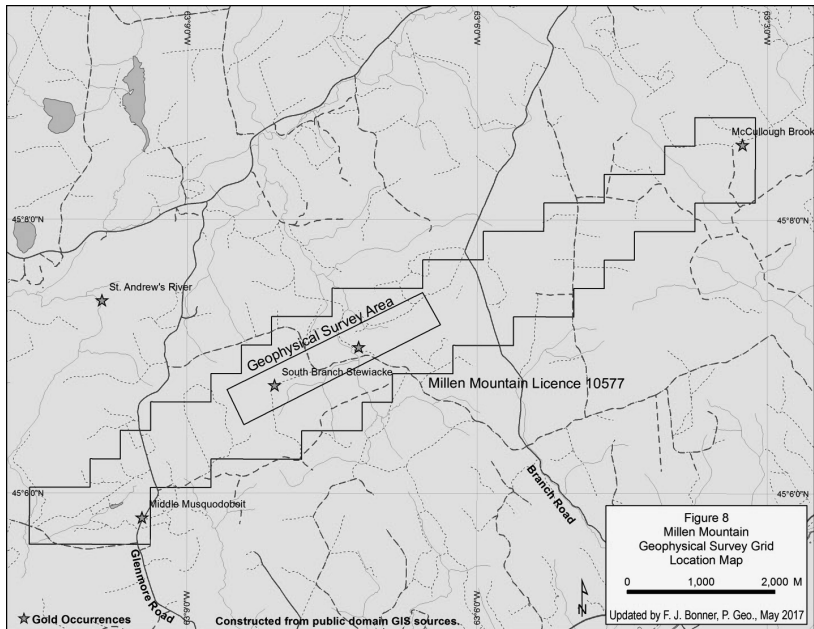


Figure 8: Geophysical Survey Grid, Millen Mountain, Nova Scotia

Approximately 15 line kilometres of Induced Polarization (IP), High-resolution Magnetic and Resistivity surveys were conducted between September 12th and October 6th, 2012. Gradient and Pole-Dipole arrays were employed with a transmitting dipole spacing of AB=1250m for gradient surveys and C₁-C₂ =1.0 km (min.) for Pole-Dipole surveys. IP sampling interval was 25m. Magnetic survey sampling interval was 12.5m. Ten Pole-Dipole lines were completed.

Matrix's report included 1:5000 scale plan maps for:

1. Total Chargeability (IP)
2. Apparent Resistivity
3. Total Magnetic Field
4. An integration map comparing airborne magnetic data and IP anomalies
5. An Interpretation Map

The report also included ten 1:2500 scale Pole-Dipole Pseudo-sections with combined Total Chargeability and Apparent Resistivity and ten 1:2500 scale Quantitative SectionsTM.

Direct exploration expenditures by Beja on the Millen Mountain Property in 2012 are as follows:

DESCRIPTION OF WORK	TOTAL
Geophysics survey	\$85,256.71
Geophysics interpretation and report	\$9,887.50
Geological, supervision and field management	\$15,269.92
Line cutting	\$19,000.00
Total	\$129,414.13

These expenditures include all applicable taxes.

Chargeability Discussion

The Total Chargeability Map (Figure 9) exhibits geophysical trend in a northeast-southwest direction. Data represented in plan maps are bulk averages from surface to approximately 300m. While there is a wide variation in conductivity strength (average 12.5mV/V), approximately half the data is considered to have a strong response which is consistent with disseminated sulphide mineralization or graphite. The authors of the Matrix report concluded that high chargeability background could screen out important weaker or moderate strength anomalies.

The westernmost area (Line 0 to approximately Line 13) displays a distinct linear geophysical anomaly whereas the central portion of the survey area has a similar overall trend but the IP response appears more disrupted between Line 13 to Line 20. The distinct linear pattern is seen again between Line 20 and Line 29. The disrupted response in the central portion of the survey area is interpreted to be related to post mineralization faulting. The Total Chargeability Map also suggests the geophysical anomalies continue to the west and to the east of the survey area.

In the west anomaly zone, resistivity response has a general 'layered' appearance. Higher resistivities were found at depth and overlain by lower resistive responses, as indicated in the Matrix report. Matrix suggests this response may reflect sedimentary layering. Induced polarization responses on those QS show a wide, high chargeability signature associated with low resistivity from surface to about 100m. A narrow high chargeability signature that extends past the survey depth of approximately 300m is associated with high resistivity. Additionally, the shallow chargeability anomalies do not seem to be associated with a magnetic signature.

In the central anomaly zone, higher resistivities are again found at depth and in a general sense show gross layering. Responses are much more displaced which may indicate significant faulting in the area. QS Line 1700 (Appendix B) illustrates the nature of resistivity and distribution of chargeability signature. A wide high chargeability signature is again found at surface and extends to about 120m with a narrow anomaly extending into the higher resistivity to 300m. Line 1700 coincidentally passes through historical surface workings (large trenches) at station 0 (baseline) and coincides with the high chargeability response at surface.

In the east anomaly zone, resistivity in section has a contrasting distribution. For example, QS Line 2200 (Appendix B) shows the high resistivity signature extending to surface and appears displaced at approximately 50m N of the baseline suggesting fault dislocation. High chargeability is associated with low resistivity at surface to approximately 125m. A distinct chargeability signature also appears about 60m north of the baseline which is seen at surface to 50m depth then resumes at 125m to 300m. This signature is closely associated with high resistivity and the displacement at 50m north.

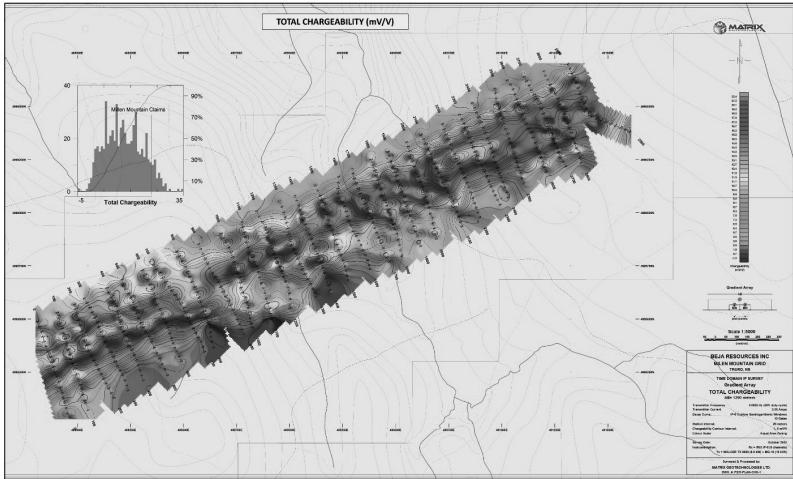


Figure 9: Total Chargeability Map

Resistivity Discussion

The Apparent Resistivity Map (Figure 10) displays a wide range of response data between 475 ohm-m and 12.5kohm-m. Approximately 85% of the data falls within the high to very-high resistivity category. Higher resistivity units probably reflect siliceous units (metamorphosed sandstones?) whereas the lower resistivity signatures are probably associated with slate sequences.

Apparent Resistivity signatures in plan view (Figure 9) trend northeast-southwest locally such as along the northern margin of the survey area and along the southern margin in more discrete horizons. Most high resistivity zones are relatively thin and long providing good line-to-line correlation possibly indicative of vein systems or alteration zones. Breaks and displacements suggest faulting.

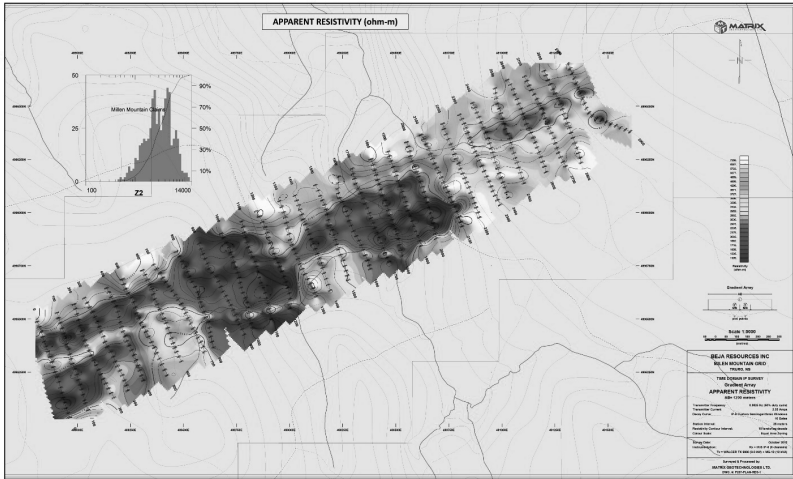


Figure 10: Apparent Resistivity Map (reduced original)

Magnetic Field Discussion

The Total Magnetic Field Map (Figure 11) once again shows a northeast-southwest trend with weaker magnetic responses to the north of the baseline and higher magnetic features to the south. Survey depth is approximately 60-70m and was undertaken to help interpret structural features and verify the nature of shallow, high chargeability responses.

According to Matrix, two types of magnetic anomalies were identified. These are linear line-to-line responses and ‘bulls-eye’ type anomalies suggesting two styles of magnetic signatures. The first type is commonly associated with tabular stratigraphic horizons following the same trend as chargeability and resistivity signatures. The second type are likely related to shallow iron sulphides such as pyrrhotite known to be present in lower stratigraphic units of the Halifax Formation.

Ten Quantitative Sections™ were constructed through Matrix’s proprietary, Quantitative Section™ Methodology which is a complex integration process that utilizes the results of the gradient survey and the follow-up pole-dipole survey which was arranged over high chargeability anomalies. Quantitative Sections™ (QS) have interpreted chargeability and resistivity plotted in section. Matrix included Lines 200, 300 and 400 as part of the “west anomaly zone”. The “central anomaly zone” included Lines 1700, 1800 and 1900. The “east anomaly zone” contains Lines 2100, 2200, 2300 and 2800. Four lines (300, 1800, 2200 and 2800) further integrated total field magnetics for more detailed interpretation. The total field magnetics are plotted as a profile over the QS.

Quantitative Sections™ and gradient data were used to produce an Interpretation Map (Figure 12) and identify seven high priority follow-up targets and 13 secondary. Higher priority targets were determined based on chargeability strength, resistivity association and their characteristics in terms of geometry, depth and vertical/horizontal extent. The thirteen secondary targets had similar geophysical characteristics as the high priority targets but generally lacked detailed coverage or showed short line-to-line correlation.

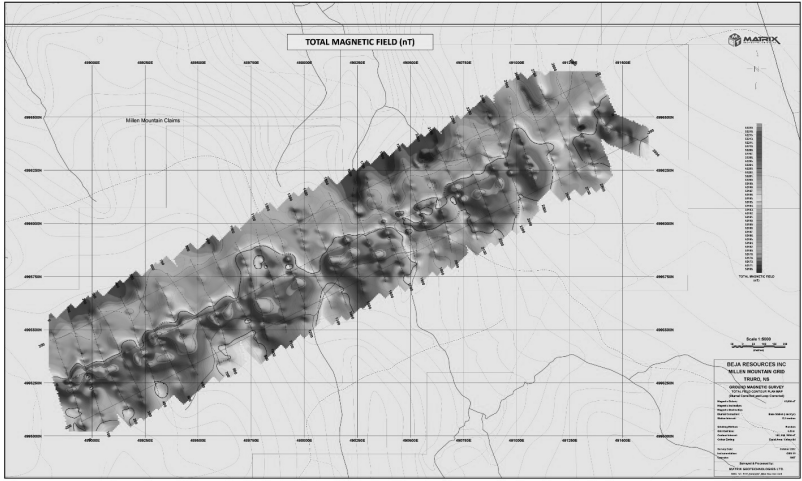


Figure 11: Total Magnetic Field Map (reduced original)



Figure 12: Interpretation Map

Drilling

Legion has not conducted any drilling on the Property.

Sample Preparation, Analyses and Security

Legion has not conducted any sampling at the Millen Mountain Property.

Mineral Processing and Metallurgical Testing

Legion has not conducted any mineral processing or metallurgical testing at the Millen Mountain Property.

Mineral Resource and Mineral Reserve Estimates

Mineral resources and mineral reserves have never been estimated for the Millen Mountain Property.

LEGAL MATTERS

Certain legal matters relating to the Arrangement and to the Legion Shares to be distributed pursuant to the Arrangement will be reviewed on behalf of Legion by Beadle Raven LLP, and certain legal matters relating to the Arrangement and to the Nextleaf Securities to be distributed pursuant to the Arrangement will be reviewed on behalf of Nextleaf by Fang and Associates, Barristers & Solicitors.

OTHER MATTERS

Other than the above, management of Legion and Nextleaf know of no other matters to come before the Meeting other than those referred to in the Notices of Meeting. However, if any other matters that are not known to management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgment.

INFORMATION CONTAINED IN THIS INFORMATION CIRCULAR

No person has been authorized to give any information or to make representations in connection with the Arrangement other than those contained in this Information Circular and, if given or made, any such information or representation should be considered not to have been authorized by Legion or Nextleaf. This Information Circular does not constitute the solicitation of a proxy by any person in any jurisdiction in which such solicitation is not authorized or in which the person making such solicitation is not qualified to do so or to any person to whom it is unlawful to make such solicitation.

All information relating to Nextleaf contained in this Information Circular has been provided to Legion by such Party. The Board has relied upon this information without having made independent inquiries as to the accuracy or completeness thereof, however, it has no reason to believe such information is misleading or inaccurate.

APPROVAL OF NEXTLEAF SOLUTIONS LTD.

The contents of this Information Circular have been approved and the delivery of it to each Nextleaf Securityholder entitled thereto and to the appropriate regulatory agencies has been authorized by the Board.

Dated as of November 26, 2018.

**ON BEHALF OF THE BOARD OF
NEXTLEAF SOLUTIONS LTD.**

“Paul Pedersen”

Paul Pedersen,
Chief Executive Officer and Director

APPROVAL OF LEGION METALS CORP.

The contents of this Information Circular have been approved and the delivery of it to each Legion Securityholder entitled thereto and to the appropriate regulatory agencies has been authorized by the Board.

Dated as of November 26, 2018.

**ON BEHALF OF THE BOARD OF
LEGION METALS CORP.**

“Peter Smith”

Peter Smith,
President, Chief Executive Officer and Director

SCHEDULE "A"

Arrangement Resolutions of Nextleaf and Legion and proposed Plan of Arrangement

NEXTLEAF SOLUTIONS ARRANGEMENT RESOLUTION

RESOLVED THAT:

1. The arrangement (the "**Arrangement**") under Section 288 of the *Business Corporations Act* (British Columbia) (the "**BCA**") involving Nextleaf Solutions Ltd. ("**Nextleaf**") and its securityholders and Legion Metals Corp and its securityholders pursuant to the arrangement agreement (the "**Arrangement Agreement**") between Nextleaf, Legion Metals Corp. ("**Legion**"), and Myriad Metals Corp., the wholly owned subsidiary of Legion, dated November 19, 2018, as more particularly described and set forth in the joint management information circular (the "**Circular**") of Nextleaf and Legion dated November 26, 2018 accompanying the notice of this meeting (as the Arrangement may be modified or amended) is hereby approved, authorized and agreed to.
2. The plan of arrangement (the "**Plan of Arrangement**") involving Nextleaf and implementing the Arrangement, the full text of which is set out as Exhibit 1 hereto (as the Plan of Arrangement may be modified or amended) is hereby authorized, approved and agreed to, and the actions of the directors of Nextleaf in approving the Arrangement and the Arrangement Agreement and the actions of the directors and officers of Nextleaf in executing and delivering the Arrangement Agreement and causing the performance by Nextleaf of its obligations thereunder are hereby confirmed, ratified, authorized and approved.
3. Notwithstanding that this resolution has been passed (and the Arrangement adopted) by the shareholders of Nextleaf or that the Arrangement has been approved by the Supreme Court of British Columbia, the directors of Nextleaf are hereby authorized and empowered without further notice to or approval of the shareholders of Nextleaf: (i) to amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement; and (ii) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement.
4. Any officer or director of Nextleaf is hereby authorized and directed for and on behalf of Nextleaf to execute, under the seal of Nextleaf or otherwise, and to deliver such documents as are necessary or desirable to the Registrar under the BCA in accordance with the Arrangement Agreement for filing.
5. Any officer or director of Nextleaf is authorized to execute and deliver all other documents and do all acts or things as may be necessary or desirable to give effect to this resolution.

EXHIBIT 1
PLAN OF ARRANGEMENT UNDER THE PROVISIONS OF DIVISION 5 OF PART 9 OF
THE BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)

SCHEDULE "A"

PLAN OF ARRANGEMENT

ARTICLE 1. DEFINITIONS AND INTERPRETATION

- 1.1 **Definitions.** In this Plan of Arrangement the following capitalized words and terms shall have the following meanings:
- (a) **"Arrangement Agreement"** means the arrangement agreement dated for reference as of November 19, 2018 to which this Plan of Arrangement is attached as Schedule "A";
 - (b) **"Arrangement"** means the arrangement under the provisions of Division 5 of Part 9 of the BCA on the terms and conditions set forth in this Plan of Arrangement;
 - (c) **"Arrangement Resolution"** means a special resolution as defined in the BCA of the Nextleaf Shareholders and Legion Securityholders approving the Arrangement;
 - (d) **"BCA"** means the British Columbia *Business Corporations Act*, as amended;
 - (e) **"Business Day"** means a day, other than a Saturday or a Sunday, on which the principal commercial banks located in Vancouver, British Columbia, are open for the conduct of business;
 - (f) **"Class A Preferred Shares"** has the meaning set forth in Subsection 3.2(b)(iii);
 - (g) **"Court"** means the Supreme Court of British Columbia;
 - (h) **"Consolidation"** means the consolidation of the common shares of the capital stock of Legion that will result in no more than 3,647,029 common shares issued and outstanding in the capital stock Legion;
 - (i) **"Conversion Factor"** means 0.349999958, representing one (1) Distributed Spinco Share for each 2.857143192 Legion Shares;
 - (j) **"Cryptocurrency Assets"** means the cryptocurrency assets owned by Legion, as described in the Legion Public Disclosure Record;
 - (k) **"Dissent Rights"** has the meaning given thereto in Article 5.0 hereof;
 - (l) **"Dissenting Shareholder"** means a Nextleaf Shareholder or Legion Shareholder who exercises Dissent Rights (as defined in Section 5.1 below) in connection with the resolution to approve the Arrangement and has not withdrawn or been deemed to have withdrawn such Dissent Rights;
 - (m) **"Distributed Spinco Shares"** means the common shares of Spinco that are to be distributed to the Legion pursuant to Subsection 3.2 of the Plan of Arrangement
 - (n) **"Effective Date"** means the next Business Day following the date of the Final Order, or such later date as may be mutually agreed by the Parties;

- (o) “**Final Order**” means the final order of the Court approving the Arrangement granted pursuant to Section 291(4) of the BCA, as such order may be amended at any time prior to the Effective Date or, if appealed, then unless such appeal is withdrawn or denied, as affirmed;
- (p) “**Governmental Entity**” means any (i) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, agency, domestic or foreign; (ii) any subdivision, agent, commission, board or authority of any of the foregoing; or (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;
- (q) “**Interim Order**” means the interim order of the Court made in connection with the process for obtaining security holder approval of the Arrangement and related matters;
- (r) “**Legion**” means Legion Metals Corp., a company incorporated under the BCA;
- (s) “**Legion Agent’s Warrant**” means the agent’s warrant granted to Echelon Wealth Partners Inc. in connection with the initial public offering of Legion;
- (t) “**Legion Securityholders**” means the holders of Legion Shares and the holder of the Legion Agent’s Warrant;
- (u) “**Legion Shareholders**” means the holders of Legion Shares;
- (v) “**Legion Shares**” means common shares in the capital of Legion as they are constituted as at the Effective Date;
- (w) “**Legion Public Disclosure Record**” means all documents and information required to be filed by Legion on SEDAR under applicable Securities Laws during the one year prior to the date hereof;
- (x) “**Liens**” means any mortgage, lien, hypothecation, security interest, pledge or other encumbrance, charge or adverse right or claim, defect of title, restriction or other right of third parties;
- (y) “**Meeting**” means the annual and special meeting of Nextleaf Shareholders and the special meeting of Legion Securityholders, as the case may be (including any adjournment or postponement thereof), that is convened as provided by the Interim Order to consider and, if deemed advisable, approve the Arrangement and all other matters requiring approval pursuant to the terms and conditions of the Arrangement Agreement or the Interim Order;
- (z) “**Meeting Date**” means the date of the Meeting;
- (aa) “**Millen Mountain Property**” means the Millen Mountain mineral exploration property owned by Legion, as described in the Legion Public Disclosure Record;
- (bb) “**New Shares**” has the meaning set forth in Subsection 3.2(b)(ii);
- (cc) “**Nextleaf**” means Nextleaf Solutions Ltd., a company incorporated under the under the BCA;
- (dd) “**Nextleaf Financing**” means the fundraising through Nextleaf’s offering of units comprised of the Nextleaf Financing Shares and the Nextleaf Financing Warrants raising

gross proceeds of not less than \$3,000,000 in satisfaction of subsection (v) of the POA Effective Date Conditions;

- (ee) “**Nextleaf Financing Compensation Option**” means any compensation option granted and issued by Nextleaf to securities dealers and other agents assisting with the Nextleaf Financing;
- (ff) “**Nextleaf Financing Completion**” means the completion of the Nextleaf Financing;
- (gg) “**Nextleaf Financing Shares**” means the ordinary shares issued by Nextleaf to investors under the Nextleaf Financing;
- (hh) “**Nextleaf Financing Warrants**” means share purchase warrants granted and issued by Nextleaf to investors under the Nextleaf Financing;
- (ii) “**Nextleaf Financing Securities**” means the Nextleaf Financing Shares, the Nextleaf Financing Warrants and the Nextleaf Financing Compensation Options;
- (jj) “**Nextleaf Financing Securityholders**” means the holders of the Nextleaf Financing Shares, the Nextleaf Financing Warrants and the Nextleaf Financing Compensation Options;
- (kk) “**Nextleaf Securities**” means the Nextleaf Shares, Nextleaf Financing Warrants and Nextleaf Financing Compensation Options issued and outstanding on the Effective Date;
- (ll) “**Nextleaf Shareholders**” means the registered and beneficial holders of Nextleaf Shares;
- (mm) “**Nextleaf Shares**” means the issued and outstanding ordinary shares in the capital of Nextleaf on the Effective Date;
- (nn) “**Parties**” means Legion and Nextleaf, and “**Party**” means either one of them;
- (oo) “**Plan of Arrangement**” means the plan of arrangement substantially as annexed as Schedule “A” hereto and any amendment or variation thereto made in accordance with its terms or the terms of this Agreement;
- (pp) “**POA Effective Date Conditions**” means all of the following: (i) the filing of Legion’s application for the re-qualification of the listing of the Legion Shares on the Canadian Securities Exchange, (ii) the satisfaction of all or substantially all of any comments of the Canadian Securities Exchange in regard of such listing application, (iii) the Consolidation; (iv) the disposition of the Cryptocurrency Assets; (v) the completion on the Effective Date of a fundraising by Nextleaf raising gross proceeds of not less than \$3,000,000; and (vi) the change of Legion’s name to “Nextleaf Solutions Ltd.” and the change of Nextleaf’s name to “Nextleaf Innovations Ltd.”;
- (qq) “**Share Distribution Record Date**” means the record date for those Legion Shareholders that are eligible to participate in the divestment of the Millen Mountain Property and receive the Distributed Spinco Shares;
- (rr) “**Spinco** means Myriad Metals Corp. a company incorporated under the BCA;
- (ss) “**Tax Act**” means the *Income Tax Act* (Canada) as amended; and
- (tt) “**Transfer Agent**” means AST Trust Company (Canada).

- 1.2 **Interpretation Not Affected by Headings.** The division of this Plan of Arrangement into Articles, Sections, subsections and paragraphs and the insertion of headings are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Plan of Arrangement.
- 1.3 **Article References.** Unless the contrary intention appears, references in this Plan of Arrangement to an Article, Section, subsection, paragraph or Schedule by number or letter or both refer to the Article, Section, subsection, paragraph or Schedule, respectively, bearing that designation in this Plan of Arrangement.
- 1.4 **Number and Gender.** In this Plan of Arrangement, unless the contrary intention appears, words importing the singular include the plural and vice versa; words importing gender shall include all genders; and words importing persons shall include a natural person, firm, trust, partnership, association, corporation, joint venture or government (including any governmental agency, political subdivision or instrumentality thereof).
- 1.5 **Capitalized Terms.** Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Arrangement Agreement.

ARTICLE 2. ARRANGEMENT AGREEMENT

- 2.1 **Arrangement Agreement.** This Plan of Arrangement is made pursuant and forms a part of and is subject to the provisions of the Arrangement Agreement. The implementation of this Plan of Arrangement is expressly subject to the fulfilment and/or waiver (by the Party or Parties entitled) of the conditions precedent set out in the Arrangement Agreement. If there is any conflict or inconsistency between the provisions of the Plan of Arrangement and the provisions of the Arrangement Agreement, the provisions of the Plan of Arrangement shall govern.

ARTICLE 3. THE ARRANGEMENT

- 3.1 **Effective Date.** This Plan of Arrangement will become effective at, and be binding at and after, the Effective Date on Legion, Nextleaf, all securityholders of Legion, all securityholders of Nextleaf, and Spinco.
- 3.2 **The Arrangement.** Subject to the completion of the POA Effective Date Conditions on or before the Effective Date, the following shall occur and shall be deemed to occur in the following sequence without any further act or formality of or by Nextleaf or Legion:

Divestment of the Millen Mountain Property

- (a) Legion will transfer the Millen Mountain Property to Spinco in consideration of the Distributed Spinco Shares, such that the number of Distributed Spinco Shares received by Legion from Spinco for such assets will equal the number of issued and outstanding Legion Shares multiplied by the Conversion Factor as of the Share Distribution Record Date, and Legion will be added to the central securities register of Spinco in respect of such Distributed Spinco Shares;
- (b) The authorized share capital of Legion will be changed by:
 - (i) altering the identifying name of the Legion Shares to Class A Shares;
 - (ii) creating a class consisting of an unlimited number of common shares without par value (the “**New Shares**”); and

- (iii) creating a class consisting of an unlimited number of Class A Preferred Shares without par value (“**Class A Preferred Shares**”), having the rights and restrictions described in Appendix I to the Plan of Arrangement, being the Legion Class A Preferred Shares;
- (c) Each issued Legion Class A Share will be exchanged for one (1) New Share and one (1) Legion Class A Preferred Share and, subject to the exercise of a right of dissent, the holders of the Legion Class A Shares will be removed from the central securities register of Legion and will be added to the central securities register as the holders of the number of New Shares and Legion Class A Preferred Shares that they have received on the exchange;
- (d) All of the issued Legion Class A Shares will be cancelled with the appropriate entries being made in the central securities register of Legion and the aggregate paid up capital (as that term is used for purposes of the Tax Act) of the Legion Class A Shares immediately prior to the Effective Date will be allocated between the New Shares and the Legion Class A Preferred Shares so that the aggregate paid up capital of the Legion Class A Preferred Shares is equal to the aggregate fair market value of the Distributed Spinco Shares as of the Effective Date, and each Legion Class A Preferred Share so issued will be issued by Legion at an issue price equal to such aggregate fair market value divided by the number of issued Legion Class A Preferred Shares, such aggregate fair market value of the Distributed Spinco Shares to be determined as at the Effective Date by resolution of the board of directors of Legion;
- (e) Legion will redeem the issued Legion Class A Preferred Shares for consideration consisting solely of the Distributed Spinco Shares such that each holder of Legion Class A Preferred Shares will, subject to the rounding of fractions and the exercise of rights of dissent, receive that number of Distributed Spinco Shares that is equal to the number of Legion Class A Preferred Shares multiplied by the Conversion Factor held by such holder;
- (f) The name of each holder of Legion Class A Preferred Shares will be removed as such from the central securities register of Legion, and all of the issued Legion Class A Preferred Shares will be cancelled with the appropriate entries being made in the central securities register of Legion;
- (g) The Distributed Spinco Shares transferred to the holders of the Legion Class A Preferred Shares pursuant to Subsection 3.2(e) above will be registered in the names of the former holders of Legion Class A Preferred Shares and appropriate entries will be made in the central securities register of Spinco;
- (h) The Legion Class A Shares and the Legion Class A Preferred Shares, none of which will be issued and outstanding once the steps referred to in Subsections 3.2(c) and 3.2(f) inclusive above are completed, will be cancelled and the authorized share structure of Legion will be changed by eliminating the Legion Class A Shares and the Legion Class A Preferred Shares therefrom;
- (i) The Notice of Articles and Articles of Legion will be amended to reflect the changes to its authorized share structure made pursuant to this Plan of Arrangement;
- (j) Notwithstanding Subsection 3.2(e), no fractional Distributed Spinco Shares shall be distributed to the Legion Shareholders and as a result all fractional share amounts arising under such sections shall be rounded down to the nearest whole number. Any Distributed Spinco Shares not distributed as a result of this rounding down shall

be dealt with as determined by the board of directors of Legion in its absolute discretion;

- (k) The holders of the Legion Class A Shares and the holders of New Shares and Legion Class A Preferred Shares referred to in Subsection 3.2(c), and the holders of the Legion Class A Preferred Shares referred to in Subsection 3.2 (e), Subsection 3.2 (f) and Subsection 3.2 (g), shall mean in all cases those persons who are Legion Shareholders at the close of business on the Share Distribution Record Date, subject to the exercise of rights of dissent;
- (l) Spinco shall grant and issue Echelon Wealth Partners Inc., as the holder of the Legion Agent's Warrant, an option to purchase a number of Spinco common shares equal to the number of Legion shares that could be purchased under the Legion Agent's Warrant and at an exercise price equal to the exercise price of the Legion Agent's Warrant (with the remaining term to expiry, conditions to and manner of exercising, and all other terms and conditions being substantially the same as the Legion Agent's Warrant), taking into consideration the Consolidation and applying the Conversion Factor. Other than the Legion Agent's Warrant, no other convertible security of Legion shall entitle any holder thereof to receive any security under the Arrangement;
- (m) All New Shares, Legion Class A Preferred Shares and Distributed Spinco Shares issued pursuant to this Plan of Arrangement shall be deemed to be validly issued and outstanding as fully paid and non-assessable shares for all purposes of the BCA. The Arrangement shall become final and conclusively binding on the Legion Securityholders, and on Legion and Spinco, on the Effective Date;
- (n) Notwithstanding that the foregoing transactions and events set out in Subsections 3.2(a) to 3.2(m) inclusive shall occur and shall be deemed to occur in the chronological order therein set out without any act or formality, each of Legion and Spinco shall be required to make, do and execute or cause and procure to be made, done and executed all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may be required to give effect to, or further document or evidence, any of the transactions or events set out in Subsections 3.2(a) to 3.2(m) inclusive, including, without limitation, any resolutions of directors authorizing the issue, transfer or redemption of shares, any share transfer powers evidencing the transfer of shares and any receipt therefore, and any necessary additions to or deletions from share registers;

Acquisition of Nextleaf

- (o) Following the completion of Subsections 3.2(a) to 3.2(n) inclusive, the following events of the Arrangement shall occur and shall be deemed to occur in the following sequence:
- (p) Each Nextleaf incentive stock option outstanding immediately before the Nextleaf Financing Completion (as hereinafter defined) shall be deemed to be cancelled without consideration, without the need for any further act or formality, and with respect to each such Nextleaf incentive stock option, the holder thereof will cease to be the holder thereof or to have any rights as a holder in respect of such Nextleaf incentive stock option and the name of the holder thereof will be removed from the applicable securities register of Nextleaf with respect to such Nextleaf incentive stock option;
- (q) Each Nextleaf warrant outstanding immediately before the Nextleaf Financing Completion shall be deemed to be cancelled without consideration, without the need for any further act or formality, and with respect to each such Nextleaf warrant, the holder thereof will cease to be the holder thereof or to have any rights as a holder in respect of

such Nextleaf warrant and the name of the holder thereof will be removed from the applicable securities register of Nextleaf with respect to such Nextleaf warrant;

- (r) Under the Nextleaf Financing Completion, Nextleaf shall complete its fundraising by raising gross proceeds of not less than \$3,000,000 and issuing not less than 8,571,428 Nextleaf Financing Shares at \$0.35 per Nextleaf Financing Share in satisfaction of subsection (v) of the POA Effective Date Conditions;
- (s) Each Nextleaf Share that is issued and outstanding immediately following the Nextleaf Financing Completion (excluding the Nextleaf Shares held by Dissenting Shareholders who are ultimately determined to be entitled to be paid the fair value of the Nextleaf Shares in respect of which they have exercised their Dissent Rights) will be transferred, and will be deemed to be transferred, without any act or formality on the Nextleaf Shareholder's part, to Legion in exchange for one (1) fully paid and non-assessable Legion Share;
- (t) At the same time as Subsection 3.2(s) with respect to each Nextleaf Share transferred to Legion:
 - (i) the Nextleaf Shareholder who was the registered holder of such Nextleaf Share immediately after the Nextleaf Financing Completion will be deemed to have ceased to be the holder of such Nextleaf Share and the name of such Nextleaf Shareholder will be removed from the securities register of Nextleaf with respect to such Nextleaf Share; and
 - (ii) legal and beneficial title to such Nextleaf Share will be deemed to have vested in Legion and Legion be and is hereby to be the transferee and the legal and beneficial owner (free and clear of any Liens) of such Nextleaf Share and will be entered in the securities register of Legion as the sole holder of such Nextleaf Share;
- (u) Each Nextleaf Financing Warrant granted and issued by Nextleaf in connection with the Nextleaf Financing and outstanding immediately following the Nextleaf Financing Completion:
 - (i) shall be assumed by Legion and exchanged for a warrant to purchase a number of Legion Shares equal to the number of Nextleaf Shares that could be purchased under the exchanged Nextleaf Financing Warrant and at an exercise price equal to the exercise price of the exchanged Nextleaf Financing Warrant (with the remaining term to expiry, conditions to and manner of exercising and all other terms and conditions being substantially the same as the exchanged Nextleaf Financing Warrant); and
 - (ii) following such assumption and exchange, the holders of the Nextleaf Financing Warrants shall have no interests or rights in and to any Nextleaf Shares or any interest to acquire securities of Nextleaf;
- (v) Each Nextleaf Financing Compensation Option granted and issued by Nextleaf in connection with the Nextleaf Financing and outstanding immediately following the Nextleaf Financing Completion:

- (i) shall be assumed by Legion and exchanged for an equivalent compensation option to purchase a number of Legion Shares equal to the number of Nextleaf Shares that could be purchased under the exchanged Nextleaf Financing Compensation Option (with the remaining term to expiry, conditions to and manner of exercising, and all other terms and conditions being substantially the same as the exchanged Nextleaf Financing Compensation Option); and
 - (ii) following such assumption and exchange, the holder of the Nextleaf Financing Compensation Option granted and issued in connection with the Nextleaf Financing shall have no interests or rights in and to any Nextleaf Shares or any interest to acquire securities of Nextleaf;
- (w) As a consequence of the foregoing steps, (i) the separate legal existence of Nextleaf will continue; (ii) Nextleaf will become the wholly-owned subsidiary of Legion; and (iii) the assets and liabilities of Nextleaf will remain the property and liabilities of Nextleaf;
- (x) Each of the outstanding Nextleaf Shares held by Dissenting Shareholders who are ultimately determined to be entitled to be paid the fair value of the Nextleaf Shares in respect of which they have exercised their Dissent Rights shall be deemed to be irrevocably transferred to Legion (free and clear of any Liens) and such Dissenting Shareholders shall cease to have any rights as Nextleaf Shareholders other than the right to be paid the fair value of their Nextleaf Shares in accordance with Article 5 of the Plan of Arrangement;
- (y) At the same time as the step contemplated by Subsection 3.2(x) above, with respect to each Nextleaf Share held by a Dissenting Shareholder:
- (i) the Dissenting Shareholder who was the registered holder of such Nextleaf Share immediately prior to the Effective Date will be deemed to have ceased to be the holder of such Nextleaf Share and the name of such Dissenting Shareholder will be removed from the securities register of Nextleaf with respect to such Nextleaf Share; and
 - (ii) legal and beneficial title to such Nextleaf Share will be deemed to have vested in Legion and Legion will be, and be deemed to be, the transferee and the legal and beneficial owner (free and clear of any Liens) of such Nextleaf Shares and will be entered in the securities register of Legion as the sole holder of such Legion Share,

provided that none of the foregoing in Subsections 3.2(a) to (y) above will occur or be deemed to occur, unless all of the foregoing occurs.

ARTICLE 4. CERTIFICATES AND FRACTIONAL SHARES

Divestment of the Millen Mountain Property

- 4.1 Recognizing that the Legion Shares shall be redeemed and re-designated as Legion Class A Shares pursuant to s. 3.2(b)(i) and that the Legion Class A Shares shall be exchanged partially for New Shares pursuant to s. 3.2(c), Legion shall not issue replacement share certificates representing the Legion Class A Shares.
- 4.2 Recognizing that the Distributed Spinco Shares shall be transferred to the Legion Shareholders as consideration for the redemption of the Legion Class A Preferred Shares pursuant to s. 3.2(e), Spinco shall issue one share certificate representing all of the Distributed Spinco Shares registered in the name of Legion, which share certificate shall be

held by the Transfer Agent until the Distributed Spinco Shares are transferred to the Legion Shareholders and such certificate shall then be cancelled by the Transfer Agent. To facilitate the transfer of the Distributed Spinco Shares to the Legion Shareholders as of the Share Distribution Record Date, Legion shall execute and deliver to the Transfer Agent an irrevocable power of attorney or a treasury order, authorizing them to distribute and transfer the Distributed Spinco Shares to such Legion Shareholders in accordance with the terms of this Plan of Arrangement and Spinco shall deliver treasury orders or such other direction to effect such issuance to the Transfer Agent as requested by it.

- 4.3 Recognizing that all of the Legion Class A Preferred Shares issued to the Legion Shareholders pursuant to s. 3.2(c) will be redeemed by Legion as consideration for the distribution and transfer of the Distributed Spinco Shares under s. 3.2(e), Legion shall issue one share certificate representing all of the Legion Class A Preferred Shares issued pursuant to s. 3.2(c) in the name of the Transfer Agent, to be held by the Transfer Agent for the benefit of the Legion Shareholders until such Legion Class A Preferred Shares are redeemed, and such certificate shall then be cancelled.
- 4.4 As soon as practicable after the Effective Date, Spinco shall cause to be issued to the registered holders of Legion Shares as of the Share Distribution Record Date, share certificates or direct registration statements representing the Distributed Spinco Shares to which they are entitled pursuant to this Plan of Arrangement and shall cause such share certificates or direct registration statements to be mailed to such registered holders.
- 4.5 From and after the Effective Date, share certificates representing Legion Shares immediately before the Effective Date, except for those deemed to have been cancelled pursuant to Article 5, shall for all purposes be deemed to be share certificates representing New Shares, and no new share certificates shall be issued with respect to the New Shares issued in connection with the Arrangement.
- 4.6 Legion Shares traded after the Share Distribution Record Date and prior to the Effective Date shall represent New Shares and shall not carry any right to receive a portion of the Distributed Spinco Shares.

Acquisition of Nextleaf

- 4.7 **Exchange of Certificates.** Each Nextleaf Shareholder shall be entitled to receive the Legion Shares issuable pursuant to this Plan of Arrangement in the manner set out in Subsection 3.2(s) above on the Effective Date and the shareholders of Nextleaf (except for any shareholders which have exercised their Rights of Dissent as defined in Section 5.1 below) shall be deemed to have transferred their certificated or uncertificated shares, as the case may be, to Legion without any executed writing, instrument or other formality. Concurrently, (i) each holder of a Nextleaf Financing Warrant shall be deemed to: (A) have surrendered their Nextleaf Financing Warrant to Nextleaf without any executed writing, instrument or other formality and (B) be entitled to receive an equivalent warrant from Legion; and (ii) each holder of a Nextleaf Financing Compensation Option shall be deemed to: (A) have surrendered their Nextleaf Financing Compensation Option to Nextleaf without any executed writing, instrument or other formality and (B) be entitled to receive an equivalent compensation option from Legion.
- 4.8 **Transfer of Ownership.** In the event of a transfer of ownership of Nextleaf Securities that is not registered in the records of Nextleaf, certificates representing the proper numbers of Legion Securities may be issued to the transferee if the certificate representing such Nextleaf Securities is presented to Nextleaf together any documents required by Nextleaf to evidence and effect such transfer.

- 4.9 **Lost Certificates.** If any certificate which represents Nextleaf Securities has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed, satisfactory to Nextleaf and to Legion, and upon such Person giving an indemnity satisfactory to Legion against any claims that may be made against Legion with respect to the certificate alleged to have been lost, stolen or destroyed, in exchange for such lost, stolen or destroyed certificate, certificates representing the Legion securities deliverable for such Nextleaf Securities will be issued.
- 4.10 **Un surrendered Certificates.** Until surrendered as contemplated by Article 4.7, each certificate or agreement which immediately prior to the Effective Date represented one or more outstanding Nextleaf Security shall be deemed at all times after the Effective Date to represent only the right to receive the securities contemplated by Article 4.7.
- 4.11 **Distributions with respect to Un surrendered Share Certificates.** No dividends or other distributions declared or made after the Effective Date with respect to Legion Shares with a record date after the Effective Date shall be paid to the holder of any unsurrendered certificate which immediately prior to the Effective Date represented outstanding Nextleaf Shares that were exchanged pursuant to Article 4.7, unless and until the holder of record of such certificate shall surrender such certificate in accordance with Article 4.7.
- 4.12 **Fractional Securities.** No fractional securities will be issued by Legion, and no cash will be paid in lieu thereof. Any fractions resulting will be rounded down to the nearest lower whole number.
- 4.13 **Surrender of Rights.** Notwithstanding any of the other provisions hereof, any certificate which immediately prior to the Effective Date represented outstanding Nextleaf Securities shall cease to represent a claim or interest of any kind or nature against Legion, if it has not been surrendered with all other instruments required hereby on or prior to the third anniversary of the Effective Date. In such circumstances, the person ultimately entitled to any certificate hereunder shall be deemed to have surrendered such entitlement to Legion, together with all entitlement to dividends and distributions thereon held for such person for no consideration.

ARTICLE 5. DISSENT RIGHTS

5.1 A holder of Legion Shares or Nextleaf Shares, as the case may be, may exercise rights of dissent conferred in the manner set out in Division 2, Part 8 of the BCA (the “**Dissent Rights**”), provided that, notwithstanding subsection 242(1)(a) of the BCA, the written notice of dissent referred to in subsection 242(1)(a) of the BCA must be received by Nextleaf or Legion, as the case may be, not later than 5:00 p.m. (Pacific Time) on the last business day preceding the Meeting Date. Without limiting the generality of the foregoing, holders who duly exercise such rights of dissent and who are:

- (a) ultimately paid fair value for their Nextleaf Shares or Legion Shares, as the case may be, shall be paid by Nextleaf or Legion and shall be deemed to have had their Nextleaf Securities or Legion Shares cancelled on the Effective Date; or
- (b) ultimately are not entitled to be paid their fair value for any reason for their Nextleaf Shares or Legion Shares, as the case may be, shall be deemed to have participated in the Arrangement on the same basis as non-dissenting holders of Nextleaf Shares or Legion Shares, as the case may be, and, in the case of holders of Nextleaf Shares, shall receive Legion Shares on the basis determined in accordance with Article 3.2 of this Plan of Arrangement;

but in no case will Nextleaf or Legion, or any other person be required to recognize any or Dissenting Shareholder as a holder of Nextleaf Shares or Legion Shares after the Effective Date, and the names of each or Dissenting Shareholder will be removed from the central securities

register of Nextleaf or Legion on the Effective Date. For greater certainty, and in addition to any other restriction under Section 242 of the BCA, Nextleaf Shareholders or Legion Shareholders who vote, or who have instructed a proxyholder to vote, in favour of the Arrangement Resolution, shall not be entitled to exercise Dissent Rights.

ARTICLE 6. MISCELLANEOUS

- 6.1 **Amendment.** The Parties reserve the right to amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Date, provided that any such amendment, modification or supplement must be contained in a written document which is signed by the Parties and filed with the Court and, if made following the Meeting, approved by the Court. Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by Legion, provided that it concerns a matter which, in the reasonable opinion of Legion, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of any holder of Nextleaf Securities.
- 6.2 **Termination.** At any time up until the time the Final Order is made, the Parties may mutually determine not to proceed with this Plan of Arrangement, or to terminate this Plan of Arrangement, notwithstanding passage of the Arrangement Resolution. In addition to the foregoing, this Plan of Arrangement shall automatically, without notice, terminate immediately and be of no further force or effect, upon the termination of the Arrangement Agreement in accordance with its terms.
- 6.3 **Further Assurances.** Notwithstanding that the transactions and events set out in this Plan of Arrangement shall occur and be deemed to occur without any additional act or formality, each of the Persons affected hereby shall make, do and execute, or cause to be made, done and executed all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by the Parties in order to better implement this Plan of Arrangement.
- 6.4 **Withholding Rights.** Nextleaf and Legion shall be entitled to deduct and withhold from any consideration payable to any Securityholder under this Plan of Arrangement (including any payment to Dissenting Shareholders) such amounts as Nextleaf or Legion determine, acting reasonably, are required to be deducted and withheld with respect to such payment under the Tax Act or any provision of federal, provincial, territorial, state, local or foreign tax law. To the extent that amounts are so deducted and withheld, such amounts shall be treated for all purposes as having been paid to the Nextleaf Securityholders in respect of which such deduction and withholding was made on account of the obligation to make payment to such person hereunder, provided that such deducted or withheld amounts are actually remitted to the appropriate Governmental Entity by or on behalf of Nextleaf or Legion, as the case may be.

APPENDIX I TO THE PLAN OF ARRANGEMENT

SPECIAL RIGHTS AND RESTRICTIONS FOR LEGION CLASS A PREFERRED SHARES

The Class A Preferred Shares as a class shall have attached to them the following special rights and restrictions:

Definitions

- (1) In these Special Rights and Restrictions,
 - (a) “**Arrangement**” means the arrangement pursuant to Division 5 of Part 9 of the *Business Corporations Act* (British Columbia) S.B.C 2002, c.57 as contemplated by the Arrangement Agreement,
 - (b) “**Arrangement Agreement**” means the Arrangement Agreement dated as of November 19, 2018, between Legion Metals Corp. (the “**Company**”), Spinco and Nextleaf Solutions Ltd.,
 - (c) “**Old Common Shares**” means the common shares in the authorized share capital of the Company that have been re-designated as Class A common shares without par value pursuant to the Plan of Arrangement,
 - (d) “**Effective Date**” means the date upon which the Arrangement becomes effective,
 - (e) “**New Shares**” means the common shares without par value created in the authorized share capital of the Company pursuant to the Plan of Arrangement, and
 - (f) “**Plan of Arrangement**” means the Plan of Arrangement attached as Schedule “A” to the Arrangement.
- (2) The holders of the Class A Preferred Shares are not as such entitled to receive notice of, nor to attend or vote at, any general meeting of the shareholders of the Company.
- (3) Class A Preferred Shares shall only be issued on the exchange of Old Common Shares for New Shares and Class A Preferred Shares pursuant to and in accordance with the Plan of Arrangement.
- (4) The capital to be allocated to the Class A Preferred Shares shall be the amount determined in accordance with s. 3.2(d) of the Plan of Arrangement.
- (5) The Class A Preferred Shares shall be redeemable by the Company pursuant to and in accordance with the Plan of Arrangement.
- (6) Any Class A Preferred Shares that is or is deemed to be redeemed pursuant to and in accordance with the Plan of Arrangement shall be cancelled and may not be reissued.

SCHEDULE A - LEGION METALS ARRANGEMENT RESOLUTION

RESOLVED THAT:

1. The arrangement (the “**Arrangement**”) under Section 288 of the *Business Corporations Act* (British Columbia) (the “**BCA**”) involving Nextleaf Solutions Ltd. (“**Nextleaf**”) and its securityholders, and Legion Metals Corp. and its securityholders, pursuant to the arrangement agreement (the “**Arrangement Agreement**”) between Nextleaf, Legion Metals Corp. (“**Legion**”) and Myriad Metals Corp., the wholly owned subsidiary of Legion, dated November 19, 2018, as more particularly described and set forth in the joint management information circular (the “**Circular**”) of Nextleaf and Legion dated November 26, 2018 accompanying the notice of this meeting (as the Arrangement may be modified or amended) is hereby approved, authorized and agreed to.
2. The plan of arrangement (the “**Plan of Arrangement**”) involving Legion and implementing the Arrangement, the full text of which is set out as Exhibit 1 hereto (as the Plan of Arrangement may be modified or amended) is hereby authorized, approved and agreed to, and the actions of the directors of Legion in approving the Arrangement and the Arrangement Agreement and the actions of the directors and officers of Legion in executing and delivering the Arrangement Agreement and causing the performance by Legion of its obligations thereunder are hereby confirmed, ratified, authorized and approved.
3. Notwithstanding that this resolution has been passed (and the Arrangement adopted) by the securityholders of Legion or that the Arrangement has been approved by the Supreme Court of British Columbia, the directors of Legion are hereby authorized and empowered without further notice to or approval of the securityholders of Legion: (i) to amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement; and (ii) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement.
4. Any officer or director of Legion is hereby authorized and directed for and on behalf of Legion to execute, under the seal of Legion or otherwise, and to deliver such documents as are necessary or desirable to the Registrar under the BCA in accordance with the Arrangement Agreement for filing.
5. Any officer or director of Legion is authorized to execute and deliver all other documents and do all acts or things as may be necessary or desirable to give effect to this resolution.

EXHIBIT 1
PLAN OF ARRANGEMENT UNDER THE PROVISIONS OF DIVISION 5 OF PART 9 OF
THE BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)

SCHEDULE "A"

PLAN OF ARRANGEMENT

ARTICLE 1. DEFINITIONS AND INTERPRETATION

- 1.1 **Definitions.** In this Plan of Arrangement the following capitalized words and terms shall have the following meanings:
- (a) **"Arrangement Agreement"** means the arrangement agreement dated for reference as of November 19, 2018 to which this Plan of Arrangement is attached as Schedule "A";
 - (b) **"Arrangement"** means the arrangement under the provisions of Division 5 of Part 9 of the BCA on the terms and conditions set forth in this Plan of Arrangement;
 - (c) **"Arrangement Resolution"** means a special resolution as defined in the BCA of the Nextleaf Shareholders and Legion Securityholders approving the Arrangement;
 - (d) **"BCA"** means the British Columbia *Business Corporations Act*, as amended;
 - (e) **"Business Day"** means a day, other than a Saturday or a Sunday, on which the principal commercial banks located in Vancouver, British Columbia, are open for the conduct of business;
 - (f) **"Class A Preferred Shares"** has the meaning set forth in Subsection 3.2(b)(iii);
 - (g) **"Court"** means the Supreme Court of British Columbia;
 - (h) **"Consolidation"** means the consolidation of the common shares of the capital stock of Legion that will result in no more than 3,647,029 common shares issued and outstanding in the capital stock Legion;
 - (i) **"Conversion Factor"** means 0.349999958, representing one (1) Distributed Spinco Share for each 2.857143192 Legion Shares;
 - (j) **"Cryptocurrency Assets"** means the cryptocurrency assets owned by Legion, as described in the Legion Public Disclosure Record;
 - (k) **"Dissent Rights"** has the meaning given thereto in Article 5.0 hereof;
 - (l) **"Dissenting Shareholder"** means a Nextleaf Shareholder or Legion Shareholder who exercises Dissent Rights (as defined in Section 5.1 below) in connection with the resolution to approve the Arrangement and has not withdrawn or been deemed to have withdrawn such Dissent Rights;
 - (m) **"Distributed Spinco Shares"** means the common shares of Spinco that are to be distributed to the Legion pursuant to Subsection 3.2 of the Plan of Arrangement
 - (n) **"Effective Date"** means the next Business Day following the date of the Final Order, or such later date as may be mutually agreed by the Parties;

- (o) “**Final Order**” means the final order of the Court approving the Arrangement granted pursuant to Section 291(4) of the BCA, as such order may be amended at any time prior to the Effective Date or, if appealed, then unless such appeal is withdrawn or denied, as affirmed;
- (p) “**Governmental Entity**” means any (i) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, agency, domestic or foreign; (ii) any subdivision, agent, commission, board or authority of any of the foregoing; or (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;
- (q) “**Interim Order**” means the interim order of the Court made in connection with the process for obtaining security holder approval of the Arrangement and related matters;
- (r) “**Legion**” means Legion Metals Corp., a company incorporated under the BCA;
- (s) “**Legion Agent’s Warrant**” means the agent’s warrant granted to Echelon Wealth Partners Inc. in connection with the initial public offering of Legion;
- (t) “**Legion Securityholders**” means the holders of Legion Shares and the holder of the Legion Agent’s Warrant;
- (u) “**Legion Shareholders**” means the holders of Legion Shares;
- (v) “**Legion Shares**” means common shares in the capital of Legion as they are constituted as at the Effective Date;
- (w) “**Legion Public Disclosure Record**” means all documents and information required to be filed by Legion on SEDAR under applicable Securities Laws during the one year prior to the date hereof;
- (x) “**Liens**” means any mortgage, lien, hypothecation, security interest, pledge or other encumbrance, charge or adverse right or claim, defect of title, restriction or other right of third parties;
- (y) “**Meeting**” means the annual and special meeting of Nextleaf Shareholders and the special meeting of Legion Securityholders, as the case may be (including any adjournment or postponement thereof), that is convened as provided by the Interim Order to consider and, if deemed advisable, approve the Arrangement and all other matters requiring approval pursuant to the terms and conditions of the Arrangement Agreement or the Interim Order;
- (z) “**Meeting Date**” means the date of the Meeting;
- (aa) “**Millen Mountain Property**” means the Millen Mountain mineral exploration property owned by Legion, as described in the Legion Public Disclosure Record;
- (bb) “**New Shares**” has the meaning set forth in Subsection 3.2(b)(ii);
- (cc) “**Nextleaf**” means Nextleaf Solutions Ltd., a company incorporated under the under the BCA;
- (dd) “**Nextleaf Financing**” means the fundraising through Nextleaf’s offering of units comprised of the Nextleaf Financing Shares and the Nextleaf Financing Warrants raising

gross proceeds of not less than \$3,000,000 in satisfaction of subsection (v) of the POA Effective Date Conditions;

- (ee) “**Nextleaf Financing Compensation Option**” means any compensation option granted and issued by Nextleaf to securities dealers and other agents assisting with the Nextleaf Financing;
- (ff) “**Nextleaf Financing Completion**” means the completion of the Nextleaf Financing;
- (gg) “**Nextleaf Financing Shares**” means the ordinary shares issued by Nextleaf to investors under the Nextleaf Financing;
- (hh) “**Nextleaf Financing Warrants**” means share purchase warrants granted and issued by Nextleaf to investors under the Nextleaf Financing;
- (ii) “**Nextleaf Financing Securities**” means the Nextleaf Financing Shares, the Nextleaf Financing Warrants and the Nextleaf Financing Compensation Options;
- (jj) “**Nextleaf Financing Securityholders**” means the holders of the Nextleaf Financing Shares, the Nextleaf Financing Warrants and the Nextleaf Financing Compensation Options;
- (kk) “**Nextleaf Securities**” means the Nextleaf Shares, Nextleaf Financing Warrants and Nextleaf Financing Compensation Options issued and outstanding on the Effective Date;
- (ll) “**Nextleaf Shareholders**” means the registered and beneficial holders of Nextleaf Shares;
- (mm) “**Nextleaf Shares**” means the issued and outstanding ordinary shares in the capital of Nextleaf on the Effective Date;
- (nn) “**Parties**” means Legion and Nextleaf, and “**Party**” means either one of them;
- (oo) “**Plan of Arrangement**” means the plan of arrangement substantially as annexed as Schedule “A” hereto and any amendment or variation thereto made in accordance with its terms or the terms of this Agreement;
- (pp) “**POA Effective Date Conditions**” means all of the following: (i) the filing of Legion’s application for the re-qualification of the listing of the Legion Shares on the Canadian Securities Exchange, (ii) the satisfaction of all or substantially all of any comments of the Canadian Securities Exchange in regard of such listing application, (iii) the Consolidation; (iv) the disposition of the Cryptocurrency Assets; (v) the completion on the Effective Date of a fundraising by Nextleaf raising gross proceeds of not less than \$3,000,000; and (vi) the change of Legion’s name to “Nextleaf Solutions Ltd.” and the change of Nextleaf’s name to “Nextleaf Innovations Ltd.”;
- (qq) “**Share Distribution Record Date**” means the record date for those Legion Shareholders that are eligible to participate in the divestment of the Millen Mountain Property and receive the Distributed Spinco Shares;
- (rr) “**Spinco** means Myriad Metals Corp. a company incorporated under the BCA;
- (ss) “**Tax Act**” means the *Income Tax Act* (Canada) as amended; and
- (tt) “**Transfer Agent**” means AST Trust Company (Canada).

- 1.2 **Interpretation Not Affected by Headings.** The division of this Plan of Arrangement into Articles, Sections, subsections and paragraphs and the insertion of headings are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Plan of Arrangement.
- 1.3 **Article References.** Unless the contrary intention appears, references in this Plan of Arrangement to an Article, Section, subsection, paragraph or Schedule by number or letter or both refer to the Article, Section, subsection, paragraph or Schedule, respectively, bearing that designation in this Plan of Arrangement.
- 1.4 **Number and Gender.** In this Plan of Arrangement, unless the contrary intention appears, words importing the singular include the plural and vice versa; words importing gender shall include all genders; and words importing persons shall include a natural person, firm, trust, partnership, association, corporation, joint venture or government (including any governmental agency, political subdivision or instrumentality thereof).
- 1.5 **Capitalized Terms.** Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Arrangement Agreement.

ARTICLE 2. ARRANGEMENT AGREEMENT

- 2.1 **Arrangement Agreement.** This Plan of Arrangement is made pursuant and forms a part of and is subject to the provisions of the Arrangement Agreement. The implementation of this Plan of Arrangement is expressly subject to the fulfilment and/or waiver (by the Party or Parties entitled) of the conditions precedent set out in the Arrangement Agreement. If there is any conflict or inconsistency between the provisions of the Plan of Arrangement and the provisions of the Arrangement Agreement, the provisions of the Plan of Arrangement shall govern.

ARTICLE 3. THE ARRANGEMENT

- 3.1 **Effective Date.** This Plan of Arrangement will become effective at, and be binding at and after, the Effective Date on Legion, Nextleaf, all securityholders of Legion, all securityholders of Nextleaf, and Spinco.
- 3.2 **The Arrangement.** Subject to the completion of the POA Effective Date Conditions on or before the Effective Date, the following shall occur and shall be deemed to occur in the following sequence without any further act or formality of or by Nextleaf or Legion:

Divestment of the Millen Mountain Property

- (a) Legion will transfer the Millen Mountain Property to Spinco in consideration of the Distributed Spinco Shares, such that the number of Distributed Spinco Shares received by Legion from Spinco for such assets will equal the number of issued and outstanding Legion Shares multiplied by the Conversion Factor as of the Share Distribution Record Date, and Legion will be added to the central securities register of Spinco in respect of such Distributed Spinco Shares;
- (b) The authorized share capital of Legion will be changed by:
 - (i) altering the identifying name of the Legion Shares to Class A Shares;
 - (ii) creating a class consisting of an unlimited number of common shares without par value (the “**New Shares**”); and

- (iii) creating a class consisting of an unlimited number of Class A Preferred Shares without par value (“**Class A Preferred Shares**”), having the rights and restrictions described in Appendix I to the Plan of Arrangement, being the Legion Class A Preferred Shares;
- (c) Each issued Legion Class A Share will be exchanged for one (1) New Share and one (1) Legion Class A Preferred Share and, subject to the exercise of a right of dissent, the holders of the Legion Class A Shares will be removed from the central securities register of Legion and will be added to the central securities register as the holders of the number of New Shares and Legion Class A Preferred Shares that they have received on the exchange;
- (d) All of the issued Legion Class A Shares will be cancelled with the appropriate entries being made in the central securities register of Legion and the aggregate paid up capital (as that term is used for purposes of the Tax Act) of the Legion Class A Shares immediately prior to the Effective Date will be allocated between the New Shares and the Legion Class A Preferred Shares so that the aggregate paid up capital of the Legion Class A Preferred Shares is equal to the aggregate fair market value of the Distributed Spinco Shares as of the Effective Date, and each Legion Class A Preferred Share so issued will be issued by Legion at an issue price equal to such aggregate fair market value divided by the number of issued Legion Class A Preferred Shares, such aggregate fair market value of the Distributed Spinco Shares to be determined as at the Effective Date by resolution of the board of directors of Legion;
- (e) Legion will redeem the issued Legion Class A Preferred Shares for consideration consisting solely of the Distributed Spinco Shares such that each holder of Legion Class A Preferred Shares will, subject to the rounding of fractions and the exercise of rights of dissent, receive that number of Distributed Spinco Shares that is equal to the number of Legion Class A Preferred Shares multiplied by the Conversion Factor held by such holder;
- (f) The name of each holder of Legion Class A Preferred Shares will be removed as such from the central securities register of Legion, and all of the issued Legion Class A Preferred Shares will be cancelled with the appropriate entries being made in the central securities register of Legion;
- (g) The Distributed Spinco Shares transferred to the holders of the Legion Class A Preferred Shares pursuant to Subsection 3.2(e) above will be registered in the names of the former holders of Legion Class A Preferred Shares and appropriate entries will be made in the central securities register of Spinco;
- (h) The Legion Class A Shares and the Legion Class A Preferred Shares, none of which will be issued and outstanding once the steps referred to in Subsections 3.2(c) and 3.2(f) inclusive above are completed, will be cancelled and the authorized share structure of Legion will be changed by eliminating the Legion Class A Shares and the Legion Class A Preferred Shares therefrom;
- (i) The Notice of Articles and Articles of Legion will be amended to reflect the changes to its authorized share structure made pursuant to this Plan of Arrangement;
- (j) Notwithstanding Subsection 3.2(e), no fractional Distributed Spinco Shares shall be distributed to the Legion Shareholders and as a result all fractional share amounts arising under such sections shall be rounded down to the nearest whole number. Any Distributed Spinco Shares not distributed as a result of this rounding down shall

be dealt with as determined by the board of directors of Legion in its absolute discretion;

- (k) The holders of the Legion Class A Shares and the holders of New Shares and Legion Class A Preferred Shares referred to in Subsection 3.2(c), and the holders of the Legion Class A Preferred Shares referred to in Subsection 3.2 (e), Subsection 3.2 (f) and Subsection 3.2 (g), shall mean in all cases those persons who are Legion Shareholders at the close of business on the Share Distribution Record Date, subject to the exercise of rights of dissent;
- (l) Spinco shall grant and issue Echelon Wealth Partners Inc., as the holder of the Legion Agent's Warrant, an option to purchase a number of Spinco common shares equal to the number of Legion shares that could be purchased under the Legion Agent's Warrant and at an exercise price equal to the exercise price of the Legion Agent's Warrant (with the remaining term to expiry, conditions to and manner of exercising, and all other terms and conditions being substantially the same as the Legion Agent's Warrant), taking into consideration the Consolidation and applying the Conversion Factor. Other than the Legion Agent's Warrant, no other convertible security of Legion shall entitle any holder thereof to receive any security under the Arrangement;
- (m) All New Shares, Legion Class A Preferred Shares and Distributed Spinco Shares issued pursuant to this Plan of Arrangement shall be deemed to be validly issued and outstanding as fully paid and non-assessable shares for all purposes of the BCA. The Arrangement shall become final and conclusively binding on the Legion Securityholders, and on Legion and Spinco, on the Effective Date;
- (n) Notwithstanding that the foregoing transactions and events set out in Subsections 3.2(a) to 3.2(m) inclusive shall occur and shall be deemed to occur in the chronological order therein set out without any act or formality, each of Legion and Spinco shall be required to make, do and execute or cause and procure to be made, done and executed all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may be required to give effect to, or further document or evidence, any of the transactions or events set out in Subsections 3.2(a) to 3.2(m) inclusive, including, without limitation, any resolutions of directors authorizing the issue, transfer or redemption of shares, any share transfer powers evidencing the transfer of shares and any receipt therefore, and any necessary additions to or deletions from share registers;

Acquisition of Nextleaf

- (o) Following the completion of Subsections 3.2(a) to 3.2(n) inclusive, the following events of the Arrangement shall occur and shall be deemed to occur in the following sequence:
- (p) Each Nextleaf incentive stock option outstanding immediately before the Nextleaf Financing Completion (as hereinafter defined) shall be deemed to be cancelled without consideration, without the need for any further act or formality, and with respect to each such Nextleaf incentive stock option, the holder thereof will cease to be the holder thereof or to have any rights as a holder in respect of such Nextleaf incentive stock option and the name of the holder thereof will be removed from the applicable securities register of Nextleaf with respect to such Nextleaf incentive stock option;
- (q) Each Nextleaf warrant outstanding immediately before the Nextleaf Financing Completion shall be deemed to be cancelled without consideration, without the need for any further act or formality, and with respect to each such Nextleaf warrant, the holder thereof will cease to be the holder thereof or to have any rights as a holder in respect of

such Nextleaf warrant and the name of the holder thereof will be removed from the applicable securities register of Nextleaf with respect to such Nextleaf warrant;

- (r) Under the Nextleaf Financing Completion, Nextleaf shall complete its fundraising by raising gross proceeds of not less than \$3,000,000 and issuing not less than 8,571,428 Nextleaf Financing Shares at \$0.35 per Nextleaf Financing Share in satisfaction of subsection (v) of the POA Effective Date Conditions;
- (s) Each Nextleaf Share that is issued and outstanding immediately following the Nextleaf Financing Completion (excluding the Nextleaf Shares held by Dissenting Shareholders who are ultimately determined to be entitled to be paid the fair value of the Nextleaf Shares in respect of which they have exercised their Dissent Rights) will be transferred, and will be deemed to be transferred, without any act or formality on the Nextleaf Shareholder's part, to Legion in exchange for one (1) fully paid and non-assessable Legion Share;
- (t) At the same time as Subsection 3.2(s) with respect to each Nextleaf Share transferred to Legion:
 - (i) the Nextleaf Shareholder who was the registered holder of such Nextleaf Share immediately after the Nextleaf Financing Completion will be deemed to have ceased to be the holder of such Nextleaf Share and the name of such Nextleaf Shareholder will be removed from the securities register of Nextleaf with respect to such Nextleaf Share; and
 - (ii) legal and beneficial title to such Nextleaf Share will be deemed to have vested in Legion and Legion be and is hereby to be the transferee and the legal and beneficial owner (free and clear of any Liens) of such Nextleaf Share and will be entered in the securities register of Legion as the sole holder of such Nextleaf Share;
- (u) Each Nextleaf Financing Warrant granted and issued by Nextleaf in connection with the Nextleaf Financing and outstanding immediately following the Nextleaf Financing Completion:
 - (i) shall be assumed by Legion and exchanged for a warrant to purchase a number of Legion Shares equal to the number of Nextleaf Shares that could be purchased under the exchanged Nextleaf Financing Warrant and at an exercise price equal to the exercise price of the exchanged Nextleaf Financing Warrant (with the remaining term to expiry, conditions to and manner of exercising and all other terms and conditions being substantially the same as the exchanged Nextleaf Financing Warrant); and
 - (ii) following such assumption and exchange, the holders of the Nextleaf Financing Warrants shall have no interests or rights in and to any Nextleaf Shares or any interest to acquire securities of Nextleaf;
- (v) Each Nextleaf Financing Compensation Option granted and issued by Nextleaf in connection with the Nextleaf Financing and outstanding immediately following the Nextleaf Financing Completion:

- (i) shall be assumed by Legion and exchanged for an equivalent compensation option to purchase a number of Legion Shares equal to the number of Nextleaf Shares that could be purchased under the exchanged Nextleaf Financing Compensation Option (with the remaining term to expiry, conditions to and manner of exercising, and all other terms and conditions being substantially the same as the exchanged Nextleaf Financing Compensation Option); and
 - (ii) following such assumption and exchange, the holder of the Nextleaf Financing Compensation Option granted and issued in connection with the Nextleaf Financing shall have no interests or rights in and to any Nextleaf Shares or any interest to acquire securities of Nextleaf;
- (w) As a consequence of the foregoing steps, (i) the separate legal existence of Nextleaf will continue; (ii) Nextleaf will become the wholly-owned subsidiary of Legion; and (iii) the assets and liabilities of Nextleaf will remain the property and liabilities of Nextleaf;
- (x) Each of the outstanding Nextleaf Shares held by Dissenting Shareholders who are ultimately determined to be entitled to be paid the fair value of the Nextleaf Shares in respect of which they have exercised their Dissent Rights shall be deemed to be irrevocably transferred to Legion (free and clear of any Liens) and such Dissenting Shareholders shall cease to have any rights as Nextleaf Shareholders other than the right to be paid the fair value of their Nextleaf Shares in accordance with Article 5 of the Plan of Arrangement;
- (y) At the same time as the step contemplated by Subsection 3.2(x) above, with respect to each Nextleaf Share held by a Dissenting Shareholder:
- (i) the Dissenting Shareholder who was the registered holder of such Nextleaf Share immediately prior to the Effective Date will be deemed to have ceased to be the holder of such Nextleaf Share and the name of such Dissenting Shareholder will be removed from the securities register of Nextleaf with respect to such Nextleaf Share; and
 - (ii) legal and beneficial title to such Nextleaf Share will be deemed to have vested in Legion and Legion will be, and be deemed to be, the transferee and the legal and beneficial owner (free and clear of any Liens) of such Nextleaf Shares and will be entered in the securities register of Legion as the sole holder of such Legion Share,

provided that none of the foregoing in Subsections 3.2(a) to (y) above will occur or be deemed to occur, unless all of the foregoing occurs.

ARTICLE 4. CERTIFICATES AND FRACTIONAL SHARES

Divestment of the Millen Mountain Property

- 4.1 Recognizing that the Legion Shares shall be redeemed and re-designated as Legion Class A Shares pursuant to s. 3.2(b)(i) and that the Legion Class A Shares shall be exchanged partially for New Shares pursuant to s. 3.2(c), Legion shall not issue replacement share certificates representing the Legion Class A Shares.
- 4.2 Recognizing that the Distributed Spinco Shares shall be transferred to the Legion Shareholders as consideration for the redemption of the Legion Class A Preferred Shares pursuant to s. 3.2(e), Spinco shall issue one share certificate representing all of the Distributed Spinco Shares registered in the name of Legion, which share certificate shall be

held by the Transfer Agent until the Distributed Spinco Shares are transferred to the Legion Shareholders and such certificate shall then be cancelled by the Transfer Agent. To facilitate the transfer of the Distributed Spinco Shares to the Legion Shareholders as of the Share Distribution Record Date, Legion shall execute and deliver to the Transfer Agent an irrevocable power of attorney or a treasury order, authorizing them to distribute and transfer the Distributed Spinco Shares to such Legion Shareholders in accordance with the terms of this Plan of Arrangement and Spinco shall deliver treasury orders or such other direction to effect such issuance to the Transfer Agent as requested by it.

- 4.3 Recognizing that all of the Legion Class A Preferred Shares issued to the Legion Shareholders pursuant to s. 3.2(c) will be redeemed by Legion as consideration for the distribution and transfer of the Distributed Spinco Shares under s. 3.2(e), Legion shall issue one share certificate representing all of the Legion Class A Preferred Shares issued pursuant to s. 3.2(c) in the name of the Transfer Agent, to be held by the Transfer Agent for the benefit of the Legion Shareholders until such Legion Class A Preferred Shares are redeemed, and such certificate shall then be cancelled.
- 4.4 As soon as practicable after the Effective Date, Spinco shall cause to be issued to the registered holders of Legion Shares as of the Share Distribution Record Date, share certificates or direct registration statements representing the Distributed Spinco Shares to which they are entitled pursuant to this Plan of Arrangement and shall cause such share certificates or direct registration statements to be mailed to such registered holders.
- 4.5 From and after the Effective Date, share certificates representing Legion Shares immediately before the Effective Date, except for those deemed to have been cancelled pursuant to Article 5, shall for all purposes be deemed to be share certificates representing New Shares, and no new share certificates shall be issued with respect to the New Shares issued in connection with the Arrangement.
- 4.6 Legion Shares traded after the Share Distribution Record Date and prior to the Effective Date shall represent New Shares and shall not carry any right to receive a portion of the Distributed Spinco Shares.

Acquisition of Nextleaf

- 4.7 **Exchange of Certificates.** Each Nextleaf Shareholder shall be entitled to receive the Legion Shares issuable pursuant to this Plan of Arrangement in the manner set out in Subsection 3.2(s) above on the Effective Date and the shareholders of Nextleaf (except for any shareholders which have exercised their Rights of Dissent as defined in Section 5.1 below) shall be deemed to have transferred their certificated or uncertificated shares, as the case may be, to Legion without any executed writing, instrument or other formality. Concurrently, (i) each holder of a Nextleaf Financing Warrant shall be deemed to: (A) have surrendered their Nextleaf Financing Warrant to Nextleaf without any executed writing, instrument or other formality and (B) be entitled to receive an equivalent warrant from Legion; and (ii) each holder of a Nextleaf Financing Compensation Option shall be deemed to: (A) have surrendered their Nextleaf Financing Compensation Option to Nextleaf without any executed writing, instrument or other formality and (B) be entitled to receive an equivalent compensation option from Legion.
- 4.8 **Transfer of Ownership.** In the event of a transfer of ownership of Nextleaf Securities that is not registered in the records of Nextleaf, certificates representing the proper numbers of Legion Securities may be issued to the transferee if the certificate representing such Nextleaf Securities is presented to Nextleaf together any documents required by Nextleaf to evidence and effect such transfer.

- 4.9 **Lost Certificates.** If any certificate which represents Nextleaf Securities has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed, satisfactory to Nextleaf and to Legion, and upon such Person giving an indemnity satisfactory to Legion against any claims that may be made against Legion with respect to the certificate alleged to have been lost, stolen or destroyed, in exchange for such lost, stolen or destroyed certificate, certificates representing the Legion securities deliverable for such Nextleaf Securities will be issued.
- 4.10 **Un surrendered Certificates.** Until surrendered as contemplated by Article 4.7, each certificate or agreement which immediately prior to the Effective Date represented one or more outstanding Nextleaf Security shall be deemed at all times after the Effective Date to represent only the right to receive the securities contemplated by Article 4.7.
- 4.11 **Distributions with respect to Un surrendered Share Certificates.** No dividends or other distributions declared or made after the Effective Date with respect to Legion Shares with a record date after the Effective Date shall be paid to the holder of any unsurrendered certificate which immediately prior to the Effective Date represented outstanding Nextleaf Shares that were exchanged pursuant to Article 4.7, unless and until the holder of record of such certificate shall surrender such certificate in accordance with Article 4.7.
- 4.12 **Fractional Securities.** No fractional securities will be issued by Legion, and no cash will be paid in lieu thereof. Any fractions resulting will be rounded down to the nearest lower whole number.
- 4.13 **Surrender of Rights.** Notwithstanding any of the other provisions hereof, any certificate which immediately prior to the Effective Date represented outstanding Nextleaf Securities shall cease to represent a claim or interest of any kind or nature against Legion, if it has not been surrendered with all other instruments required hereby on or prior to the third anniversary of the Effective Date. In such circumstances, the person ultimately entitled to any certificate hereunder shall be deemed to have surrendered such entitlement to Legion, together with all entitlement to dividends and distributions thereon held for such person for no consideration.

ARTICLE 5. DISSENT RIGHTS

- 5.1 A holder of Legion Shares or Nextleaf Shares, as the case may be, may exercise rights of dissent conferred in the manner set out in Division 2, Part 8 of the BCA (the "**Dissent Rights**"), provided that, notwithstanding subsection 242(1)(a) of the BCA, the written notice of dissent referred to in subsection 242(1)(a) of the BCA must be received by Nextleaf or Legion, as the case may be, not later than 5:00 p.m. (Pacific Time) on the last business day preceding the Meeting Date. Without limiting the generality of the foregoing, holders who duly exercise such rights of dissent and who are:

- (a) ultimately paid fair value for their Nextleaf Shares or Legion Shares, as the case may be, shall be paid by Nextleaf or Legion and shall be deemed to have had their Nextleaf Securities or Legion Shares cancelled on the Effective Date; or
- (b) ultimately are not entitled to be paid their fair value for any reason for their Nextleaf Shares or Legion Shares, as the case may be, shall be deemed to have participated in the Arrangement on the same basis as non-dissenting holders of Nextleaf Shares or Legion Shares, as the case may be, and, in the case of holders of Nextleaf Shares, shall receive Legion Shares on the basis determined in accordance with Article 3.2 of this Plan of Arrangement;

but in no case will Nextleaf or Legion, or any other person be required to recognize any or Dissenting Shareholder as a holder of Nextleaf Shares or Legion Shares after the Effective Date, and the names of each or Dissenting Shareholder will be removed from the central securities

register of Nextleaf or Legion on the Effective Date. For greater certainty, and in addition to any other restriction under Section 242 of the BCA, Nextleaf Shareholders or Legion Shareholders who vote, or who have instructed a proxyholder to vote, in favour of the Arrangement Resolution, shall not be entitled to exercise Dissent Rights.

ARTICLE 6. MISCELLANEOUS

- 6.1 **Amendment.** The Parties reserve the right to amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Date, provided that any such amendment, modification or supplement must be contained in a written document which is signed by the Parties and filed with the Court and, if made following the Meeting, approved by the Court. Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by Legion, provided that it concerns a matter which, in the reasonable opinion of Legion, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of any holder of Nextleaf Securities.
- 6.2 **Termination.** At any time up until the time the Final Order is made, the Parties may mutually determine not to proceed with this Plan of Arrangement, or to terminate this Plan of Arrangement, notwithstanding passage of the Arrangement Resolution. In addition to the foregoing, this Plan of Arrangement shall automatically, without notice, terminate immediately and be of no further force or effect, upon the termination of the Arrangement Agreement in accordance with its terms.
- 6.3 **Further Assurances.** Notwithstanding that the transactions and events set out in this Plan of Arrangement shall occur and be deemed to occur without any additional act or formality, each of the Persons affected hereby shall make, do and execute, or cause to be made, done and executed all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by the Parties in order to better implement this Plan of Arrangement.
- 6.4 **Withholding Rights.** Nextleaf and Legion shall be entitled to deduct and withhold from any consideration payable to any Securityholder under this Plan of Arrangement (including any payment to Dissenting Shareholders) such amounts as Nextleaf or Legion determine, acting reasonably, are required to be deducted and withheld with respect to such payment under the Tax Act or any provision of federal, provincial, territorial, state, local or foreign tax law. To the extent that amounts are so deducted and withheld, such amounts shall be treated for all purposes as having been paid to the Nextleaf Securityholders in respect of which such deduction and withholding was made on account of the obligation to make payment to such person hereunder, provided that such deducted or withheld amounts are actually remitted to the appropriate Governmental Entity by or on behalf of Nextleaf or Legion, as the case may be.

APPENDIX I TO THE PLAN OF ARRANGEMENT

SPECIAL RIGHTS AND RESTRICTIONS FOR LEGION CLASS A PREFERRED SHARES

The Class A Preferred Shares as a class shall have attached to them the following special rights and restrictions:

Definitions

- (1) In these Special Rights and Restrictions,
 - (a) “**Arrangement**” means the arrangement pursuant to Division 5 of Part 9 of the *Business Corporations Act* (British Columbia) S.B.C 2002, c.57 as contemplated by the Arrangement Agreement,
 - (b) “**Arrangement Agreement**” means the Arrangement Agreement dated as of November 19, 2018, between Legion Metals Corp. (the “**Company**”), Spinco and Nextleaf Solutions Ltd.,
 - (c) “**Old Common Shares**” means the common shares in the authorized share capital of the Company that have been re-designated as Class A common shares without par value pursuant to the Plan of Arrangement,
 - (d) “**Effective Date**” means the date upon which the Arrangement becomes effective,
 - (e) “**New Shares**” means the common shares without par value created in the authorized share capital of the Company pursuant to the Plan of Arrangement, and
 - (f) “**Plan of Arrangement**” means the Plan of Arrangement attached as Schedule “A” to the Arrangement.
- (2) The holders of the Class A Preferred Shares are not as such entitled to receive notice of, nor to attend or vote at, any general meeting of the shareholders of the Company.
- (3) Class A Preferred Shares shall only be issued on the exchange of Old Common Shares for New Shares and Class A Preferred Shares pursuant to and in accordance with the Plan of Arrangement.
- (4) The capital to be allocated to the Class A Preferred Shares shall be the amount determined in accordance with s. 3.2(d) of the Plan of Arrangement.
- (5) The Class A Preferred Shares shall be redeemable by the Company pursuant to and in accordance with the Plan of Arrangement.
- (6) Any Class A Preferred Shares that is or is deemed to be redeemed pursuant to and in accordance with the Plan of Arrangement shall be cancelled and may not be reissued.



SCHEDULE "B"
Interim Order

NO. S1812509
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

RE: IN THE MATTER OF SECTION 288 OF THE *BUSINESS
CORPORATIONS ACT*, S.B.C. 2002, CHAPTER 57
AND AMENDMENTS THERETO

AND

IN THE MATTER OF AN ARRANGEMENT AMONG
LEGION METALS CORP., AND ITS SECURITYHOLDERS, MYRIAD METALS CORP.,
NEXTLEAF SOLUTIONS LTD. AND ITS SECURITYHOLDERS
LEGION METALS CORP.
NEXTLEAF SOLUTIONS LTD.

PETITIONERS

INTERIM ORDER MADE AFTER APPLICATION

BEFORE MASTER HARPER) November 23, 2018
)

Upon the Application without notice of the Petitioners, Legion Metals Corp. and Nextleaf Solutions Ltd., for an interim order pursuant to its Petition filed November 21, 2018, coming on for hearing this day at Vancouver, British Columbia, and upon hearing Michael Raven, counsel for Legion Metals Corp., and Paul M. Fang, counsel for Nextleaf Solutions Ltd., and upon reading the material filed:

THIS COURT ORDERS that:

1. Pursuant to Sections 288, 289, 290 and 291 of the *Business Corporations Act*, S.B.C., 2002, c. 57, as amended (the "**Corporations Act**"), Legion Metals Corp. ("**Legion**") and Nextleaf Solutions Ltd. ("**Nextleaf**") are each authorized and directed to call, hold and conduct their own respective special general meeting (the "**Meeting**" or "**Meetings**"), as the case may be, of the holders of Legion Shares and the holder of the Legion Agent's Warrant (collectively, the "**Legion Securityholders**") and the holders of Nextleaf ordinary shares (the "**Nextleaf Shareholders**") to each consider and if deemed advisable, to pass, with or without variation, by respective special resolution (the "**Arrangement Resolution**") to approve, with or without variation, the arrangement set forth in the Plan of Arrangement (the "**Plan of Arrangement**"), a copy of which special resolution is attached as Schedule "A" to the proxy circular all attached to the First

Affidavits of Peter Smith and Paul Pedersen sworn November 20, 2018, with such amendments thereto as Counsel for the Petitioners may advise are necessary or desirable, provided that such amendments are not inconsistent with the terms of this Order, and deal with such other matters as may properly come before the Meetings.

2. The respective Meetings shall each be called, held and conducted in accordance with the Corporations Act and the Articles of Legion and Nextleaf, subject to what may be provided hereafter and any further Order of this Court, and the rulings and directions of the chair of the meeting, such rulings and directions not to be inconsistent with this Interim Order.

3. Legion or Nextleaf, if either deems advisable, is specifically authorized to adjourn or postpone their respective Meeting on one or more occasions, without the necessity of first convening the Meeting or first obtaining any vote of the Securityholders or Shareholders respecting such adjournment or postponement and without the need for approval of the Court, subject to the terms of the arrangement agreement between Legion, Myriad Metals Corp. and Nextleaf dated November 19, 2018 (the "**Arrangement Agreement**"). Notice of any such adjournments or postponements shall be given by press release, news release, newspaper advertisement, or by notice sent to the respective Securityholders or Shareholders by one of the methods specified in paragraph 8 of this Interim Order.

4. The Record Date (as defined in paragraph 6 below) shall not change in respect of any adjournments or postponements of the Meetings, unless required by Securities Laws.

5. The Circular is hereby deemed to represent sufficient and adequate disclosure, including for the purpose of Section 290(1)(a) of the Corporations Act, and Legion or Nextleaf, as the case may be, shall not be required to send to the Securityholders or Shareholders any other or additional statement pursuant to Section 290(1)(a) of the Corporations Act.

6. The only persons entitled to attend the respective Meetings shall be the holders of common shares of Nextleaf or securities of Legion, as the case may be, at the close of business on November 26, 2018 (the "**Record Date**"), and the directors of Legion and Nextleaf, having the right to cast one vote per issued share or per Legion Agent's Warrant held, as the case may be.

7. Legion and Nextleaf shall mail a joint information circular of Legion and Nextleaf, form of proxy,

and the Notice of Hearing (collectively, the “**Meeting Materials**”), in substantially the same form as contained in Exhibit “B” to the First Affidavits of Peter Smith and Paul Pedersen sworn November 20, 2018 and November 20, 2018, with such amendments thereto as Counsel for the Petitioners may advise are necessary or desirable, provided that such amendments are not inconsistent with the terms of this Order, to the Securityholders or Shareholders, and to the directors and the auditors of Legion and Nextleaf by prepaid ordinary mail, and in the case of the Securityholders or Shareholders as at December 4, 2018, at least twenty-one (21) days prior to the date of the Meeting, excluding the date of mailing and excluding the date of the Meeting.

8. Without limiting the foregoing, the Meeting Materials shall be sent by Legion and Nextleaf to:
 - (a) each of their respective Securityholders or Shareholders as they appear in the records of Legion and Nextleaf or its registrar and transfer agent as at the close of business on the Record Date, by one or more of the following methods:
 - (i) by pre-paid ordinary or first class mail at the addresses of the Securityholders or Shareholders as they appear on the central securities register of the respective Petitioner, or its registrar and transfer agent, at the close of business on the Record Date and if no address is shown therein, then the last address of the person known to the Corporate Secretary of the respective Petitioner;
 - (ii) by delivery in person or by courier to the addresses specified in paragraph 8(a)(i) above; or
 - (iii) by facsimile or electronic transmission to any Securityholder or Shareholder who has provided to the respective Petitioner an email address or facsimile number for communication;
 - (b) non-registered holders of Legion Shares and Nextleaf Securities by providing sufficient copies of the Meeting Materials, as applicable, to intermediaries and registered nominees in a timely manner; and
 - (c) the respective directors and auditors of the Petitioners by delivery in person, by recognized courier service, by pre-paid ordinary or first class mail or, with the consent of the person, by facsimile or electronic transmission, at least twenty-one (21) days prior to the date of the Meeting, excluding the date of sending and the date of the Meeting.

9. Good and sufficient notice of the Meeting of the respective Petitioner for all purposes will be given by the respective Petitioner by the sending of the Meeting Materials in accordance with paragraphs 7 and 8

of this Interim Order.

10. Notice of any amendments, updates or supplement to any of the information provided in the Meeting Materials may be communicated to the Securityholders or Shareholders by press release, news release, newspaper advertisement or by notice sent to the Securityholders or Shareholders by any of the means set forth in paragraph 8 herein as determined to be the most appropriate method of communication by the board of directors of Legion and Nextleaf.

11. The sending of the Circular, which includes the Notice of Application for Final Order and the Interim Order (collectively, the "Court Materials"), in accordance with paragraphs 7 and 8 of this Interim Order shall constitute good and sufficient service of the Court Materials and the within proceedings and such service shall be effective on the business day after the said Court Materials are sent, whether those persons reside within the jurisdiction of British Columbia or within another jurisdiction, and no other form of service need be made and no other material, including the Petition and supporting Affidavits, need be served on such persons in respect of these proceedings, except upon written request to the solicitors for the respective Petitioner at their address for delivery set out in the Petition.

12. The time to enter a response to a petition for those persons served anywhere in Canada is within 21 days after the date of service. The time to enter a response to a petition for persons served anywhere in the United States of America is within 21 days after the date of service.

13. Accidental failure or omission by the respective Petitioner to give notice of the Meeting or to distribute the Meeting Materials or the Court Materials to any person entitled by this Interim Order to receive notice, or any failure or omission to give such notice as a result of events beyond the reasonable control of the respective Petitioner, or the non-receipt of such notice shall, subject to further order of this Honourable Court, not constitute a breach of this Interim Order nor shall it invalidate any resolution passed or proceedings taken at the Meeting. If any such failure or omission is brought to the attention of the respective Petitioner, it shall use its best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

14. Subject to the terms and conditions of the Plan of Arrangement, after the date of this Interim Order and prior to the time of the Meetings, the Petitioners are authorized to make such amendments, revisions or supplements to the Plan of Arrangement as it may determine, without any additional notice to the Securityholders or Shareholders of the Petitioners, and the Plan of Arrangement as so amended, revised and

supplemented shall be the Plan of Arrangement submitted to the Meeting, and the subject of the Arrangement Resolution.

15. The Chair of the respective Meetings shall be an officer or director of the respective Petitioner or such other person as may be appointed by the Securityholders or Shareholders of the respective Petitioner for that purpose.

16. The Chair of the respective Meetings is at liberty to call on assistance of legal counsel at any time and from time to time, as the Chair of Meeting may deem necessary or appropriate, during the Meeting, and such legal counsel is entitled to attend the Meeting for this purpose.

17. The Chair of the respective Meetings shall be permitted to ask questions of, and demand the production of evidence, from the Securityholders or Shareholders, the respective Petitioner or such other persons in attendance or represented at the Meeting, as he or she considers appropriate having regard to the orderly conduct of the Meeting, the authority of any person to vote at the Meeting, and the validity and propriety of the votes cast and the proxies submitted in respect of the Arrangement Resolution.

18. The Chair of the respective Meetings may, in the Chair's sole discretion, waive the deadline specified in the form of proxy for the deposit of proxies.

19. The Chair or another representative of the respective Petitioner present at the respective Meetings, shall, in due course, file with the Court an affidavit verifying the actions taken and the decisions reached at the Meeting with respect to the Arrangement.

20. The quorum of the respective Meetings shall be the quorum for the approval of a special resolution pursuant to the Articles of Legion or Nextleaf, as the case may be.

21. The vote required to pass the Arrangement Resolution at the Meetings shall be the affirmative vote in person or by proxy pursuant to the Interim Order of: (a) the holders of at least 2/3rds of Legion Shares; and (b) the holder of the Legion Agent's Warrant; and (c) a majority of the votes of disinterested Legion Shareholders in accordance with Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions excluding the directors and officers of Legion who hold Nextleaf shares, being Peter Smith, Larry Timlick, Chares Ackerman, Fred Bonner and Michael Raven, who are not entitled to vote because they are related parties under Multilateral Instrument 61-101; and by the votes of holders who cast their vote in person or by proxy pursuant to the Interim Order of at least 2/3rds of the Nextleaf Shares.

22. Illegible votes, spoiled votes, defective votes and abstentions shall be deemed to be votes not cast. Proxies that are properly signed and dated but which do not contain voting instructions shall be voted in favour of the Arrangement Resolution.

23. The respective Petitioner is authorized to use the form of proxy (the “**Form of Proxy**”) substantially in the form of the draft attached to the Peter Smith Affidavit #1 or Paul Pedersen Affidavit #1, as the case may be, with such amendments, revisions or supplemental information as the respective Petitioner may determine is necessary or desirable. The respective Petitioner is authorized at its expense to solicit proxies, directly or through its officers, directors or employees, and through such agents or representatives, including proxy advisory firms, as they may retain for the purpose, by mail or such other forms of personal or electronic communication as it may determine. The respective Petitioner may waive generally, in its discretion, the time limits set for the deposit or revocation of proxies, if the respective Petitioner considers it advisable to do so.

24. The Securityholders or Shareholders of the Petitioners, shall have the right to dissent from the Arrangement Resolution in accordance with the provisions of Section 237 and following of Division 2 of Part 8 of the Corporations Act, as modified hereby or as may be necessary to reflect the terms of the Plan of Arrangement, except that in order for a dissenting Shareholder or Securityholder, as the case may be, to be entitled to make a claim pursuant to such Sections, written objection must be received on or before 5:00 o'clock in the afternoon on the last business day preceding the Meeting Date by Legion c/o Beadle Raven LLP, Attention: Mr. Michael Raven, or by Nextleaf c/o Fang and Associates, Barristers & Solicitors, Attention: Mr. Paul M. Fang, , and such dissenting Securityholder or Shareholder, as the case may be, must otherwise comply with the Corporations Act.

25. Upon approval of the Arrangement Resolution at the Meetings, with or without variation, in the manner set forth in this Order, the Petitioners may apply to this Court for approval of the Plan of Arrangement, which application shall be heard at the Courthouse, 800 Smithe Street, Vancouver, British Columbia, on November 23, 2018 at 9:45 o'clock in the morning, or so soon thereafter as counsel may be heard.

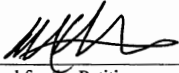
26. Any person desiring to appear at the application for approval of the Plan of Arrangement on November 23, 2018 is required to comply with Rule 16-1(4) of the Rules of Court on or before 5:00 o'clock in the afternoon on January 2, 2019.

27. If the application for the Final Order is adjourned, only those persons who have filed and delivered a Response to Petition in accordance with this Interim Order need to be served and provided with notice of the adjourned date.

28. To the extent of any inconsistency or discrepancy between this Interim Order and the articles of the respective Petitioner, the Circular, the BCBCA or applicable securities laws, this Interim Order shall govern.

29. The Petitioners are entitled at any time to seek leave to vary this Order.

APPROVED AS TO FORM:

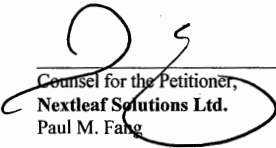


Counsel for the Petitioner,
Legion Metals Corp.
Michael Raven

BY THE COURT



DEPUTY DISTRICT REGISTRAR



Counsel for the Petitioner,
Nextleaf Solutions Ltd.
Paul M. Fang

CHECKED


SCHEDULE "C"
Notice of Application for Final Order

No. S1812509
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

RE: IN THE MATTER OF SECTION 288 OF THE BUSINESS CORPORATIONS ACT,
S.B.C. 2002, CHAPTER 57, AS AMENDED

AND

IN THE MATTER OF AN ARRANGEMENT AMONG
LEGION METALS CORP., AND ITS SECURITYHOLDERS, MYRIAD METALS CORP.,
NEXTLEAF SOLUTIONS LTD. AND ITS SECURITYHOLDERS

NOTICE OF HEARING FOR FINAL ORDER

[Rule 22-3 of the Supreme Court Civil Rules applies to all forms.]

To: **THE SECURITYHOLDERS OF LEGION METALS CORP.**

TAKE NOTICE that an application for a Final Order approving the Plan of Arrangement shall be made before the presiding Judge in Chambers at the Courthouse, 800 Smithe Street, Vancouver, British Columbia on January 4, 2019, at 9:45 am (PDT), or so soon thereafter as counsel may be heard (the "Final Application").

1. Date of hearing

[Check whichever one of the following boxes is correct.]

- The parties have agreed as to the date of the hearing of the petition.
- The parties have been unable to agree as to the date of the hearing but notice of the hearing will be given to the petition respondents in accordance with Rule 16-1(8)(b) of the Supreme Court Civil Rules.
- The petition is unopposed, by consent or without notice.

2. Duration of hearing

[Check the correct box(es) and complete the required information.]

- It has been agreed by the parties that the hearing will take 5 minutes.
- The parties have been unable to agree as to how long the hearing will take and
 - (a) the time estimate of the petitioner(s) is _____ *[specify]* minutes, and
 - (b) the time estimate of the petition respondent(s) is _____ *[specify]* minutes.
 - the petition respondent(s) has(ve) not given a time estimate.

3. Jurisdiction

[Check whichever one of the following boxes is correct.]

- This matter is within the jurisdiction of a master.
- This matter is not within the jurisdiction of a master.

Date: November 26, 2018

“Michael Raven”
Signature of Michael Raven,
 Petitioner lawyer for Petitioner,
Legion Metals Corp.

Date: November 26, 2018

“Paul M. Fang”
Signature of Paul M. Fang ,
 Petitioner lawyer for Petitioner,
Nextleaf Solutions Ltd.

This Notice of Hearing for Final Order was prepared by (i) Michael Raven of the law firm Beadle Raven LLP whose place of business and address for service is Suite 600, 1090 W Georgia Street, Vancouver, B.C. V6E 3V7, Telephone: (604) 899-6400; Facsimile: (604) 357-1030 and (ii) Paul M. Fang of the law firm of Fang and Associates, Barristers & Solicitors, whose place of business and address for service is Suite 1780, 400 Burrard Street, Vancouver, B.C., V6C 3A6, Telephone: (604) 688-6775; Facsimile: (604) 688-6995 .

SCHEDULE “D”

Dissent Rights

PART 8, DIVISION 2 OF THE *BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)*

Division 2 — Dissent Proceedings

Definitions and application

237 (1) In this Division:

“**dissenter**” means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

“**notice shares**” means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

“**payout value**” means,

(a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,

(b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2)

(c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement, or

(d) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

(a) the court orders otherwise, or

(b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1) (g), the court orders otherwise or the resolution provides otherwise.

Right to dissent

238 (1) A shareholder of a company, whether or not the shareholder’s shares carry the right to vote, is entitled to dissent as follows:

(a) under section 260, in respect of a resolution to alter the articles to alter restrictions on the powers of the company or on the business it is permitted to carry on;

(b) under section 272, in respect of a resolution to adopt an amalgamation agreement;

- (c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;
- (d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;
- (e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;
- (f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;
- (g) in respect of any other resolution, if dissent is authorized by the resolution;
- (h) in respect of any court order that permits dissent.

(2) A shareholder wishing to dissent must

- (a) prepare a separate notice of dissent under section 242 for
 - (i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and
 - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,
- (b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and
- (c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.

(3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must

- (a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and
- (b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

Waiver of right to dissent

239 (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

(2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must

- (a) provide to the company a separate waiver for
 - (i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and
 - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and

(b) identify in each waiver the person on whose behalf the waiver is made.

(3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to

(a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and

(b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.

(4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

Notice of resolution

240 (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

(2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,

(a) a copy of the resolution,

(b) a statement advising of the right to send a notice of dissent, and

(c) if the resolution has passed, notification of that fact and the date on which it was passed.

(4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

Notice of court orders

241 If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

(a) a copy of the entered order, and

(b) a statement advising of the right to send a notice of dissent.

Notice of dissent

242 (1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) must,

(a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,

(b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or

(c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of

(i) the date on which the shareholder learns that the resolution was passed, and

(ii) the date on which the shareholder learns that the shareholder is entitled to dissent.

(2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (g) must send written notice of dissent to the company

(a) on or before the date specified by the resolution or in the statement referred to in section 240 (2) (b) or (3) (b) as the last date by which notice of dissent must be sent, or

(b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.

(3) A shareholder intending to dissent under section 238 (1) (h) in respect of a court order that permits dissent must send written notice of dissent to the company

(a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or

(b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.

(4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of

the notice shares, and must set out whichever of the following is applicable:

(a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;

(b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;

(c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and

(i) the name and address of the beneficial owner, and

(ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.

(5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

Notice of intention to proceed

243 (1) A company that receives a notice of dissent under section 242 from a dissenter must,

(a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of

(i) the date on which the company forms the intention to proceed, and

(ii) the date on which the notice of dissent was received, or

(b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.

(2) A notice sent under subsection (1) (a) or (b) of this section must

(a) be dated not earlier than the date on which the notice is sent,

(b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and

(c) advise the dissenter of the manner in which dissent is to be completed under section 244.

Completion of dissent

244 (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

- (a) a written statement that the dissenter requires the company to purchase all of the notice shares,
- (b) the certificates, if any, representing the notice shares, and
- (c) if section 242 (4) (c) applies, a written statement that complies with subsection (2) of this section.

(2) The written statement referred to in subsection (1) (c) must

- (a) be signed by the beneficial owner on whose behalf dissent is being exercised, and
- (b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out
 - (i) the names of the registered owners of those other shares,
 - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
 - (iii) that dissent is being exercised in respect of all of those other shares.

(3) After the dissenter has complied with subsection (1),

- (a) the dissenter is deemed to have sold to the company the notice shares, and
- (b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.

(4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.

(5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.

(6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

Payment for notice shares

245 (1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

(a) promptly pay that amount to the dissenter, or

(b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may

(a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,

(b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244 (1), and

(c) make consequential orders and give directions it considers appropriate.

(3) Promptly after a determination of the payout value for notice shares has been made under subsection (2) (a) of this section, the company must

(a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or

(b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(4) If a dissenter receives a notice under subsection (1) (b) or (3) (b),

(a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or

(b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.

(5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that

(a) the company is insolvent, or

(b) the payment would render the company insolvent.

Loss of right to dissent

246 The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section

247 ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares,

any of the following events occur:

- (a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;
- (b) the resolution in respect of which the notice of dissent was sent does not pass;
- (c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;
- (d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;
- (e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;
- (f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;
- (g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;
- (h) the notice of dissent is withdrawn with the written consent of the company;
- (i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

Shareholders entitled to return of shares and rights

247 If, under section 244 (4) or (5), 245 (4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

- (a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244 (1) (b) or, if those share certificates are unavailable, replacements for those share certificates,
- (b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and
- (c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.

SCHEDULE "E"
Spinout Fairness Opinion

October 12, 2018

Legion Metals Corp.
600-1090 West Georgia Street
Vancouver BC
V6E 3V7

Attn: Board of Directors of Legion Metals Corp.

Re: Fairness Opinion Regarding Legion Metals Corp. and the Millen Mountain Property, to be transferred to Myriad Metals Corp.

Dear Sirs,

Summary

Mr. Steve King, M.Sc, P.Geo., has been asked by the Board of Directors of Legion Metals Corp. ("Legion" or the "Company") to deliver this fairness opinion ("Fairness Opinion") to determine the fairness to the shareholders of Legion (the "Legion Shareholders") and to the holder of agent's warrants of Legion (the "Legion Warrantholder", and collectively with the Legion Shareholders, the "Legion Securityholders") of the proposed transaction (the "Transaction") wherein Legion will transfer all of its right, title and interest in the Millen Mountain Property (defined below) to its wholly owned subsidiary, Myriad Metals Corp. (the "Subsidiary") and then will spin out the Subsidiary as its own entity by way of a plan of arrangement ("Arrangement") in such a manner that the shareholders of Legion would receive one (1) common share in the Subsidiary for every ten (10) common shares they own in Legion, and that the Legion Warrantholder would receive one (1) agent's warrant in the Subsidiary for every ten (10) agent's warrants that it holds in Legion. Following the Transaction, the Subsidiary would independently seek a financing, merger, amalgamation or other transaction to provide additional capital to develop the Millen Mountain Property. The Legion Securityholders would also maintain their ownership of Legion securities.

The Transaction is part of a larger "reverse takeover" transaction (the "RTO") under which Legion will acquire Nextleaf Solutions Ltd. ("Nextleaf"), a private British Columbia company in the business of providing extraction and processing solutions to licensed cannabis growers. Following completion of the RTO, Legion will focus on developing Nextleaf's business. Accordingly, if the Millen Mountain Property continued to be owned by Legion following the RTO, Legion would not be expected to focus on the exploration or development of the Property.

Legion (CSE: LEGN) is a Vancouver, British Columbia-based, junior mineral exploration company, focused on conducting exploration on its Millen Mountain Property located in the Province of Nova Scotia, Canada (the "Millen Mountain Property" or the "Property") since May 2017. The Millen Mountain Property is represented by exploration license 10577, comprised of 80 mineral claims covering approximately 1,280 hectares. The Millen Mountain Property is an underexplored, grassroots exploration property which contains historical gold occurrences and on which, reconnaissance mapping has identified important geological features that are consistent with Meguma style gold deposits.

The Millen Mountain Property is subject to an amended and restated property option agreement (the "Amended Option Agreement") between Legion and Probe Metals Inc. ("Probe") dated October 3, 2017. Under the Amended Option Agreement, the parties have agreed that upon successfully earning a 50% interest in the Property by incurring exploration expenditures of \$250,000, Probe will have the right to earn an additional 25% interest in the Property (for an aggregate 75% interest) by incurring an additional \$250,000 in exploration expenditures (for an aggregate of \$500,000 in exploration expenditures) by October 2019. The Amended Option Agreement also contemplates a 2% net smelter royalty to be paid to a party that has its interest in the Property diluted to 10% or less pursuant to the joint venture to be formed once Probe earns its interest in the Property.

As of the date of this Fairness Opinion Legion has 12,764,600 common shares outstanding, and their trading range over the past year has been between \$0.05 to \$0.17 per share. The Company's financial statements dated as of June 30, 2018 showed it had minimal revenues (derived from cryptocurrency assets) and had working capital of approximately \$175,095. The Company does not have the resources to comprehensively explore the Millen Mountain Property or to match any exploration expenditures on the Property made by Probe, as required under the Amended Option Agreement once a joint venture is formed with Probe pursuant to the terms thereof. Pursuant to the Transaction, the Company intends to spin out the Millen Mountain Property to the Subsidiary in exchange for the shareholders of Legion receiving shares of the Subsidiary and the Legion Warrantholder receiving agent's warrants of the Subsidiary.

The Subsidiary is a recently incorporated, wholly-owned subsidiary of Legion which has \$1.00 in working capital as of the date of this Fairness Opinion. At present, the Subsidiary is not a reporting issuer or a public company. Upon completion of the Transaction, the Subsidiary will become a reporting issuer. Pursuant to the Arrangement, Legion will transfer the Millen Mountain Property to the Subsidiary in exchange for the Legion Securityholders receiving securities (shares or agent's warrants, as the case may be) of the Subsidiary as described above. Following the Transaction, the Subsidiary will become a standalone reporting issuer and will independently seek a financing, merger, amalgamation or other transaction that will provide additional capital to develop the Millen Mountain Property.

In order to provide this Fairness Opinion, the author, among other things, has reviewed:

- a) Graves (2017) National Instrument 43-101 Technical Report respecting the Millen Mountain Property (effective date: August 2, 2017)
- b) Matrix Technologies Ltd. Interpretation Report respecting the Millen Mountain Property, prepared on behalf of Probe Metals (effective date: September, 2017)
- c) Amended and Restated Option Agreement between Legion Metals Corp. and Probe Metals Inc. (effective date: October 3, 2017)
- d) Legion Metals Corp. Management Discussion and Analysis for the period ended June 30, 2018
- e) Legion Metals Corp. Condensed Interim Financial Statements for the period ended June 30, 2018
- f) Legion Metals Corp. Financial Statements for the financial year ended March 31, 2018
- g) Legion Metals Corp. Notice and Information Circular for the Annual General Meeting held on June 8, 2018
- h) Legion Metals Corp. Canadian Securities Exchange Monthly Progress Report (effective date: October 1, 2018)
- i) Legion Metals Corp. Material Change Report Form 51-102F3 (effective date: August 27, 2018)
- j) Other reports and public filings as found on SEDAR
- k) Nova Scotia Registry of Mineral and Petroleum Titles "NovaROC" (access date: Oct. 12, 2018)

As well, the author based his opinion on his own knowledge of the geological resources of Nova Scotia as related to gold exploration within the Meguma Terrane.

A review of other fairness opinions for form and substance was also undertaken.

Based on the author's review of the facts respecting the Property, the Transaction, the RTO and the current financial condition, corporate intentions and plans respecting Legion, and subject to the limitations in this Fairness Opinion, the author is of the opinion that the terms of the Transaction are fair from a financial point of view to the Legion Shareholders and to the Legion Warrantholder.

Author and Frame of Reference

The author has been asked to make this Fairness Opinion as a fair comment on the potential impact on the Company of the RTO and the Transaction from a mineral exploration business point of view.

There is no limiting condition on the Company using this Fairness Opinion in filing to facilitate the RTO and the Transaction including filing it with the regulatory authorities and/or including it in any required mailing or for the Company making such disclosure that in the judgement of the Company is required. The author hereby expressly consents to the Company including in any disclosure documents in connection with the RTO and the Transaction the complete text of this Fairness Opinion in its final form and/or a summary thereof.

The author is independent of each of Legion and the Subsidiary and has no direct and indirect interests in the properties of Legion, including but not limited to the Property, and/or the shares of Legion or the Subsidiary.

The author is a graduate of Memorial University of Newfoundland, St. John's, Newfoundland, Canada with a Bachelor of Science degree in Geophysics (1991) and also holds a Master of Science degree in Geology (2002) from Acadia University in Wolfville, Nova Scotia Canada. He has worked in the mining industry and capital markets for more than 25 years including more than 10 years' experience in the Meguma Terrane in Nova Scotia, wherein he published more than 200 technical reports, maps and journal articles related to the geology and geophysics of the Meguma Terrane. The author has extensive experience in gold exploration and project evaluation holding the title of Vice President Exploration for Orezone Gold Inc. (Burkina Faso) in addition to capital markets experience as Senior Mining Analyst for Toll Cross Securities and M Partners, both independent brokerage firms located in Toronto, Ontario. From 2012 to 2014, he was Exploration Manager, North American Exploration for Cliffs Natural Resources. Based on the foregoing, the author is therefore qualified to write this Fairness Opinion.

The author did not personally visit the Property in connection with the preparation of this Fairness Opinion, nor did he undertake any further independent verification of the geological comments, and did not prepare this Fairness Opinion as a formal valuation.

The author has reviewed the Graves (2017) National Instrument 43-101 Technical Report and Matrix Technologies Ltd. Interpretation Report referenced above, as well as SEDAR filings related to the Company's financial status up to June 30, 2018. To the author's knowledge, the Graves report summarizes relevant historical exploration activities and results to the effective date (August 2, 2017). Legion's Chief Geologist, Mr. Fred Bonner, P.Geo., has confirmed to the author that there is no other relevant technical information available as of the date of this opinion.

The author has determined the Exploration License EL 10577 to be in "Good Standing" according to the Nova Scotia Registry of Mineral and Petroleum Titles (NovaROC accessed: Oct. 12, 2018).

The author did evaluate and consider in connection with this Fairness Opinion the context of the Property in the geologic environment of Province of Nova Scotia, the history of the area and the history of Meguma style gold deposits. As there is no active trading market for the securities of the Subsidiary, no meaningful evaluation of stock price of the Subsidiary's shares was considered.

Assumptions and Limitations

The author has utilized assumptions and input parameters in this Fairness Opinion that he believes are reasonable and appropriate based on the industry standards. Major caveats include the uncertainty of exploration results, future prices of commodities, changes of government regulations and general social or environmental concerns. In preparing this report the author has relied upon the accuracy and completeness of all the information supplied by the Company and their consultants and representatives but has not taken any steps to verify such information. He has however no reason to believe that any of the information supplied or analysed by him is not accurate or complete.

This Fairness Opinion is based upon the current state of the securities markets, economic and general business conditions and their effect on the RTO and the Transaction. These assumptions are believed by the author to be reasonable as to the impact on the shareholders of the Company.

Legion Metals Corp.

Overview

Legion (CSE: LEGN) is a Vancouver, British Columbia-based, junior mineral exploration company, focused on conducting exploration on its Millen Mountain Property located in the Province of Nova Scotia, Canada (the “Millen Mountain Property” or the “Property”) since May 2017. The Millen Mountain Property is represented by exploration license 10577, comprised of 80 mineral claims covering approximately 1,280 hectares. The Millen Mountain Property is an underexplored, grassroots exploration property on which reconnaissance mapping has identified important structural features and alteration that is consistent with Meguma style gold deposits.

As of the date of this Fairness Opinion Legion has 12,764,600 common shares outstanding, and their trading range over the past year has been between \$0.05 to \$0.17 per share. The Company’s financial statements dated as of June 30, 2018 showed it had minimal revenues (derived from cryptocurrency assets) and had working capital of approximately \$175,095. The Company does not have the resources to comprehensively explore the Millen Mountain Property or to match any exploration expenditures on the Property made by Probe, as required under the Amended Option Agreement once a joint venture is formed with Probe pursuant to the terms thereof. Pursuant to the Transaction, the Company intends to spin out the Millen Mountain Property to the Subsidiary in exchange for the shareholders of Legion receiving shares of the Subsidiary and the Legion Warranholder receiving agent’s warrants of the Subsidiary.

The Subsidiary is a recently incorporated, wholly-owned subsidiary of Legion which has \$1.00 in working capital as of the date of this Fairness Opinion. At present, the Subsidiary is not a reporting issuer or a public company. Upon completion of the Transaction, the Subsidiary will become a reporting issuer. Pursuant to the Arrangement, Legion will transfer the Millen Mountain Property to the Subsidiary, and in exchange the shareholders of Legion will receive one (1) common share in the Subsidiary for every ten (10) common shares they own in Legion and the Legion Warranholder will receive one (1) agent’s warrant in the Subsidiary for every ten (10) agent’s warrants that it holds in Legion. Following the Transaction, the Subsidiary will become a standalone reporting issuer and will independently seek a financing, merger, amalgamation or other transaction that will provide additional capital to develop the Millen Mountain Property.

Millen Mountain Property

The Millen Mountain Property is subject to an amended and restated property option agreement (the “Amended Option Agreement”) between Legion and Probe Metals Inc. (“Probe”). Under the Amended Option Agreement, the parties have agreed that upon successfully earning a 50% interest in the Property by incurring exploration expenditures of \$250,000, Probe will have the right to earn an additional 25% interest in the Property (for an aggregate 75% interest) by incurring an additional \$250,000 in exploration expenditures (for an aggregate of \$500,000 in exploration expenditures) by October 2019. The Amended Option Agreement also contemplates a 2%, the net smelter royalty to be paid to a party that has its interest in the Property diluted to 10% or less pursuant to the joint venture to be formed once Probe earns its interest in the Property.

The Millen Mountain Property has limited bedrock exposure to provide detailed information. However, reconnaissance mapping and interpretation has confirmed the approximate location of the South Branch Stewiacke River Anticline and that the property is predominantly underlain by slates and minor metasedstones of the Glenn Brook Member of the Halifax Formation overlying the sulphide-rich Rawdon Member.

Recent exploration has returned variable results. Gold was reportedly found on the Millen Mountain Property in the early 1900’s and later in an assessment report (Collier, 1999) that cited a sample assayed >30 g/t.

The author of this Fairness Opinion is a “qualified person” in accordance with National Instrument 43-101 and has reviewed and approved the technical data in this Fairness Opinion.

Fairness Considerations and Analysis

In connection with the provision of this Fairness Opinion, the author has performed a variety of financial, technical, and other analyses. In arriving at this Fairness Opinion, he has not attributed any particular weight to any specific analysis or factor considered by him, but rather the author has made qualitative judgments based on his experience in rendering such opinions and on the circumstances and information as a whole.

The two main factors considered by the author were what Legion is giving up to the Subsidiary (i.e. the Millen Mountain Property) and what the Subsidiary is giving to Legion (and, ultimately, to the Legion Shareholders and the Legion Warrantholder) in return.

The measure of what Legion is giving up and how it impacts the Legion Securityholders has been considered. Since pursuant to the Transaction the Legion Securityholders will receive securities in the Subsidiary when the Subsidiary is “spun out” from Legion, the author included these securities as a consideration for what Legion is giving up. On completion of the Transaction, each Legion Securityholder will receive the same ratio of securities of the Subsidiary as it holds in Legion, effectively recreating Legion’s capital structure in the Subsidiary (except that issued and outstanding stock options of Legion will not be recreated in the Subsidiary, so that the Subsidiary will be less diluted on a fully diluted basis than Legion). In addition, each Legion Securityholder will maintain its securities in Legion, although these will be diluted under the RTO transaction.

The Millen Mountain Property will be the Subsidiary’s only material asset. Following completion of the Transaction, the Subsidiary will become a standalone reporting issuer and will independently seek a financing, merger, amalgamation or other transaction that will provide additional capital to develop the Millen Mountain Property.

The Millen Mountain Property hosts known gold occurrences and historical workings (Graves, 2017) and more recent work including that by Graves and Beja Resources identified broad alteration zones, similar to those that are associated with gold mineralization elsewhere in the Meguma Terrane. Geophysical surveys commissioned by Beja and JV partner Probe, have identified coincident IP and magnetic anomalies associated with the interpreted axis of a tightly folded anticline and potential sulphide-bearing unit (s) in the Halifax Formation. These are key features of several Meguma gold deposits and a multi-phase exploration program has been proposed to assess the gold potential of the anticlinal trend as well as additional work on the historical showings within the property. An initial phase of mapping and sampling in conjunction with a grid soil sampling would be executed to identify priority targets with the goal of follow-up drill testing. It is estimated that this work would cost between C\$200,000 and C\$300,000.

Based on the author’s review of the facts respecting the Property, the Transaction, the RTO and the current financial condition, corporate intentions and plans respecting Legion, and subject to the limitations in this Fairness Opinion, the author is of the opinion that the terms of the Transaction are fair from a financial point of view to the Legion Shareholders and to the Legion Warrantholder. In particular, the Millen Mountain Property will be the Subsidiary’s only material asset, and the Subsidiary will be able to focus all of its efforts on the exploration and development of the Property. While the Subsidiary will not have any capital immediately following completion of the Transaction, the Subsidiary will have the ability to focus all of its attention on obtaining the required capital. Conversely, if the Property remained in Legion following completion of the RTO, Legion would likely not be able to devote the proper focus, attention and capital on the Property, as Legion is expected to focus on the development of Nextleaf’s business. In addition, if the Property remained in Legion following the RTO, the Property would likely not receive full value from the market, as the market will likely focus on Nextleaf’s business. The Transaction enables the Legion Securityholders to receive securities of the Subsidiary that will

represent their interest in the Property, and at the same time will allow the Legion Securityholders to maintain their Legion securities.

Disclaimer


The author has based his opinion on his experience, on his examination of market conditions and on information provided by the Company and others. The use of this Fairness Opinion and/or any information contained herein shall be the at the user's sole risk.

It should be emphasized that this Fairness Opinion is not a technical report nor a 'formal valuation' as defined in The Canadian Institute of Mining, Metallurgy and Petroleum publication of February 2003 and amended December 2005, *Standards and Guidelines for Valuation of Mineral Properties* (CIMVal Standards and Guidelines).

Fairness Opinion

Based on the author's review of the facts respecting the Property, the Transaction, the RTO and the current financial condition, corporate intentions and plans respecting Legion, and subject to the limitations in this Fairness Opinion, the author is of the opinion that the terms of the Transaction are fair from a financial point of view to the Legion Shareholders and to the Legion Warrantholder.

Respectfully submitted,


Steve King, M.Sc., P.Geo.
(PEGNL #03047)

SCHEDULE "F"
Acquisition Fairness Opinion

FAIRNESS OPINION
(related Estimate Valuation Report)

regarding a Proposed Transaction involving

Legion Metals Corp.
Vancouver, British Columbia, Canada

and

NEXTLEAF

Nextleaf Solutions Ltd.
Coquitlam, British Columbia, Canada

November 6, 2018



RwE GROWTH PARTNERS, INC.

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EXECUTIVE SUMMARY

RwE Growth Partners, Inc. (“RwE” or the “authors of the Report”) was requested by the Special Committees (“Committees”) of the Board of Directors (the “Boards”) of Legion Metals Corp. (hereinafter referred to as “Legion”, “LEGN” or “Public Company”) of Vancouver, B.C. and of Nextleaf Solutions Ltd. (“Nextleaf”, “NLS” or the “Company”) to prepare this formal Fairness Opinion (the “Report”) from the perspective of the various securityholders of LEGN and Nextleaf. LEGN is listed for trading on the Canadian Securities Exchange (“CSE” or the “Exchange”) under symbol LEGN and has been halted from trading since August of 2018; Nextleaf is described in the Report and in detail at: <https://www.nextleafsolutions.com/>.

With regards to this Report, RwE has examined the proposed transaction between LEGN / NLS:

On August 27, 2018 – LGN announced that it has entered into a binding letter of intent (“LOI”) with 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” or the “Proposed 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 itself 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 the 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).



RwE further understands that the LEGN and NLS' Boards have, after extensive review of possible options during the past twelve months regarding funding and/or other transactions (which included examining change of control transactions, strategic deals, sales, joint ventures, partnerships, earn-ins, etc.), have determined that the Proposed Transaction (collectively, the "Proposed Transaction") is very synergistic to LEGN and NLS' businesses and are in the best interests of both LEGN and NLS given that, among other things, no alternatives have been found that are better for LEGN or NLS or financially better to the LEGN and/or NLS securityholders than the Proposed Transaction.

LEGN and NLS Securityholders are in a Favorable Financial Position Post-Proposed Transaction

Given all of the above, the scope of work performed, and the assumptions made, it is the opinion of RwE that the LEGN and the NLS securityholders are in a more favorable economic position post-Proposed Transaction.

Given all of the above and given the stated terms and conditions of the Proposed Transaction, the LEGN and NLS securityholders are all in a favorable range for their holdings of the combination of LEGN and NLS (the "Resulting issuer") post-Proposed Transaction, as compared to their LEGN and NLS shares viewed separately on a pre-Proposed Transaction basis. For certainty, RwE has concluded that each of the following parties (the "Resulting Issuer Parties") are in a better position post-Proposed Transaction:

1. *LEGN existing shareholders as at 09/30/2018*
2. *LEGN IPO agent's warrant holders*
3. *NLS existing shareholders as at 09/30/2018*
4. *New Investors in NLS (after \$3m financing or \$8.05m financing) – "PP Holders" – holding NLS financing shares and NLS financing warrants*
5. *Broker's assisting with the \$3m/\$8.05m financing holding NLS agent compensation options*
6. *Resulting Issuer Parties (i.e., all of the above parties)*

RwE also understands that post Proposed Transaction that NLS plans to close an equity financing round of approximately \$3.0 million minimum or \$8.05 million maximum (the "Funding") for Nextleaf just prior to the closing of the Proposed Transaction.

Based upon all of the reviews, analysis and work conducted by RwE as well as subject to all of the foregoing, including the assumptions set out in the Report, RwE is of the opinion, as at the Valuation Date, that the terms (including the consideration to be received by the LEGN and NLS securityholders) of the **Proposed Transaction is fair, from a financial point of view, to ALL of the Resulting Issuer Parties - i.e., ALL securityholders of LEGN and NLS as at the Closing of the Proposed Transaction (refer to Schedules 11.0 and 12.0, respectively).** Readers should review the entire Report for a complete review of the basis of the conclusions in the Report.



1.0 ASSIGNMENT AND ENGAGEMENT

1.1 Assignment

RwE Growth Partners, Inc. (“RwE” or the “authors of the Report”) was requested by the Special Committees (“Committees”) of the Board of Directors (the “Boards”) of Legion Metals Corp. (hereinafter referred to as “Legion”, “LEGN” or “Public Company”) of Vancouver, B.C. and of Nextleaf Solutions Ltd. (“Nextleaf”, “NLS” or the “Company”) to prepare this formal Fairness Opinion (the “Report”) from the perspective of the various securityholders of LEGN and Nextleaf. LEGN is listed for trading on the Canadian Securities Exchange (“CSE” or the “Exchange”) under symbol LEGN and has been halted from trading since August of 2018; Nextleaf is described in the Report and in detail at: <https://www.nextleafsolutions.com/>.

With regards to this Report, RwE has examined the proposed transaction between LEGN / NLS:

On August 27, 2018 – LGN announced that it has entered into a binding letter of intent (“LOI”) with 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” or the “Proposed 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 itself 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 the 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



RwE GROWTH PARTNERS, INC.

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).

RwE further understands that the LEGN and NLS' Boards have, after extensive review of possible options during the past twelve months regarding funding and/or other transactions (which included examining change of control transactions, strategic deals, sales, joint ventures, partnerships, earn-ins, etc.), have determined that the Proposed Transaction (collectively, the "Proposed Transaction") is very synergistic to LEGN and NLS' businesses and are in the best interests of both LEGN and NLS given that, among other things, no alternatives have been found that are better for LEGN or NLS or financially better to the LEGN and/or NLS securityholders than the Proposed Transaction. The reader is advised to refer to www.sedar.com, and under LEGN's profile, for detailed information and the details of the Proposed Transaction.

1.2 Engagement

RwE was engaged to prepare this Fairness Opinion.

Given all of the above and given the stated terms and conditions of the Proposed Transaction, the LEGN and NLS securityholders are all in a favorable range for their holdings of the combination of LEGN and NLS (the "Resulting issuer") post-Proposed Transaction, as compared to their LEGN and NLS shares viewed separately on a pre-Proposed Transaction basis. For certainty, RwE is within this Report examining whether each of the following parties (the "Resulting Issuer Parties") are in a better position post-Proposed Transaction:

1. LEGN existing shareholders as at 09/30/2018
2. LEGN IPO agent's warrant holders
3. NLS existing shareholders as at 09/30/2018
4. New Investors in NLS (after \$3m financing or \$8.05m financing) – "PP Holders" – holding NLS financing shares and NLS financing warrants
5. Broker's assisting with the \$3m/\$8.05m financing holding NLS agent compensation options
6. Resulting Issuer Parties (i.e., all of the above parties)



RwE GROWTH PARTNERS, INC.

RwE was engaged and retained by the Board of NLS to undertake this engagement, which included the consent and agreement from the Board of LEGN and represents an independent opinion that equally considers all valuation/fairness matters related to each of LEGN and NLS. In preparing the Report, RwE carefully considered both the quantitative and qualitative factors related to the Proposed Transaction and all matters related separately to LEGN and NLS.

The Report is prepared for the Boards and Committees and LEGN and NLS and for all of the Resulting Issuer Parties and may also be included in LEGN's information circular to be sent to its securityholders, with LEGN's circular to be filed on SEDAR and submitted to B.C. Supreme Court; whereas NLS' will be used in a meeting of all of its securityholders. The Report may also be used in any applicable local, national and/or international regulatory bodies. In connection with the Proposed Transaction, RwE has been advised by the Committees and the Boards that they have conducted their own review of the Proposed Transaction and that both of the Boards/Special Committees have unanimously approved closing the Proposed Transaction as is described in this Report.

The Boards and Special Committees have requested RwE's opinion and independent verification of the fairness of the Proposed Transaction from both LEGN and WGL's securityholders' point of view given the facts and information that is available to RwE.

As RwE has relied on information, materials and representations provided by the representatives of LEGN and NLS, the authors of the Report required that these three parties confirm to RwE that they have reviewed the final, signed Report in detail and that the information and management's representations contained in the final, signed Report are accurate, correct and complete to the best of the Company's management knowledge, and that there are no material omissions of information that would affect the conclusions contained in the Report.

RwE, its principals and partners, staff and associates, do not assume any responsibility or liability for losses incurred by LEGN and NLS, any local, national or international non-related or related company to LEGN and NLS, each Board, the Court, all of the LEGN and NLS securityholders. Also, with reference to all parties and/or any other related parties RwE has no responsibility as the result of the circulation, publication, reproduction, or use of the Report, or its use contrary to the terms and conditions and all aspects of the Report. RwE also reserves the right, if RwE considers it necessary, to revise the Report in light of any material information regarding the Proposed Transaction or the Company existing at September 30, 2018 (i.e., the Valuation Date) which does not become known to RwE until after the date of the Report.

Unless otherwise indicated, all monetary amounts are stated in Canadian dollars (C\$).

The reader should also refer to www.sedar.com for detailed information on LEGN and the Proposed Transaction.



RwE GROWTH PARTNERS, INC.

2.0 CONDITIONS AND RESTRICTIONS OF THE REPORT

- 2.1 The final signed Report is to be used by the Board, and the securityholders of LEGN and NLS, the CSE, regulatory bodies and the B.C. Supreme Court only.
- 2.2 As set out in the engagement letter, any use beyond that defined above is done so without the consent of RWE and readers are advised of such restricted use.
- 2.3 RWE did apply generally accepted valuation principles to the financial information it did receive from LEGN and NLS (the "Companies").

RWE has assumed that the information regarding the Companies which are contained in the Report, is accurate, correct and complete, and that there are no material omissions of such information that would affect the conclusions contained in the Report. The conclusion represents our assessment based on the work undertaken and the assumptions made.

- 2.4 This Report is subject to the scope of the work conducted (refer to section 3.0), as well as the assumptions made (refer to section 4.0), and to all of the other sections of the Report. Should the assumptions used in the Report be found to be materially incorrect, then the valuation and fairness opinion conclusion may be rendered invalid and would likely have to be reviewed in light of correct and/or additional information.
- 2.5 RWE's assessments and conclusion is based on the information that has been made available to it. RWE reserves the right, if it considers it necessary, to revise part and/or its entire Report in light of any material information regarding the Companies and/or the Proposed Transaction which becomes known to RWE during or after the date of this Report.
- 2.6 RWE denies any responsibility, financial or legal or otherwise, for any use and/or improper use of the Report however occasioned.
- 2.7 RWE as well as all of its principals, partner, staff or associates' total liability for any errors, omissions or negligent acts, whether they are in contract or in tort or in breach of fiduciary duty or otherwise, arising from any professional services performed or not performed by RWE, its principals, partner, any of its directors, officers, shareholders or employees, shall be limited to the fees charged and paid for the Report. No claim shall be brought against any of the above parties, in contract or in tort, more than two years after the date of the Report.
- 2.8 Any legal disputes or legal action against RWE Growth Partners, Inc. as a result of the Report, or any other matter, is agreed by the LEGN and NLS to be settled only in a Canadian court of law.



3.0 SCOPE OF WORK CONDUCTED

In arriving at the assessment and conclusion as to the fairness to the LEGN and NLS and the Resulting Issuer Parties and all LEGN and NLS securityholders regarding the Proposed Transaction as at the Valuation Date, RWE has relied on the following documents and information:

- Interviewed management of LEGN and NLS to gain an understanding of the Companies' current and planned operations and regarding the business and development history and current situation regarding the Companies.
- Reviewed documentation on LEGN that was available on the data vault and on www.sedar.com.
- Collected data from a number of sources in the cannabis industry in Canada to gain an understanding of NLS' current operations and development plans going forward – and the movement to a processing license.
- Examined the September 30, 2016 and 2017 audited NLS financial statements and the management-prepared September 30, 2018 financial statements.
- Reviewed the LEGN audited March 31, 2017 and 2018 financial statements. Reviewed the unaudited financial statements of LEGN for September 30, 2018.
- Reviewed the composed financial projections for NLS.
- Reviewed DRAFT Arrangement Agreement between NEGN and NLS, dated September of 2018.
- Reviewed the Mackie Research Capital Corporation ("Mackie Research", "MRCC" or the "Lead Agent") private placement financing proposal, dated August 23, 2018. The document sets out, *"how MRCC is proposing to act as lead agent and sole bookrunner, on a best efforts basis, for a private placement offering (the "Offering") of a minimum amount of C\$3,000,000 up to a maximum amount of C\$7,000,000 (or as agreed to by the Lead Agent or the Company and Legion. In addition, Hunter Capital Advisors (Australia) will be included as a special selling group member of the Offering. The stated pricing is C\$0.35 per unit ("Unit") and each Unit shall be one (1) ordinary share and one (1) warrant ("Warrant"). Each warrant shall be exercisable into one ordinary share at C\$0.70 for 24 months; provided that if the closing price of the shares on the Canadian Securities Exchange, or any other stock exchange on which the shares are listed, is at a price greater than \$1.25 per share for a period of 20 consecutive trading days, the expiry date of the Warrants shall automatically accelerate and will expire on the date that is 30 days after the date that notice of such acceleration is provided to the Warrant holders by way of press release."*



- Reviewed regulations under the existing Cannabis Act in Canada as obtained from Health Canada (Nextleaf proposed business area in RED):

Licences Issued under the *Access to Cannabis for Medical Purposes Regulations (ACMPR)*

CURRENTLY AUTHORIZED ACTIVITIES	EQUIVALENT LICENCES AND REQUIREMENTS UNDER THE CANNABIS REGULATIONS
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Licence Issued under Section 35 of ACMPR</p> <p>Produce:</p> <ul style="list-style-type: none"> Fresh marihuana Dried marihuana Marihuana plants Marihuana seeds <p>NOTE: A licensed producer who maps to a licence for cultivation (standard or micro) and a licence for sale for medical purposes under the <i>Cannabis Act</i>, will also map to the corresponding processing licence (standard or micro) for the purposes of packaging and labelling dried and fresh cannabis.</p>	<ul style="list-style-type: none"> Meet applicable security requirements (see Division 1 of Part 4, note exemption for storage area (subsection 78(1))) <ul style="list-style-type: none"> ➤ Licence for Standard Cultivation Cultivate, propagate and harvest plants in an area that is no larger than 200m² (section 13) <ul style="list-style-type: none"> ➤ Licence for Micro-cultivation Produce cannabis plants and seeds <ul style="list-style-type: none"> ➤ Licence for a Nursery
<p>Produce:</p> <ul style="list-style-type: none"> Cannabis oil Cannabis resin 	<ul style="list-style-type: none"> Meet applicable security requirements (see Division 1 of Part 4, note exemption for storage area (subsection 78(1))) <ul style="list-style-type: none"> ➤ Licence for Standard Processing Possess the equivalent of 600kg of dried cannabis or less per calendar year (section 21)^{1,2} <ul style="list-style-type: none"> ➤ Licence for Micro-processing
<p>Sale of cannabis products for medical purposes in accordance with <i>subsection 22(4) or (5) of ACMPR</i></p>	<ul style="list-style-type: none"> ➤ Licence for Sale for Medical Purposes

Licence Expiry Date: The expiry date of the equivalent licence will remain the same as the expiry date on the licence issued under Section 35 of the ACMPR.



- Readers should note that “standard processing” is Health Canada’s process license that authorize the large-scale manufacturing, packaging and labelling of cannabis products destined for sale to consumers, and the intra-industry sale of these products, including to provincially/territorially authorized distributors, as well as associated activities. “Micro-processing” authorizes the small-scale manufacturing, packaging and labelling of cannabis products destined for sale to consumers, and the intra-industry sale of these products, including to provincially/territorially authorized distributors, as well as associated activities. RWE reviewed these terms with parties in the Cannabis business as noted below. Readers should note that on October 17, 2018 Health Canada and the Canadian Government enacted the Cannabis Act (the “Regulations”). The Regulations, which are material in size and contain a number of ancillary documents, absorb the provisions of the Access to Medical Cannabis for Medical Purposes (“ACMPR”), with certain amendments in an effort to create consistency between the medical and recreational adult-use cannabis regimes. Previous to the roll-out of the Cannabis Act (which came into effect on October 17, 2018), there has been considerable debate about the necessity for security screening and clearance for persons involved with the commercial production and distribution of legal cannabis. Section 50 of the Regulations extends the security clearance requirement to include the following broader range of persons who directly or indirectly control or influence the operations of a license holder:

- the license applicant or holder itself;
- a licensee's "responsible person", "head of security", "master grower", "quality assurance person", or their alternates (each as defined in the Regulations);
- if the licensee is a partnership, each partner;
- *the directors and officers of a licensee and its parent company;*
- the directors and officers of any corporation that is a partner in a partnership which exercises or is in a position to exercise direct control over the licensee; and
- any individual who exercises, or is in a position to exercise, direct control over the corporation.

This may have an effect on the Board of Directors of the Resulting Issuer.

The Regulations also address security clearance eligibility and provide a broad discretion to the Minister to grant or refuse security clearances. Security clearances will be granted on a case-by-case basis, according to the "level of risk posed by the applicant," which the government has said is part of its effort to block organized crime from gaining influence in the market.

Exact implementation of Cannabis Regulations appears somewhat uncertain to RWE and readers need to be aware of this.



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- RWE collected materials, and discussed with parties where appropriate, regarding the value of ‘seeds and soil related products and growing’ for cannabis growers and operators. These firms included the following license producers that are public: Aphria Inc., Aurora Cannabis Inc., Benchmark Botanicals Inc., CanniMed Therapeutics Inc., Canopy Growth Corporation, Cronos Group Inc., Emblem Corp., Emerald Health Therapeutics, Inc., Invictus MD Strategies Corp., OrganiGram Holdings Inc., MYM Nutraceuticals Inc., Supreme Pharmaceuticals Inc., THC Biomed International Ltd. and TerrAscend, True Leaf Medicine International Inc. Also, obtained data and license details from and about the following firms: 2368523 Ontario Limited (Curative Cannabis), Artiva Inc., Beleave Inc., Broken Coast Cannabis Ltd., Cannabco Pharmaceutical Corp., Cannahort Agriculture Ltd., CannTx Life Sciences Inc., Evergreen Medicinal Supply Inc., Great White North Growers Inc., Green Leaf, Green Relief Inc., Harvest One Cannabis Inc., LiveWell, Lotus Ventures Inc., Plan C BioPharm Inc. and Sundial Growers Inc.
- Collected data on cannabis oil production and Cannabis Processing licenses from Health Canada, MediPharms Labs, Cannabis Compliance Inc., Quadron Cannatech Corp. and Veritas Pharma Inc. (“Veritas”). RWE found from Health Canada and other that such groups estimate that the market for cannabis extractions and downstream products have expanded eightfold in 2017 – faster than traditional dried cannabis (flower). The Global and Mail has recently noted that Industrial-scale extraction systems – already being used to make weak cannabis oil – are being sold to Canadian- and U.S.-licensed producers for anywhere from US\$250,000 to US\$1-million apiece. The Global and Mail added that, Veritas, a medical- research company, acquired half of 3 Carbon Extractions Inc., a Vancouver-based extraction outfit. In a news release 3 Carbon CEO Phil Kwong noted that, “It’s the fastest growing sector of the industry”. His firm got into the extraction business in 2015 when he was diagnosed with multiple sclerosis and found concentrates helped. “With extraction, you take out all the extra stuff and focus it down to the good stuff, there’s a larger diversity of products and how it can be taken”.

In July, CannaRoyalty Corp. (“CannaRoyalty”) agreed to manufacture and distribute the products of San Francisco’s Pacific Remedy Inc., which makes various cannabis oil derivative products. Those are merely examples of early stage products that cannabis oils and concentrates make possible, in addition to: capsules, edibles, vape pens, bath bombs and topical creams.

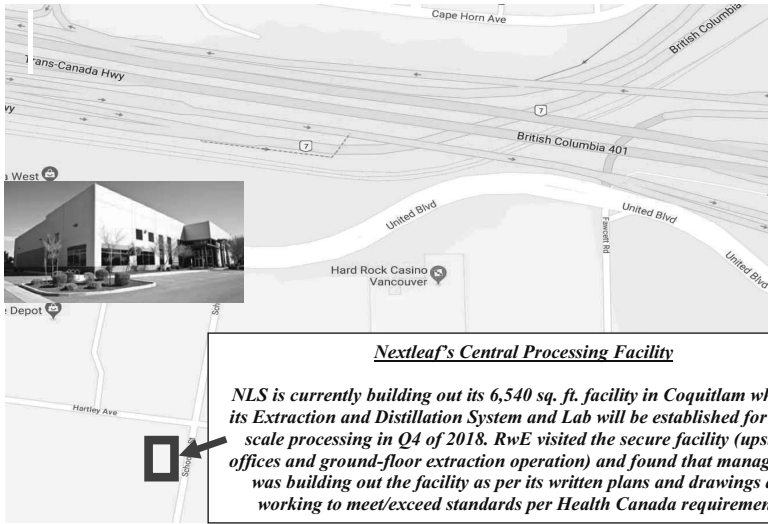
RWE has previously done valuation work with Veritas and CannaRoyalty, RWE found that both are firms that are forward-looking and are aware of market directions and trends – supporting evidence of material market interest in the extraction area.

- As of October of 2018 Health Canada has issued 132 licenses to legally grow and sell marijuana, about half of which also permit the production and sale of cannabis oil. The new processing licenses are also indicative of Health Canada seeing the need and demand for extraction systems as one moves towards consumables.

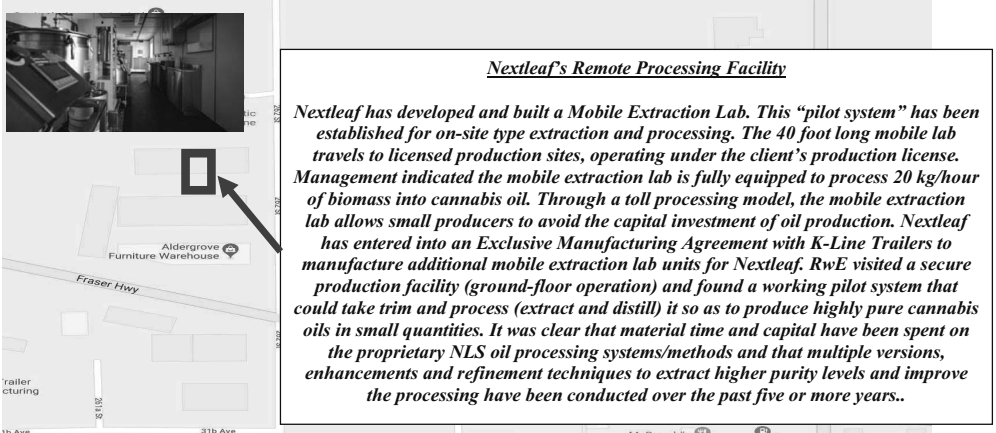


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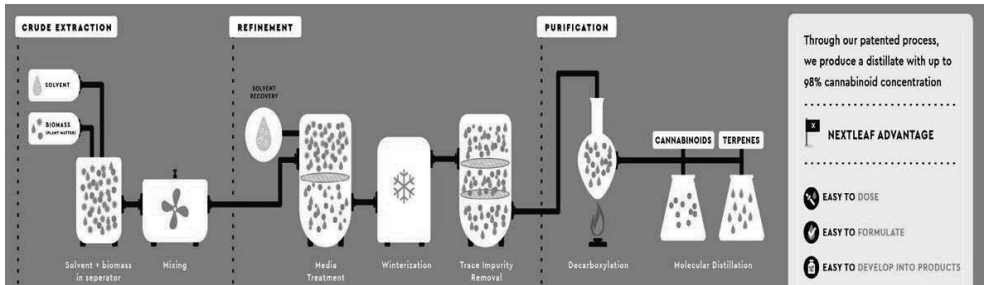
- Reviewed Nextleaf's planned central processing center and unit in Coquitlam, B.C.



- RWE also visited the Company's remote processing facility in Aldergrove, B.C.



- It was apparent to RWE that cannabis trim is placed in a sealed and welded stainless-steel container and rinsed and agitated with a solvent to take the cannabinoid-rich resins off its leaves using a variety of solvents. After this, the waste is removed as is the cannabis plant's oil from fats, etc. The process is a refining cannabis oil that is then further processed to a tetrahydrocannabinol ("THC") or cannabidiol ("CBD") or some mixture of. The end result is highly pure (claimed at 90%+) oil that can then be used for infusing products – such as edibles, tinctures, rubs, balms and concentrates for lotions, etc. There was clear evidence that the Company had created a proprietary extraction and distillation process and that the pilot system was working and processing oils. Evidence of its work is that the Company has noted that it intends to continue innovation and develop novel methods and processes: (a) to extract, refine and distill cannabis oil; and (b) to scale up Nano-emulsion technology for cannabis infused beverages. As at the Valuation Date the Company also already has a published patent - Patent No: US 9,987,567 B1 - Cannabinoid Extraction Process and System (June 5th, 2018).



- The Company has noted to RWE that it plans to file up to fifteen (15) patent applications post-Proposed Transaction. One such application is the ongoing patent applications (planned for 2018 - 2019) regarding: (a) Cannabinoid Extraction Patent – an application is a process development patent, in continuation-in-part with the published patent US 9,987,567B1 – and relates to the extraction of cannabinoids by means of an ethanol-based method that includes the method of treating the extracted oil with brine; (b) Method and System for Shatter Extraction - this patent application relates to a method and system for extracting cannabis oil concentrate from raw cannabis material (extraction of shatter); and (c) Nano-emulsion technology to prepare water soluble cannabinoids (process development of producing water soluble cannabinoids at a bench scale model). The goal of this process will be to provide service to the market of cannabis beverages.
- The Company works closely with a number of key hardware firms in its extraction and distillation process, a sample of two of the firms are – Ecodyst, Inc. of Apex, North Carolina, United States (<http://www.ecodyst.com>) and Senti-Solutions Ltd. of Toronto, Ontario (<http://sentsolutions.ca>). These two firms carry out certain functions

during the extraction and distillation process that are a component of the Company's overall processing system. RWE understands that the Company is considering the acquisition and/or material investment extraction hardware companies. In this regard, as at the Valuation Date, the Company has invested \$25,000 into one equipment hardware company, as to secure an option to acquire/invest in them in the future and is negotiating a second investment agreement. RWE did interview the founder of Senti-Solutions Ltd. and discussed the extraction element that his firm assists NSL with. A review of the two firms, and discussions with NLS management, did confirm to RWE the logic of why NLS would want to maintain strategic relationships with both such firms.

- Conducted limited financial due diligence with: Bloomberg, Reuters, Capital IQ, Bank of Canada, Toronto Dominion Bank, Scotiabank, Moodys, Financial Week, Barrons, The Globe and Mail, mergermarket, TD Securities, BMO Capital Markets, CIBC World Markets, National Bank, The Economist, Morningstar Dividend Investor and Standard Bank.
- Reviewed financial and stock market trading data on comparable companies in the medical marijuana sectors and whose shares trade on North American stock exchanges. In addition to reviewing financial information, RWE reviewed the operations of these various companies to determine if any had undertaken any material or relevant acquisitions in the last 12 - 24 months. Found that a number of acquisitions were occurring within the cannabis extraction areas in Canada and the United States (refer to above examples).
- RWE was not able to confirm with Health Canada regarding the status of any ACMPR, dealers, and/or processing license regarding Nextleaf.
- Reviewed and collected data regarding MediPharm Labs Inc. ("MLI") - www.medipharmlabs.com. RWE was able to find that MLI was founded in 2015 is the first company in Canada to become a licensed producer for cannabis oil production under the ACMPR without first receiving a cannabis cultivation license. The firm's cannabis concentrates are created using its cGMP (current Good Manufacturing Practices) and ISO standard clean rooms and critical environments laboratory. The firm states that it can produce pharmaceutical-grade cannabis oil. To-date, it does appear that MLI has been largely a research firm focused on extraction methodology, distillation, and cannabinoid isolation and purification. MLI's subsidiary, MediPharm Labs Australia Pty. Ltd., MLI has completed its application process with the federal Office of Drug Control to extract/import medical cannabis products in Australia.
- Gathered data from various cannabis sources, Capital IQ and from Pratt's Dealerstats, AreView and marijuana-driven Web sites as available through online and/or subscription services available to RWE.



- Access to additional technical, financial and/or technical information and data may have resulted in different RWE assessments and conclusions; and such conclusions may have been materially different.

4.0 ASSUMPTIONS OF THE REPORT

RwE has made the following material assumptions in completing the Report:

- (a) As at the Valuation Date all material assets and liabilities of LEGN and NLS have been recorded in their accounts and financial statements and follow IFRS.
- (b) Additional audits of LEGN's financial statements for the periods ending June 30, 2016 – 2018, and September 30, 2018, would not result in any material change to the existing financials that were provided to RWE.
- (c) An audit of NLS's financial statement for the period ending March 31st and a review of the September 30th, 2018 are completed and the results are not materially different the financial statements provided to RWE.
- (d) There is no expected material change in the financial position of LEGN and/or NLS between the date of the most recent audited financial statements and the respective Valuation Date and the closing of the Proposed Transaction and unless noted in the Report.
- (e) NLS' balance sheet is assumed to be materially the same as at the date provided, and in the Schedules, and at the closing of the Proposed Transaction.
- (f) NLS is assumed to be operating within all Canadian and U.S. governments' cannabis laws (now and in the future); also, within the existing October 17, 2018 implementation of Canada's Cannabis Act, and within all legal banking laws and legal agreements; all of its forecasted revenues have been provided to RWE as representing revenues from only legal jurisdictions – RWE has assumed this to be true.
- (g) NLS will continue to seek the Health Canada cannabis licenses it has stated it is pursuing – i.e., Standard Processing License, Dealer's License ("R&D") and its Export License. Overall, to carry out all actions to be working towards being in compliance with all aspects of the Cannabis Act. This is a critical assumption.
- (h) *Proforma assumption – NLS completes its minimum private placement closing of approximately C\$3.0m before the closing of the Proposed Transaction.*

This assumption is critical to the conclusion of the Report.



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- (i) The Companies and all of their related parties and their principals had no contingent liabilities, unusual contractual arrangements, or substantial commitments, other than in the ordinary course of business, nor litigation pending or threatened, nor judgments rendered against, other than those disclosed by management and included in the Report that would affect the evaluation or comments.
- (j) NLS has clear and free and satisfactory title to all of the material assets and all methods and techniques related to the NLS Extraction and Distillation System and there are no material liens or encumbrances on such assets nor have any assets been pledged in any way unless otherwise disclosed in the Report.
- (k) All conditions precedent to the closing of the Proposed Transaction have, or will be, satisfied or waived, as at the closing of the Proposed Transaction.
- (l) LEGN and NLS have, as at September 30, 2018, no off-balance sheet liabilities, no contingent liabilities, unusual material contractual arrangements, or material commitments, other than in the ordinary course of business, nor material litigation pending or threatened, nor judgments rendered against it, other than those disclosed by management that would materially affect the Proposed Transaction.
- (m) The Companies confirm to RWE that to its knowledge there is currently no existing or threatened litigation against LEGN and/or NLS and/or any of their assets that would have any material effect on this Report and its conclusions.
- (n) There are no shareholder and/or agreements in place that limit or set the value of NLS in any manner.
- (o) There are no tax and/or cash negative and/or dilutive events that occur at the closing of the Proposed Transaction that would affect LEGN and/or NLS or any of their securityholders.
- (p) Fairness is calculated from examining the provided financial statements of LEGN and NLS at the Valuation Date. Such statements are all assumed to be accurate as at the closing of the Proposed Transaction.
- (q) LEGN and NLS' Board have stated to RWE that collectively they are not aware of any other material facts or data involving the parties or the assets and/or the Proposed Transaction that would have a material effect on the conclusions in the Report that has not been disclosed to RWE.

RWE believes the above assumptions to be reasonable and logical given the statement of facts and all of the information available to RWE.

If any of the assumptions proves to be incorrect or invalid the conclusions contained in the Report may be different, and readers are cautioned that such differences may be material.



5.0 DEFINITION OF FAIR MARKET VALUE

In this Report, fair market value is defined as the highest price available in an open and unrestricted market between informed and prudent parties, acting at arms' length and under no compulsion to act, expressed in terms of cash. With respect to the market for the shares or units of a company viewed "en bloc" (i.e., all of them together) there are, in essence, as many "prices" for any business interest as there are purchasers and each purchaser for a particular "pool of assets", be it represented by overlying shares or the assets themselves, can likely pay a price unique to it because of its ability to utilize the assets in a manner peculiar to it.

In any open market transaction, a purchaser will review a potential acquisition in relation to what economies of scale (e.g., reduced or eliminated competition, ensured source of material supply or sales, cost savings arising on business combinations following acquisitions, and so on), or "synergies" that may result from such an acquisition. Theoretically, each corporate purchaser can be presumed to be able to enjoy such economies of scale in differing degrees and therefore each purchaser could pay a different price for a particular pool of assets than can each other purchaser.

Based on the authors of the Report's experience, it is only in negotiations with such a special purchaser that potential synergies can be quantified and even then, the purchaser is generally in a better position to quantify the value of any special benefits than is the vendor. In this engagement RWE was not able to expose the Company for sale in the open market and were therefore unable to determine the existence of any special interest purchasers who might be prepared to pay a price equal or greater than the fair market values (assuming the existence of special interest purchasers) outlined in the Report for the Company. As noted above, special interest purchasers might be prepared to pay a price higher than fair market value for the synergies noted above.

The shares of LEGN and NLS have been viewed, analyzed and assessed as one group for purposes of fairness, unless otherwise noted.

6.0 VALUATION METHODOLOGIES

6.1 Going Concern versus Liquidation Value

The first stage in determining which approach to utilize in valuing a company is to determine whether the company is a going concern or whether it should be valued based on a liquidation assumption.

A business is deemed to be a going concern if it is both conducting operations at a given date and has every reasonable expectation of doing so for the foreseeable future after that date. If a company is deemed to not be a going concern, it is valued based on a liquidation assumption.



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6.2 Overview

In valuing an asset and/or a business, there is no single or specific mathematical formula. The particular approach and the factors to consider will vary in each case. Where there is evidence of open market transactions having occurred involving the shares, or operating assets, of a business interest, those transactions may often form the basis for establishing the value of the company.

In the absence of open market transactions, the three basic, generally-accepted approaches for valuing a business interest are:

- (a) The Income / Cash Flow Approach;
- (b) The Market Approach; and
- (c) The Cost or Asset-Based Approach.

A summary of these generally-accepted valuation approaches is provided below.

The Income/Cash Flow Approach is a general way of determining a value indication of a business (or its underlying assets), using one or more methods wherein a value is determined by capitalizing or discounting anticipated future benefits. This approach contemplates the continuation of the operations, as if the business is a “going concern”.

With regards to a company involved in intellectual property development, or the valuation of an intellectual property itself, the Income Approach generally relates to the current value of expected future income or cash flow arising from the potential development of the intellectual property.

The Market Approach to valuation is a general way of determining a value indication of a business or an equity interest therein using one or more methods that compare the subject entity to similar businesses, business ownership interests and securities (investments) that have been sold.

Examples of methods applied under this approach include, as appropriate:

- a. the “Trading Price Method”;
- b. the “Guideline Public Company Method”;
- c. the “Merger and Acquisition Method”;
- and
- d. analyses of prior transactions of ownership interests in the subject entity.

The Cost Approach is based upon the economic principle of substitution. This basic economic principle asserts that an informed, prudent purchaser will pay no more for an asset than the cost to obtain an opportunity of equal utility (that is, either purchase or



construct a similar asset). From an economic perspective, a purchaser will consider the costs that they will avoid and use this as a basis for value.

The Cost Approach typically includes a comprehensive and all-inclusive definition of the cost to recreate an asset. Typically, the definition of cost includes the direct material, labor and overhead costs, indirect administrative costs, and all forms of obsolescence applicable to the asset. With regards to intellectual property-based firms, the Cost Approach involves a review of the historical intellectual property development and expenditures and their contribution to the current value of the business. In cases a discount or premium to depreciated historical development costs may be utilized. The Asset-Based Approach is adopted where either:

- (a) liquidation is contemplated because the business is not viable as an ongoing operation;
- (b) the nature of the business is such that asset values constitute the prime determinant of corporate worth (e.g., a portfolio of intellectual property, marketable securities, or investment holding company, etc.); or
- (c) there are no indicated earnings/cash flows to be capitalized.

If consideration of all relevant facts establishes that the Asset-Based Approach (sometimes a Depreciated Replacement Cost) is applicable, the method to be employed will be either a going-concern scenario (“Adjusted Net Asset Method”) or a liquidation scenario (on either a forced or an orderly basis), depending on the facts.

Lastly, a combination of the above approaches may be necessary to consider the various elements that are often found within companies and/or are associated with various forms assets.

7.0 REVIEW OF FINANCIAL RESULTS

7.1 Historical Financial Results

RwE reviewed: (1) LEGN’s historical audited financial statements as art March 31, 2017 to 2018; and (2) NLS’ provided audited September 30, 2017 and unaudited September 30, 2018 financial statements. The reader should refer to Schedule 1.0 in the Report.

7.2 Financial Plan

NLS’ management provided RwE with its most recent prepared projections. RwE understands that the projections, completed in the second quarter of CY2018, with an internal review, represents NLS management’s estimate as to its possible financial results during the next five-year period. NLS’ management have noted to RwE that management-prepared projections, as in any company, may change due to various circumstances. NLS management have tried their best to estimate a range of future revenues and earnings



based on reasonable assumptions. RWE has considered this and applied discounts when assessing such projections and also delayed all revenues in occurring for one year.

As the Company are only at the early stages of operations, with more capital required, more development and more marketing work needed, it is not uncommon for management to note that projections are subject to change.

8.0 VALUATION AND ANALYSIS

8.1 RWE has assessed the value of LEGN and NLS based on using various traditional valuation approaches.

RWE has examined LEGN and NLS based on a detailed valuation/fairness analysis involving all of the following:

- Depreciated Replacement Cost of the NLS' intangible and tangible assets
- Adjusted Book Value of the NLS
- Modified Discounted Cash Flow (First Chicago)
- Public Guideline - Comparable Transactions - NLS
- Weighting of the above methods
- Economic analysis or market and challenges for the NLS
- Tangible Asset Backing of LEGN and NLS
- Assessment of NLS' management-projected forecasts from the various separate operations
- Review of market characteristics of NLS' current and planned operations now, plus in five plus years
- Review of the agreements between NLS and its business partners
- Review of the ACMPR and Standard Processing licenses in Canada and the Health Canada rules related to growing marijuana and extracting and processing oils
- Reviewed certain competitive offerings related to the planned offerings of NLS by examining public entities and producers
- Schedules 1.0 to 7.0 outlines how RWE assessed the fair market value of NLS. RWE found in its review of the ACMPR and standard processing market in Canada and its findings that the most appropriate means to value the Company was to use a depreciated replacement cost method and some public guideline method for the production of its patents and processes (and then adjusting the book value of NLS).



RwE then used a weighting of the two approaches to value to come up with a realistic range of value of NLS.

- Schedules 8.0 through 10.0 calculates the value of LEGN. In this regard, RwE assessed the value of LEGN used an adjusted tangible asset backing as the most realistic way to value the Company as its trading activity was insufficient.

9.0 FAIRNESS CONSIDERATIONS

9.1 Introduction

The fairness of the Proposed Transaction for the Resulting Issuer Parties is tested by:

- i. assessing the latest available September 30, 2018 NLS financial statements and LEGN's September 30, 2018 financial statements. Assuming there is no material change in such LEGN and/or NLS' financial statements if audits or additional audits were performed on them; and that there are no changes in the LEGN and/or NLS financial statements the date provided and outlined in the Report and the closing of the Proposed Transaction.
- ii. calculating whether the fair market value of the shares held by the existing LEGN and existing NLS shareholders is in at least a comparable range upon completion of the Proposed Transaction with the fair market value of LEGN and NLS prior to completion of the Proposed Transaction.
- iii. Calculating whether all of the Resulting Issuer's Parties are treated fairly.
- iv. considering qualitative factors, such as synergies and costs/risk reduction, that may result from the Proposed Transaction.

There are many events that are assumed will occur between the Valuation Date and the closing of the Proposed Transaction. These events are either conditions of the Proposed Transaction or are necessary aspects of the closing process.

9.2 LEGN and NLS – Post Proposed Transaction

RwE has assessed the following:

- (1) The fair market value of LEGN and NLS, on a pre-Proposed Transaction basis, is based on the methods shown in Schedules 1.0 to 10.0. This was concluded after examining all traditional valuation methods, which included the methods noted in section 8.1 above and other means related to the NLS' business and/or LEGN.
- (2) One fundamental question to the Resulting Issuer's Parties is not necessarily just the value of the combined LEGN and NLS, but whether there are any better alternatives



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to the Proposed Transaction are open to LEGN and/or NLS that are better. LEGN and NLS' Boards/Committees' have both said "no" to RWE.

- (3) Whether the existing LEGN and NLS securityholders (measured as one group and (measured as one group) will be at least in a comparable or better position upon completion of the Proposed Transaction as they were on a pre-Proposed Transaction basis, given that the Proposed Transaction is completed as per all of the documentation that was provided to RWE.

The reader should also note that some of the Resulting Issuer Parties will be given certain warrants (the "Warrants") – as per the LEGN and NLS Arrangement Agreement – that forms part of the overall consideration the Resulting Issuer shareholders shall receive for completing the Proposed Transaction.

10.0 CONCLUSION AS TO FAIRNESS

LEGN and NLS Securityholders are in a Favorable Financial Position Post-Proposed Transaction

Given all of the above, the scope of work performed, and the assumptions made, it is the opinion of RWE that the LEGN and the NLS securityholders are in a more favorable economic position post-Proposed Transaction.

Given all of the above and given the stated terms and conditions of the Proposed Transaction, the LEGN and NLS securityholders are all in a favorable range for their holdings of the combination of LEGN and NLS (the "Resulting issuer") post-Proposed Transaction, as compared to their LEGN and NLS shares viewed separately on a pre-Proposed Transaction basis.

For certainty, RWE has concluded that each of the following parties (the "Resulting Issuer Parties") are in a better position post-Proposed Transaction:

1. *LEGN existing shareholders as at 09/30/2018*
2. *LEGN IPO agent's warrant holders*
3. *NLS existing shareholders as at 09/30/2018*
4. *New Investors in NLS (after \$3m financing or \$8.05m financing) – "PP Holders" – holding NLS financing shares and NLS financing warrants*
5. *Broker's assisting with the \$3m/\$8.05m financing holding NLS agent compensation options*
6. *Resulting Issuer Parties (i.e., all of the above parties)*

RWE also understands that post Proposed Transaction that NLS plans to close an equity financing round of approximately \$3.0 million minimum or \$8.05 million maximum (the "Funding") for Nextleaf just prior to the closing of the Proposed Transaction.



Based upon all of the reviews, analysis and work conducted by RWE as well as subject to all of the foregoing, including the assumptions set out in the Report, RWE is of the opinion, as at the Valuation Date, that the terms (including the consideration to be received by the LEGN and NLS securityholders) of the **Proposed Transaction is fair, from a financial point of view, to ALL of the Resulting Issuer Parties – i.e., ALL securityholders of LEGN and NLS (refer to Schedules 11.0 and 12.0, respectively).** Readers should review the entire Report for a complete review of the basis of the conclusions in the Report.

RWE has been advised by LEGN and NLS' Boards that:

- (a) Each has conducted a process of contacting other third parties regarding an alternative transaction involving deals; and
- (b) the Proposed Transaction provides existing LEGN securityholders and existing NLS securityholders a Proposed Transaction that is in a business area (i.e., vertical cannabis and extraction vertical integration) that is on favorable business and financial terms.

There are a number of additional qualitative factors associated with the completion of the Proposed Transaction that the LEGN securityholders and the NLS securityholders might consider in determining the overall fairness of the Proposed Transaction.

In assessing the fairness of the Proposed Transaction to the Resulting Issuer Parties, RWE has considered, *inter alia*, the following:

1. The LEGN Board and the NLS Board have conducted separate processes to find the best alternative for them and each Board has advised RWE that neither could find any better financial alternatives to the Proposed Transaction given the synergies between all of the Companies. Other potential benefits and issues that may be realized and/or arise subsequent to the completion of the Proposed Transaction.

Certain additional potential benefits/issues are as follows:

- i. The marijuana business in Canada has been expanding according to data available from Health Canada and cannabis researchers – and the fact that the Cannabis Act came into effect on October 17, 2018.
- ii. Investments in cannabis/marijuana businesses have been material in Canada over the last few years.
- iii. Cannabis extraction markets are changing:
 - There seems to be a consensus in the capital markets that the marijuana extraction industry in Canada is still in the early stages of the evolution.



- Initial focus has been on capacity with LP’s raising capital to expand capacity. Most industry analysts are now focused on downstream products and solutions. Nonetheless, many industry pundits believe there will be a supply shortage of marijuana flower at the start of a recreational market.
- Health Canada does appear to be streamlining the ACMPR and Standard Processing license application and approval process.
- The existing Cannabis Act highlights the now larger-scale legalization of cannabis for recreational adult-use.
- RWE finds that in high growth and early-stage industries – like marijuana - EV/Sales has been a realistic way to compare companies against each other.
- Haywood Securities has noted that:

Estimated Recreational Market Size

	2018E	2019E	2020E	2021E	2022E	2023E	2024E
Canadian population over 18	29,391	29,685	29,982	30,282	30,584	30,890	31,199
% of population using cannabis	12.0%	12.5%	13.0%	13.5%	14.0%	14.5%	15.0%
Estimated number of cannabis users	3,527	3,711	3,898	4,088	4,282	4,479	4,680
Grams per user	100	100	100	105	105	110	110
Total Kg required	352,692	371,061	389,763	429,241	449,591	492,699	514,786
Wholesale price assumption	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
Wholesale Market Size (\$/M)	1,763	1,855	1,949	2,146	2,248	2,463	2,574
Retail Price	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00
Retail Market Size (\$/M)	3,174	3,340	3,508	3,863	4,046	4,434	4,633

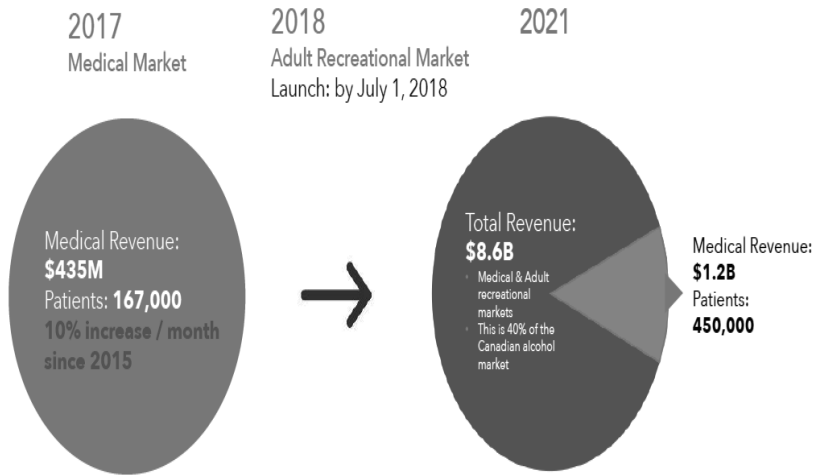
Source: Haywood Securities estimates

- Cannabis oils were 49% of the total product sold in Q1/17, similar to the penetration of extracts/oils in other markets. Hence, oils, or derivative products (e.g., pills) are likely to continue to gain popularity as doctors are more comfortable prescribing medications patients don’t smoke or inhale.
- Health Canada has accelerated the pace of approvals over the past few months through a concerted effort to bring more supply on-line. There are now 132 licensed producers in Canada with many more application in the queue. Many industry pundits believe that while the market will be under-supplied for the first couple of years of a recreational program, that it will eventually turn to an over-supplied market.
- Low cost of greenhouse production will become even more meaningful as the industry evolves and matures and production catches up with demand.



RWE GROWTH PARTNERS, INC.

Cannabis Consumption: Forecasted Exponential Growth



• As of March 31, 2017

Source: Russell Stanley, Echelon Wealth Partners

- Industry analysts are noting that they expect sales of cannabis oils and other products (capsules, etc.) to continue to increase as a proportion of total industry sales as an eventual decline in dried flower pricing occurs.
- iv. Private placements are always challenging for private companies that have not developed consistent positive cash flows over an extended period – even in the cannabis/marijuana markets (though less difficult lately compared to some other businesses) – as more than ACMPR license holders are now in place.
- v. The strength of the 2018 capital markets and the marijuana opportunities in junior marketplaces are not yet as certain as senior markets and it may be challenging for smaller public companies to find other marijuana or other deals that generate consistent, material cash flows and/or raise capital.
- vi. *When one considers the above together, it is reasonable to conclude that the Proposed Transaction is fair, from a financial viewpoint, to the Resulting Issuer Parties.*



RwE GROWTH PARTNERS, INC.

11.0 QUALIFICATIONS, INDEPENDENCE AND CERTIFICATE

11.1 Qualifications

The Report preparation, and related fieldwork and due diligence investigations, were carried out by Richard W. Evans, MBA, CBV, ASA.

Since 1994 Richard W. Evans has been involved in the financial services and management consulting fields and has been involved in the preparation of over 2,350 technical and assessment reports, business plans, valuations, and feasibility studies.

Richard Evans is a Principal of RWE. He has almost twenty-years of experience working in the areas of valuation, litigation support, mergers & acquisitions and capital formation. He has more than ten years of management experience in the high-tech field where he held various positions in technical support, marketing, project manager, channels management and senior management positions.

Prior to focusing on expanding and diversifying a small financial consulting firm, Richard was extensively involved in the high technology sector in Western Canada and the U.S. Pacific Northwest where he served for two years as the General Manager of Sidus Systems Inc.

At Sidus he was directly responsible for managing the firm's C\$15 million business operation throughout Western Canada and the Pacific Northwest. Previous to this, he spent almost nine years with Digital Equipment of Canada Limited where he was involved in a technical support, sales, marketing, project management and eventually channels management capacity.

Richard has been actively involved in the above professional services with hundreds of companies and has served as a Board Member for a select number of public and private firms.

His area of professional expertise is in middle market and micro-cap technology and industrial companies, especially firms needing advice and assistance with their business plans, operating plans and valuations. He has undertaken both buy side and sell side engagements.

Richard has conducted numerous valuations and fairness opinions for biotechnology, health sciences and general medical companies during the past twenty years for various courts, for the TSX-V, TSX, AMEX, NASDAQ as well as for other stock exchanges in Australia, Europe and Asia.

Richard has conducted numerous valuations assignments, fairness opinions, business assessments and plans for pharmaceutical and marijuana processing, growing and retail-related companies. A small sample of these more Canadian focused include:



RWE GROWTH PARTNERS, INC.

Abbatis Pharmaceuticals	Sundial Growers, Inc.
Alternative Extracts Inc.	Arcturus Growth
BioHEP	ThunderBird
Canna Royalties	Cannastrips
Dragon Pharmaceuticals	Entertopia Corp.
GardenMeds, Inc.	Marapharm Ventures
Medicann	Naturally Splendid
Nutrilife Plant Products	Western AgriPharma
Greenshield Cannabis	Valley Healing Group
Envy Cannabis	Cannabunker
DV Infrastructure Corp.	Tabu Equity
GardenMeds	MediLeaf

He has also undertaken work used on and relied upon by public companies and regulatory bodies in Canada, the United States, Europe and Asia. He has undertaken valuation work for the Courts in British Columbia, Alberta and Australia as well as for the Family Court in B.C.

Richard is extensively involved in sports coaching management and volunteer work throughout BC helping young adults and volunteer associations.

He obtained his Bachelor of Business Administration degree from Simon Fraser University, British Columbia in 1981 as well as completed his Master's degree in Business Administration at the University of Portland, Oregon in 1984 (where he graduated with honors).

Richard holds the professional designations of Chartered Business Valuator and Accredited Senior Appraiser.

He is a member in good standing with both the Canadian Institute of Chartered Business and the American Society of Appraisers.



11.2 Independence and Certification

The analyses, opinions, calculations and conclusions were developed, and this Report has been prepared in accordance with the standards set forth by the Canadian Institute of Chartered Business Valuators and the American Society of Appraisers.

RwE was paid a professional fee including out-of-pocket disbursements for the preparation of the Report and was paid at the time of commencement and completion of the work and it was not based in any manner on any transaction occurring or event(s). The fee established for the Report has not been contingent upon the outcome of the Report, or by the value or other opinions presented.

RwE has no present or prospective relationship with or interest in LEGN and/or NLS and/or any entity / company / individual that is the subject of this Report.

RwE – and its principal Richard W. Evans - has no personal interest with respect to any of the parties or Companies or persons involved in the Proposed Transaction.

RwE GROWTH PARTNERS, INC.



Richard W Evans, MBA, CBV, ASA
Principal
Office: (778) 373-5432

Chartered Business Valuator – Canadian Institute of Chartered Business Valuators
Accredited Senior Appraiser – American Society of Appraisers



RwE GROWTH PARTNERS, INC.

Nextleaf Solutions Ltd.

Balance Sheet

Schedule 1.0

as at the Valuation Date

Canadian Dollars

	As at September 30, 2018	As at September 30, 2017	As at September 30, 2016
	Management-Prepared Unaudited	Davidson & Company LLP Audited	Davidson & Company LLP Audited
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 802,872	\$ 342,572	\$ -
Inventory	\$ 26,080	\$ -	\$ -
Receivables	\$ 93,665	\$ 203,881	\$ -
Prepaid expenses and deposits	\$ 130,713	\$ 81,235	\$ -
Due from related parties	\$ 101,476	\$ 100,000	\$ -
Subscriptions receivable	\$ 770,789	\$ 74,495	\$ -
Total Current Asset	\$ 1,925,595	\$ 802,183	\$ -
Fixed Assets			
Equipment deposits	\$ 65,704	\$ 336,996	\$ -
Capital assets & equipment	\$ 2,893,962	\$ 869,053	\$ -
Loan receivable	\$ 25,000	\$ -	\$ -
Total Non-Current Assets	\$ 2,984,666	\$ 1,206,049	\$ -
TOTAL ASSETS	\$ 4,910,261	\$ 2,008,232	\$ -
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	\$ 649,834	\$ 141,681	\$ 2,016
Promissory note	\$ -	\$ 2,462	\$ -
Total Current Liabilities	\$ 649,834	\$ 144,143	\$ 2,016
LONG TERM LIABILITIES			
Total Long Term Liabilities	\$ -	\$ -	\$ -
TOTAL LIABILITIES	\$ 649,834	\$ 144,143	\$ 2,016
SHAREHOLDERS' EQUITY			
Share capital	\$ 6,904,767	\$ 1,982,637	\$ 5,000
Warrant reserve	\$ 37,500	\$ 48,320	\$ -
Subscriptions received in advance	\$ -	\$ 342,645	\$ -
Deficit	\$ (2,681,840)	\$ (509,512)	\$ (7,016)
Total Equity / Book Value	\$ 4,260,427	\$ 1,864,090	\$ (2,016)
TOTAL LIABILITIES & EQUITY	\$ 4,910,261	\$ 2,008,232	\$ -

Note - Davidson & Company, LLP have audited the Company since incorporation

Nextleaf Solutions Ltd.

Tangible Asset Backing

as at the Valuation Date

Canadian Dollars

Schedule 2.0

	Company		TAB		
	Unadjusted	Adjustments	Adjusted		Notes
CURRENT ASSETS					
Cash and cash equivalents	\$ 802,872	\$ -	\$ 802,872		
Inventory	\$ 26,080	\$ -	\$ 26,080		1
Receivables	\$ 93,665	\$ -	\$ 93,665		2
Prepaid expenses and deposits	\$ 130,713	\$ -	\$ 130,713		
Due from related parties	\$ 101,476	\$ (101,476)	\$ -		3
Subscriptions receivable	\$ 770,789	\$ -	\$ 770,789		
Adjusted Current Assets			\$ 1,824,119		
less: CURRENT LIABILITIES					
Accounts payable and accrued liabilities	\$ 649,834	\$ -	\$ 649,834		
Promissory note	\$ -	\$ -	\$ -		
Adjusted Current Liabilities			\$ 649,834		
WORKING CAPITAL					
			\$ 1,174,285		
plus: FIXED ASSETS					
Equipment deposits	\$ 65,704	\$ -	\$ 65,704		4
Capital assets & equipment	\$ 2,893,962	\$ -	\$ 2,893,962		4
Adjusted Other Assets			\$ 2,959,666		
less: Long Term Liabilities					
			\$ -		
Assets less Liabilities			\$ 4,133,951		
Tangible Asset Backing, Say					
			\$ 4,130,000		

Notes

1 - there is no evidence found to indicate this should be written down.

2 - there is no evidence found to indicate this should be written down.

3 - due from related parties is assumed to not be collectible.

4 - there is no evidence found to indicate this should be written down. Equipment was reviewed and the actual NLS

Extraction & Distillation System was independently viewed by RWE. BV = FMV.

Nextleaf Solutions Ltd.
Leverage Analysis Calculation
as at the Valuation Date

Schedule 3.0

Canadian dollars	Valuation Date	Factor	Margin	
<u>Security - Margin Analysis</u>				
Current Assets				
Cash and bank deposits	\$ 802,872	100%	\$ 802,872	
Accounts receivable	\$ 93,665	75%	\$ 70,249	
Inventory	\$ 26,080	60%	\$ 15,648	
			\$ 888,769	
Property, Building and Equipment, net	\$ 2,893,962	20%	\$ 578,792	
Total			\$ 578,792	
			\$ 1,467,561	A
<u>Times Interest Earned Coverage</u>			<u>TIE</u>	
EBIT			\$ (428,424)	
Interest Rate			5.5%	
Industry Times Interest Earned			3.50	
Times Interest Earned Amount			\$ (2,225,579)	B
<u>Ratio Analysis</u>				
		<u>Company</u>	<u>Industry/Competitors</u>	
Current Ratio		2.96	2.50	
Debt:Equity Ratio		n/a	3.00	
			0	C
<u>Notional - None</u>				0
<u>Required Minimum Investment, net</u>				2,700,000

Notes:

Times Interest Earned based on industry comparison

Financial Strength	Marijuana Industry - North America
Current Ratio (MRQ)	2.50
LT Debt to Equity (MRQ)	3.00
Total Debt to Equity (MRQ)	3.00
Interest Coverage (TTM)	3.50

From: New Cannabis News, Reuters Inc. and Yahoo Finance, 2018

Nextleaf Solutions Ltd.
Financial Projection
For the Periods ending

Schedule 4.0

	Mar-19	Jun-19	Sept-19	Dec-19	CY 2019	Mar-20	Jun-20	Sept-20	Dec-20	CY 2020	Mar-21	Jun-21	Sept-21	Dec-21	CY 2021	
Revenue	1,186,000	1,779,000	3,976,500	6,638,750	13,580,250	5,968,125	12,023,708	17,457,592	23,348,018	62,797,443	27,614,019	31,595,739	35,581,254	39,270,639	134,361,651	
Cost of sales	33,200	143,300	2,582,601	4,031,436	8,809,337	3,947,109	8,971,132	12,883,839	17,480,359	47,467,401	15,612,022	17,869,828	19,402,268	21,679,732	75,865,452	
-	355,800	253,700	1,939,809	2,671,344	4,678,653	4,821,610	5,092,250	3,693,533	11,641,119	27,250,039	12,537,957	14,327,911	16,119,004	17,711,257	60,898,119	
Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
General and administration	305,650	351,498	404,222	464,855	1,526,225	534,584	614,771	706,987	813,035	2,660,377	934,900	1,075,239	1,236,525	1,422,003	4,668,757	
Professional fees and consulting	30,000	33,000	36,300	39,930	139,230	43,923	48,315	53,147	58,462	203,347	64,308	70,738	77,812	85,594	298,452	
Research and development	75,000	86,250	99,188	114,066	374,503	131,175	150,852	173,480	199,501	655,008	229,427	263,841	303,417	348,929	1,145,614	
Hardware division	-	-	742,750	946,500	736,400	742,750	946,500	736,400	742,750	3,168,400	946,500	742,750	742,750	946,500	3,372,150	
Sales and marketing	37,500	46,875	58,594	73,242	216,211	91,553	114,441	143,051	178,814	527,859	223,517	279,397	349,246	436,557	1,288,718	
-	448,150	1,260,375	1,543,803	1,428,935	4,081,819	1,343,985	1,874,879	1,813,005	1,992,502	7,224,430	2,398,742	2,453,615	2,709,750	3,239,284	10,775,600	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Income (loss) for the period	92,350	2,006,933	1,389,994	1,178,851	8,834	2,477,921	3,177,671	3,882,289	8,463,537	20,065,548	10,139,213	11,962,286	13,469,234	14,671,603	50,722,430	
EBITDA	-	-	92,350	226,673	47,006	1,378,851	2,677,031	3,377,671	6,082,289	8,665,557	20,805,548	10,139,215	12,102,286	13,609,254	14,871,673	50,922,438

Nextleaf Solutions Ltd.

Relief from Royalty Analysis as at the Valuation Date

Schedule 6.0

Extraction & Distillation Systems and Related Intangibles							
One-Year Delay on Revenues - RWE							
U.S. dollars		2020	2021	2022	2023	2024	Residual
Management Projections - Extraction/Distillations - Oils		\$ 13,580,250	\$ 62,797,443	\$ 134,361,651	\$ 161,233,981	\$ 185,419,079	
Churn	1.0%		\$ 627,974	\$ 1,343,617	\$ 1,612,340	\$ 1,854,191	
Revenues Post - Churn		\$ 13,580,250	\$ 62,169,468	\$ 133,018,035	\$ 159,621,642	\$ 183,564,888	
Net Royalty Percentage and Resulting Savings	5.0%	\$ 679,013	\$ 3,108,473	\$ 6,650,902	\$ 7,981,082	\$ 9,178,244	
Administrative / Maintenance Costs		\$ 13,580	\$ 62,169	\$ 133,018	\$ 159,622	\$ 183,565	
Before Tax		\$ 665,432	\$ 3,046,304	\$ 6,517,884	\$ 7,821,460	\$ 8,994,680	
Provision for Income Taxes - per management & adjustments	30.0%	\$ 199,630	\$ 913,891	\$ 1,955,365	\$ 2,346,438	\$ 2,698,404	
After-tax Royalty Savings		\$ 465,803	\$ 2,132,413	\$ 4,562,519	\$ 5,475,022	\$ 6,296,276	
Present Value	15.0%	\$ 405,046	\$ 1,729,118	\$ 3,449,920	\$ 3,860,480	\$ 4,139,903	\$ 41,975,171 \$ 27,599,356
Present Value	18.0%	\$ 394,748	\$ 1,663,598	\$ 3,276,730	\$ 3,619,769	\$ 3,832,108	\$ 34,979,309 \$ 21,289,487
PV of Total Savings over Five Years		<u>Total PV at 18%</u>	<u>Total PV at 15%</u>				
		<u>\$ 12,786,952</u>	<u>\$ 13,584,466</u>				
Residual Multiple	6.67 15.0%						
	5.56 18.0%					\$ 13,584,466	
Residual Amount		\$ 21,289,487	\$ 27,599,356				
Total		<u>\$ 34,076,440</u>	<u>\$ 41,183,822</u>				
Tax Amortization Benefit		<u>\$8,723,406</u>	<u>\$11,325,610</u>				
Less: Capital Required Year 1 to implement business		\$ 2,700,000	\$ 2,700,000	Assumption: Capital is raised as at Closing of Proposed Transaction			
Less: Capital Required Years 3 to 5		\$ 14,300,000	\$ 14,300,000				
Fair Market Value, say		\$ 25,800,000	\$ 35,500,000	Average	\$ 30,650,000		

Expanded Notes and Assumptions and Comparison to a Transaction:

Revenue growth is accomplished through stated Business Plan.

The commercial life expectancy of these Assets is ten+ years.

Royalty Rate range of 4% to 6% appears reasonable for these types of assets based on online sources and firms - Pratts DealerStats, kMine, Markables and BVR.

Administration/maintenance costs are those only associated with managing the royalty stream.

Residual multiple based on comparable review of parties noted in the Report.

Income tax rate per management disclosure and reporting.

Tax Amortization Benefit			
Amortization Period		5	5
Present Value of Cash Flows		\$34,076,440	\$41,183,822
Discount Rate		18.0%	15.0%
Tax Rate		30.0%	30.0%
Tax Amortization Benefit		<u>\$8,723,406</u>	<u>\$11,325,610</u>

Nextleaf Solutions Ltd.

Discount Rate Selection - License and Intangibles as at the Valuation Date

Canadian Dollars

Schedule 7.0

Assumptions

Risk Free Rate 2.0%
Prime Rate 5.0%
ACMPR Standard Processing License Specific Risk 5.0%

Cost of Debt 12.0%
Tax Rate 30.0%

Cost of Equity

Market risks 3.28%
Adjusted large cap equity risk premia 8.28%
Small cap equity risk premia 3.45%
Company specific risk 5.00%
Required equity return to induce investment in Company 20.01%

Industry Average
Debt to Equity Ratio
Debt 25.0%
Equity 75.0%

Debt
Equity

Weighted Average Cost of Capital

WACC

= Cost of Debt (1-tax rate) (Debt / Total Capital) + Cost of Equity (Equity / Total Capital)
17.11%

Legion Metals Corp.

Balance Sheet

as at the Valuation Date

Canadian Dollars

Schedule 9.0

	As at September 30 2018	As at March 31 2018
	Mgt Compiled	Audited
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents	\$ 149,295	\$ 188,763
Restricted cash	\$ 8,716	\$ 10,237
Receivables	\$ 3,543	\$ 10,692
Total Current Asset	\$ 161,554	\$ 209,692
Other Assets		
Exploration and evaluation properties	\$ 150,000	\$ 150,000
Equipment	\$ 108,037	\$ 132,046
Total Non-Current Assets	\$ 258,037	\$ 282,046
TOTAL ASSETS	\$ 419,591	\$ 491,738
<u>LIABILITIES</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 19,049	\$ 27,606
Total Current Liabilities	\$ 19,049	\$ 27,606
LONG TERM LIABILITIES		
Other debt	\$ -	\$ -
Total Long Term Liabilities	\$ -	\$ -
TOTAL LIABILITIES	\$ 19,049	\$ 27,606
<u>SHAREHOLDERS' EQUITY</u>		
Share capital	\$ 698,045	\$ 698,045
Reserves	\$ 60,901	\$ 60,901
Deficit	\$ (358,404)	\$ (294,814)
Total Equity / Book Value	\$ 400,542	\$ 464,132
TOTAL LIABILITIES & EQUITY	\$ 419,591	\$ 491,738

Legion Metals Corp.

Tangible Asset Backing and Adjusted Tangible Asset Backing as at the Valuation Date

Schedule 10.0

Canadian dollars	Book Value	Adjustments	Adjustments	TAB	TAB	Notes
	September 30, 2018			Date	at Valuation Date	
Assets						
Current Assets						
Cash and cash equivalents	\$ 149,295	\$ -	\$ -	\$ 149,295	\$ 149,295	
Accounts and trade receivables	\$ 8,716	\$ -	\$ -	\$ 8,716	\$ 8,716	
Subscription receivables	\$ 3,543	\$ -	\$ -	\$ 3,543	\$ 3,543	
Total Current Assets	\$ 161,554			\$ 161,554	\$ 161,554	
Current Liabilities						
Accounts payable and accrued liabilities	\$ 19,049	\$ -	\$ -	\$ 19,049	\$ 19,049	
Total Current Liabilities	\$ 19,049			\$ 19,049	\$ 19,049	
Capital and/or Other Assets						
Exploration and evaluation properties	\$ 150,000	\$ (150,000)	\$ (150,000)	\$ -	\$ -	1
Equipment	\$ 108,037	\$ (34,037)	\$ (34,037)	\$ 74,000	\$ 74,000	2
Equipment	\$ 258,037			\$ 74,000	\$ 74,000	
Long-term or Other Liabilities						
Total	\$ -	\$ -	\$ -	\$ -	\$ -	
Tangible Asset Backing, say				\$ 220,000	\$ 220,000	
Less: 30 days of working capital				\$ 10,000	\$ 10,000	
Add: FMV being CSE Listed Company				\$ 450,000	\$ 550,000	3
				\$ 660,000	\$ 760,000	
Adjusted Tangible Asset Backing, say				\$ 500,000	\$ 620,000	
CSE Public Company*				\$ 500,000	\$ 620,000	

* FMV also reflects "Spin Out" of Exploration Properties and the fact that LEGN Shareholders are getting shares in NewCo.

Notes

- Removed this BV as LEGN provided RWE no evidence such assets had any realizable cash value as at the Valuation Date.
- Reduced the Equipment to \$74,000 based on Mgt. and Legal Council Disclosures that LEGN has received \$74,000 for sale of its cryptocurrency equipment.
- Review of transactions involving CSE shell companies indicates prices paid in the \$600,000+ range during 2016/2017/2018.

\$ 710,000 **\$ 830,000**

SCHEDULE "G"

Annual Financial Statements of Legion for the fiscal years ended March 31, 2017 and 2018
for the 3 month interim period ended June 30, 2018

Legion Metals Corp.
Financial Statements
(Expressed in Canadian Dollars)
March 31, 2018

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Legion Metals Corp.

We have audited the accompanying financial statements of Legion Metals Corp., which comprise the statements of financial position as at March 31, 2018 and 2017 and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the year ended March 31, 2018 and period of incorporation from December 8, 2016 to March 31, 2017, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Legion Metals Corp. as at March 31, 2018 and 2017 and its financial performance and its cash flows for the year ended March 31, 2018 and period of incorporation on December 8, 2016 to March 31, 2017 in accordance with International Financial Reporting Standards.



Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Legion Metals Corp.'s ability to continue as a going concern.

“DAVIDSON & COMPANY LLP”

Vancouver, Canada

Chartered Professional Accountants

July 24, 2018

Legion Metals Corp.
 Statements of Financial Position
 As at March 31, 2018
 (Expressed in Canadian Dollars)

	2018	2017
	\$	\$
Assets		
Current		
Cash	188,763	121,866
Restricted cash (Note 4)	10,237	
Receivables	10,692	-
Share subscription receivable (Note 7)	-	2,000
	<u>209,692</u>	<u>123,866</u>
Exploration and evaluation properties (Note 5)	150,000	-
Equipment (Note 6)	<u>132,046</u>	<u>-</u>
	<u>491,738</u>	<u>123,866</u>
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 8)	<u>27,606</u>	<u>14,920</u>
	<u>27,606</u>	<u>14,920</u>
Shareholders' Equity		
Share capital (Note 7)	698,045	124,500
Reserves (Note 7)	60,901	-
Deficit	<u>(294,814)</u>	<u>(15,554)</u>
	<u>464,132</u>	<u>108,946</u>
	<u>491,738</u>	<u>123,866</u>

Nature and Continuance of Operations (Note 1)

Approved and Authorized by the Board on July 24, 2018:

" Peter Smith " Director

" Paul Pedersen " Director

The accompanying notes are an integral part of these financial statements.

Legion Metals Corp.

Statement of Loss and Comprehensive Loss
For the year ended March 31, 2018 and the
period of incorporation from December 8, 2016 to
March 31, 2017

(Expressed in Canadian Dollars)

	2018	2017 (113 days)
	\$	\$
Digital assets sold	10,289	-
Cost of digital assets sold (Note 11)	<u>(17,644)</u>	<u>-</u>
	(7,355)	-
Expenses		
General and administration	7,496	34
Filing fees	38,374	-
Property investigation	1,600	2,500
Professional fees (Note 8)	74,435	13,020
Share-based compensation (Note 7 and 8)	<u>7,000</u>	<u>-</u>
	(128,905)	(15,554)
	<u>(136,260)</u>	<u>(15,554)</u>
Loss on impairment of equipment (Note 6)	<u>(143,000)</u>	<u>-</u>
Loss and comprehensive loss for the period	<u>(279,260)</u>	<u>(15,554)</u>
Loss and comprehensive loss per share, basic and diluted	<u>(0.03)</u>	<u>(0.28)</u>
Weighted average number of common shares outstanding	<u>10,583,468</u>	<u>55,088</u>

The accompanying notes are an integral part of these financial statements.

Legion Metals Corp.

Statement of Cash Flows

For the year ended March 31, 2018 and
period of incorporation from December 8, 2016 to
March 31, 2017

(Expressed in Canadian Dollars)

	2018	2017
	\$	(113 days) \$
Cash provided by (used in)		
Operating activities		
Loss for the period	(279,260)	(15,554)
Charges not involving cash		
Depreciation	12,004	-
Share-based compensation	7,000	-
Property investigation	-	2,500
Impairment of equipment	143,000	-
Changes in operating assets and liabilities:		
Increase in restricted cash	(10,237)	-
Increase in receivables	(10,692)	-
Increase in accounts payable and accrued liabilities	12,686	14,920
Cash provided by (used in) operating activities	<u>(125,499)</u>	<u>1,866</u>
Financing activities		
Share subscription received	2,000	-
Proceeds from issuance of common shares, net of commission	334,446	120,000
Cash provided by (used in) financing activities	<u>336,446</u>	<u>120,000</u>
Investing activities		
Acquisition of equipment	(144,050)	-
Cash provided by (used in) investing activities	<u>(144,050)</u>	<u>-</u>
Change in cash	66,897	121,866
Cash, beginning of period	<u>121,866</u>	<u>-</u>
Cash, end of period	<u>188,763</u>	<u>121,866</u>

Supplemental disclosure of non-cash transactions.

Common shares issued for property	\$150,000	\$nil
Common shares issued for equipment	\$110,000	\$nil
Share options issued for equipment	\$33,000	\$nil
Warrants issued as commission for IPO, netted against equity	\$20,901	\$nil
Subscriptions receivable included in share capital	\$nil	\$2,000
Amounts paid for interest	\$nil	\$nil
Amounts paid for taxes	\$nil	\$nil

The accompanying notes are an integral part of these financial statements.

Legion Metals Corp.

Statement of Changes in Shareholders' Equity (Expressed in Canadian Dollars)

	Common Shares	Share Capital	Reserves	Deficit	Total Equity
	\$	\$	\$	\$	\$
Balance at December 8, 2016 (inception)					
Common shares issued for cash	6,100,000	122,000	-	-	122,000
Common shares issued for property investigation	125,000	2,500	-	-	2,500
Loss for the period	-	-	-	(15,554)	(15,554)
Balance at March 31, 2017	6,225,000	124,500	-	(15,554)	108,946
Share-based compensation	-	-	7,000	-	7,000
Common shares issued for exploration property	1,500,000	150,000	-	-	150,000
Common shares issued for cash - IPO	4,039,600	403,960	-	-	403,960
Share issuance cost - IPO	-	(90,415)	20,901	-	(69,514)
Common shares issued for cryptocurrency mining equipment	1,000,000	110,000	-	-	110,000
Share options issued for cryptocurrency mining equipment	-	-	33,000	-	33,000
Loss for the period	-	-	-	(279,260)	(279,260)
Balance at March 31, 2018	12,764,600	698,045	60,901	(294,814)	464,132

The accompanying notes are an integral part of these financial statements.

Legion Metals Corp.

Notes to Financial Statements
(Expressed in Canadian Dollars)

March 31, 2018

1. Nature and Continuance of Operations

Legion Metals Corp. (the “Company”) was incorporated under the laws of the province of British Columbia on December 8, 2016. On December 12, 2017, the Company completed its initial public offering (“IPO”) (Note 7) and is now publicly traded on the Canadian Securities Exchange (“CSE”) under the ticker LEGN. The Company is a mining exploration company that is exploring for gold and other precious metals in Nova Scotia. In January 2018, the Company acquired assets for the purpose of generating digital assets (Note 6).

The Company’s registered and records office is 1090 West Georgia Street, Suite 600, Vancouver, British Columbia, V6E 3V7.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that the Company will obtain the necessary financing to complete the exploration and development of mineral property interests, or that the current or future exploration and development programs of the Company will result in profitable mining operations. In addition to ongoing working capital requirements, the Company must secure sufficient funding to meet its existing commitments, including conducting minimum exploration and evaluation programs and paying for general and administrative expenses. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern.

2. Statement of compliance and basis of presentation

The financial statements of the Company were approved and authorized for issue by the Board of Directors on July 24, 2018.

The Company’s financial statements have been prepared on the historical cost basis except for certain financial statements which are measured at fair value, as explained in Note 3, and are presented in Canadian dollars except where otherwise indicated.

The financial statements of the Company, have been prepared in accordance with and using accounting policies in full compliance with International Financial Reporting Standards (“IFRS”) as published by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

Legion Metals Corp.

Notes to Financial Statements
(Expressed in Canadian Dollars)

March 31, 2018

3. Summary of Significant Accounting Policies

Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of judgement include the assessment of the Company's ability to continue as a going concern as discussed in Note 1 involves judgment regarding future funding available for its operations and working capital requirements. The selection of appropriate accounting policy related digital assets inventory and the sale of digital assets requires significant judgement as currently no specific IFRS directly addresses digital assets.

Areas requiring a significant degree of estimation include the fair value measurements for financial instruments and share-based payments, the valuation of all liability and equity instruments, the valuation and recognition of digital asset inventories and the value and useful life of equipment. Actual results may differ from those estimates.

These financial statements have been prepared on a basis which assumes the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. In assessing whether this assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. This assessment is based upon planned actions that may or may not occur for a number of reasons including the Company's own resources and external market conditions.

Cash

Cash is defined as cash on hand, cash held in trust and in bank.

Equipment

Equipment is stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. A prorated amount of depreciation is recorded in the year of acquisition or disposition, based on the number of months the equipment is in use.

The Company's equipment is depreciated on a straight-line basis over three years. Estimated useful lives are reviewed by management and adjusted if necessary.

Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced. Repairs and maintenance costs are charged to profit or loss during the period in which they are incurred.

Legion Metals Corp.

Notes to Financial Statements
(Expressed in Canadian Dollars)

March 31, 2018

3. Summary of Significant Accounting Policies (Continued)

Significant accounting judgements, estimates and assumptions (continued)

Exploration and evaluation properties

Acquisition costs for exploration and evaluation assets include the cash consideration and the fair value of equity instruments issued for exploration and evaluation assets pursuant to agreement terms. Exploration and evaluation expenditures are expensed. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Option payments received are treated as a reduction of the carrying value of the related exploration and evaluation properties and deferred costs until the receipts are in excess of costs incurred, at which time they are credited to income. Option payments are at the discretion of the optionee, and accordingly, are recorded on a cash basis.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use at that time.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment. Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Decommissioning, restoration and similar liabilities

The Company recognizes provisions for statutory, contractual, constructive or legal obligations associated with the reclamation of mineral properties and retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future cost estimates arising from the decommissioning of plant, site restoration work and other similar retirement activities is added to the carrying amount of the related asset and depreciated on the same basis as the related asset, along with a corresponding increase in the provision in the period incurred. Discount rates using a pre-tax rate that reflect the current market assessments of the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the provision.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period. The net present value of reclamation costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred. The costs of reclamation projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation properties.

Legion Metals Corp.

Notes to Financial Statements
(Expressed in Canadian Dollars)

March 31, 2018

3. Summary of Significant Accounting Policies (Continued)

Significant accounting judgements, estimates and assumptions (continued)

Digital assets

Digital assets consist of cryptocurrency denominated assets. Digital assets are recognized in accordance with IAS 2 as inventory measured at the lower of cost and net realizable value ("NRV"). The cost consists of direct costs attributable to mining the digital asset. Upon conversion of digital assets for other currencies, proceeds are recognized as a sale for the period. As at this reporting date, there is no formal IFRS standard for digital assets; however, digital assets meet specific accounting criteria to be held as inventories.

The digital asset market is still a new market and is highly volatile; historical prices are not necessarily indicative of future value; a significant change in the market prices for digital assets would have an impact on the Company's earnings and financial position.

Recognition of digital asset sales

The Company recognizes sales in accordance with IAS 18, based on consideration received on digital asset inventory, which it receives from providing transaction verification services within digital currency networks, commonly termed "cryptocurrency mining". As consideration for these services, the Company receives digital assets from each specific network in which it participates ("coins") and the cost of mining these digital assets are recorded as inventory. A sale is recognized upon conversion of the digital asset to another currency such as cash.

There is currently no specific definitive guidance in IFRS or alternative accounting frameworks for the accounting for the production and mining of digital currencies and management has exercised significant judgement in determining appropriate accounting treatment for the recognition of revenue for mining of digital currencies. In the event authoritative guidance is enacted by the IASB, the Company may be required to change its policies which could result in a change in the Company's financial position and earnings.

Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net earnings (loss) attributable to common shareholders by the weighted average number of common shares outstanding during the reporting period.

Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that (i) net earnings (loss) attributable to common shareholders are adjusted for fair value gains or losses of warrants (if dilutive) and (ii) the weighted average number of common shares outstanding is adjusted for the number of shares that are potentially issuable in connection with stock options and warrants (if dilutive). Under this method, the Company assumes that outstanding dilutive stock options and warrants were exercised and that the proceeds from such exercises (after adjustment of any unvested portion of stock options) were used to acquire common stock at the average market price during the reporting periods. For the period presented, this calculation proved to be anti-dilutive.

Legion Metals Corp.

Notes to Financial Statements
(Expressed in Canadian Dollars)

March 31, 2018

3. Summary of Significant Accounting Policies (Continued)

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the country where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income (loss) or equity is recognized in other comprehensive income (loss) or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is provided for, based on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Financial assets

Financial assets are classified as financial assets at fair value through profit or loss ("FVTPL"), held-to-maturity, loans and receivables, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition. Financial assets are recognized initially at fair value. The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at FVTPL

Financial assets are classified as held for trading and are included in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives, other than those designated as effective hedging instruments, are also categorized as held for trading. These assets are carried at fair value with gains or losses recognized in profit or loss. Transaction costs associated with financial assets at FVTPL are expensed as incurred. Cash is included in this category of financial assets.

Legion Metals Corp.

Notes to Financial Statements
(Expressed in Canadian Dollars)

March 31, 2018

3. Summary of Significant Accounting Policies (Continued)

Financial assets (continued)

Held-to-maturity and loans and receivables

Held-to-maturity and loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost using the effective interest method if the time value of money is significant. Gains and losses are recognized in profit or loss when the financial asset classified in this category are derecognized or impaired, as well as through the amortization process. Transaction costs are included in the initial carrying amount of the asset. Receivables are included and loans and receivables.

Available-for-sale

Available-for-sale financial assets are those non-derivative financial assets that are not classified as loans and receivables. After initial recognition, available-for-sale financial assets are measured at fair value, with gains or losses recognized within other comprehensive income. Accumulated changes in fair value are recorded as a separate component of equity until the investment is derecognized or impaired. Transaction costs are included in the initial carrying amount of the asset.

The fair value is determined by reference to bid prices at the close of business on the reporting date. Where there is no active market, fair value is determined using valuation techniques. Where fair value cannot be reliably measured, assets are carried at cost.

Derivatives designated as hedging instruments in an effective hedge

The Company does not hold or have any exposure to derivative instruments.

Financial liabilities

Financial liabilities are classified as financial liabilities at FVTPL, derivatives designated as hedging instruments in an effective hedge, or as financial liabilities measured at amortized cost, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. The measurement of financial liabilities depends on their classification, as follows:

Financial liabilities at FVTPL

Financial liabilities at FVTPL has two subcategories, including financial liabilities held for trading and those designated by management on initial recognition. Transaction costs on financial liabilities at FVTPL are expensed as incurred. These liabilities are carried at fair value with gains or losses recognized in profit or loss.

Legion Metals Corp.

Notes to Financial Statements
(Expressed in Canadian Dollars)

March 31, 2018

3. Summary of Significant Accounting Policies (Continued)

Financial liabilities (continued)

Financial liabilities measured at amortized cost

All other financial liabilities are initially recognized at fair value, net of transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognized respectively in interest, other revenues and finance costs. Accounts payables and accrued liabilities are included in this category of financial liabilities.

Derivatives designated as hedging instruments in an effective hedge

The Company does not hold or have any exposure to derivative instruments.

Impairment of financial assets

Financial assets, other than financial assets at FVTPL, are assessed for indicators of impairment at each period end.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost have been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced, with the amount of the loss recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

Available-for-sale

If an available-for-sale financial asset is impaired, the cumulative loss previously recognized in equity is transferred to profit or loss. Any subsequent recovery in the fair value of the asset is recognized within other comprehensive income.

Legion Metals Corp.

Notes to Financial Statements
(Expressed in Canadian Dollars)

March 31, 2018

3. Summary of Significant Accounting Policies (Continued)

Derecognition of financial assets and liabilities

Financial assets are derecognized when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

For financial liabilities, they are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Impairment of non-financial assets

The carrying amount of the Company's assets is reviewed for an indication of impairment at the end of each reporting period. If an indication of impairment exists, the Company makes an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. Recoverable amount of an asset group is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money. Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

Share capital

Common shares are included as shareholders' equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from shareholders' equity. Common shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued.

The Company has adopted a residual value method with respect to the measurement of warrants attached to private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in the private placements to be the more easily measurable component. The balance, if any, is allocated to the attached warrants. Any value attributed to the warrants is recorded as warrant reserve.

Legion Metals Corp.

Notes to Financial Statements
(Expressed in Canadian Dollars)

March 31, 2018

3. Summary of Significant Accounting Policies (Continued)

Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments on the date of grant. Fair value is measured using the Black-Scholes option pricing model. The fair value determined at the grant date of the equity-settled share-based payments is expensed as services are rendered over the vesting period, based on the Corporation's estimate of the shares that will eventually vest and adjusted for the effect of non-market based vesting conditions. For share-based payment awards with non-market vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no-true-up for differences between expected and actual outcomes.

Equity-settled share-based payment transactions with parties other than employees and those providing similar services are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Accounting standards issued but not yet effective

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.

Effective for annual periods beginning on or after January 1, 2018

IFRS 9, *Financial Instruments – Classification and Measurement*

IFRS 9 is a new standard on financial instruments that will replace IAS 39, *Financial Instruments: Recognition and Measurement*.

IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as derecognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss.

Legion Metals Corp.

Notes to Financial Statements
(Expressed in Canadian Dollars)

March 31, 2018

3. Summary of Significant Accounting Policies (Continued)

Accounting standards issued but not yet effective (continued)

IFRS 15, *Revenue from Contracts with Customers*:

IFRS 15 is a new standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model in order to depict the transfer of promised goods or services to customers. IFRS 15 supersedes IAS 11, *Construction Contracts*, IAS 18, *Revenue*, IFRIC 13, *Customer Loyalty Programs*, IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfers of Assets from Customers*, and SIC-31, *Revenue – Barter Transactions involving Advertising Service*.

These new standards are not expected to have a significant effect on these financial other than increased disclosure.

Effective for annual periods beginning on or after January 1, 2019

IFRS 16, *Leases*

IFRS 16 is a new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model. The Company is in the process of determining the impact of this standard on the financial statements.

Legion Metals Corp.

Notes to Financial Statements
(Expressed in Canadian Dollars)

March 31, 2018

4. Financial Instruments

Categories of financial instruments

The fair value of financial assets and financial liabilities at amortized cost is based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short term maturity of these instruments.

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data.

	As at March 31, 2018	As at March 31, 2017
	\$	\$
FINANCIAL ASSETS		
FVTPL, at fair value		
Cash	188,763	121,866
Restricted cash	10,237	
Loans and receivables		
Receivables	10,692	2,000
Total financial assets	209,692	123,866

FINANCIAL LIABILITIES

Other liabilities, at amortized cost

Accounts payable and accrued liabilities	27,606	14,920
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Restricted cash consists of amounts held by a cryptocurrency exchange awaiting transfer to a chartered bank account.

Legion Metals Corp.

Notes to Financial Statements
(Expressed in Canadian Dollars)

March 31, 2018

4. Financial Instruments (Continued)

	Fair value hierarchy	FVTPL, at fair value	Held-to-maturity and loans and receivables	Other liabilities, at amortized cost
As at March 31, 2018				
Cash	Level 1	188,763	-	-
Restricted cash		10,237	-	-
Receivables	N/A	-	10,692	-
Accounts payable and accrued liabilities	N/A	-	-	27,606
As at March 31, 2017				
Cash	Level 1	121,866	-	-
Receivables	N/A	-	2,000	-
Accounts payable and accrued liabilities	N/A	-	-	14,920

There were no transfers between Level 1, 2 and 3 during the periods ended March 31, 2018 or March 31, 2017.

5. Exploration and Evaluation Properties

The Company's exploration and evaluation properties expenditures for the periods ended March 31, 2018 and March 31, 2017 were as follows:

	Millen Mountain \$	Total \$
ACQUISITION COSTS		
Balance, December 8, 2016	-	-
Additions	-	-
Balance, March 31, 2017	-	-
Additions	150,000	150,000
Balance, March 31, 2018	150,000	150,000

During the year ended March 31, 2018 the Company acquired a 100% interest in a mineral exploration license located in Nova Scotia (the "Millen Mountain Property") from Beja Resources Inc., a related party by way of common directors, in April 2017. As consideration the Company issued 1,500,000 common shares valued at \$150,000 to Beja Resources Inc. on May 9, 2017 (Note 7).

Legion Metals Corp.

Notes to Financial Statements
(Expressed in Canadian Dollars)

March 31, 2018

5. Exploration and Evaluation Properties (Continued)

During the year ended March 31, 2018 the Company entered into an agreement, subsequently amended, with Probe Metals Inc. ("Probe") to grant the option to acquire 75% of the Millen Mountain Property. In order to exercise the option, Probe shall, within 18 months, incur expenditures on the property in the amount of \$250,000, and thereafter Probe will have the right to earn an additional 25% interest in the Property (for an aggregate 75% interest) by incurring an additional \$250,000 in exploration expenditures (for an aggregate of \$500,000 in exploration expenditures) by October 2019. The property is subject to 2% net smelter royalty interest.

6. Equipment

Balance, December 8, 2016 and April 1, 2017	-
Additions	287,050
Balance, March 31, 2018	287,050

DEPRECIATION

Balance, December 8, 2016 and April 1, 2017	-
Depreciation	12,004
Balance, March 31, 2018	12,004

IMPAIRMENT

Balance, December 8, 2016 and April 1, 2017	-
Impairment	143,000
Balance, March 31, 2018	143,000

NET BOOK VALUE

Balance, March 31, 2017	-
Balance, March, 31, 2018	132,046

During the year ended March 31, 2018 the Company acquired computer equipment in exchange for cash of \$144,050, 1,000,000 common shares valued at \$110,000, and 400,000 stock options valued at \$33,000 (Note 7). The equipment was acquired to enable the Company to earn digital assets.

As at March 31, 2018, \$143,000 in equipment was written down due to uncertainties of economic benefit within the digital currency industry. The Company valued the equipment based on estimated fair value less cost to sell.

Legion Metals Corp.

Notes to Financial Statements
(Expressed in Canadian Dollars)

March 31, 2018

7. Share Capital

Authorized

The total authorized capital are an unlimited number of common shares with no par value.

Issued and Outstanding

As of March 31, 2018, 3,084,726 shares were held in escrow. The shares held in escrow are to be release according to the following schedule:

<u>Date</u>	<u>Number of shares released</u>
April 19, 2018	514,121
October 19, 2018	514,121
April 19, 2019	514,121
October 19, 2019	514,121
April 19, 2020	514,121
October 19, 2020	514,121
<u>Total</u>	<u>3,084,726</u>

On January 8, 2018, the Company issued 1,000,000 common shares of the Company at \$0.11 per common share for a total value of \$110,000 to acquire equipment (Note 6).

On September 14, 2017, the Company completed its IPO and issued 4,039,600 common shares of the Company at \$0.10 per common share for gross proceeds of \$403,960. In connection with this offering, the Company paid \$69,514 in cash and issued 392,710 agent warrants valued at \$20,901. Each agent warrant entitles the holder to purchase one common share of the Company at \$0.10 per share for a period of 24 months.

On May 9, 2017, the Company issued 1,500,000 common shares of the Company at \$0.10 per common share for a total value of \$150,000 to acquire a 100% interest in a mineral exploration license, the Millen Mountain Property (Note 5).

On March 31, 2017, the Company issued 6,100,000 common shares of the Company at \$0.02 per common share for total proceeds of \$122,000 of which \$2,000 was recorded as a subscription receivable and collected during the year ended March 31, 2018.

On March 31, 2017, the Company issued 125,000 common shares of the Company at \$0.02 per common share for a total value of \$2,500 for geological consulting services for the Millen Mountain Property.

Legion Metals Corp.

Notes to Financial Statements
(Expressed in Canadian Dollars)

March 31, 2018

7. Share Capital (Continued)

Stock Options

The Company has adopted a stock option plan (the "Plan") pursuant to which it may from time to time, in its discretion, and in accordance with CSE requirements, grant to directors, officers, and consultants to the Company, non-transferable options to purchase common shares of the Company and is the basis for the Company's long term incentive scheme. The Plan is administered by the Board, or if appointed, by a special committee of directors appointed from time to time by the Board. The maximum number of common shares issuable under the Plan shall not exceed 10% of the number of common shares of the Company issued and outstanding as of each award date, inclusive of all common shares reserved for issuance pursuant to previously granted stock options. The exercise price of options granted under the Plan will not be less than the closing market price of the Company's common shares on the exchange. The options have a maximum term of 5 years from date of issue.

The following is a summary of the changes in the Company's stock option plan for the year ended March 31, 2018 and the period ended March 31, 2017:

	Year ended March 31, 2018		Period ended March 31, 2017	
	Number of options	Weighted average exercise price \$	Number of options	Weighted average exercise price \$
Outstanding, beginning of period	-	-	-	-
Expired	-	-	-	-
Granted	1,100,000	0.10	-	-
Outstanding, end of period	1,100,000	0.10	-	-
Exercisable, end of period	1,100,000	0.10	-	-

On January 8, 2018 the Company granted stock options to purchase an aggregate of 400,000 common shares, valued at \$33,000, at an exercise price of \$0.11 for a term of 5 years (Note 6).

On May 1, 2017 the Company granted stock options to purchase an aggregate of 700,000 common shares, valued at \$7,000, to directors and officers of the Company at an exercise price of \$0.10 for a term of 5 years.

The weighted average fair value of the options granted during the year ended March 31, 2018 was estimated at \$0.04 (March 31, 2017 - \$nil) per option at the grant date using the Black-Scholes Option Pricing Model using the following assumptions: no expected dividends to be paid; volatility of 100% based on industry standard for comparable companies without a historical volatility; risk-free interest rate of 1.4%; and expected life of 5 years.

Legion Metals Corp.Notes to Financial Statements
(Expressed in Canadian Dollars)**March 31, 2018****7. Share Capital (Continued)****Stock Options (Continued)**

Exercise price	Expiry date	Number of options outstanding and exercisable \$	Weighted-average remaining contractual life (years)
\$0.10	May 1, 2022	700,000	4.09
\$0.11	January 8, 2023	400,000	4.78
Total		1,100,000	4.34

Share Purchase Warrants

	Year ended March 31, 2018		Period ended March 31, 2017	
	Number of share purchase warrants	Weighted average exercise price \$	Number of share purchase warrants	Weighted average exercise price \$
Outstanding, beginning of period	-	-	-	-
Exercised	-	-	-	-
Issued - finders' warrants	392,710	0.10	-	-
Outstanding, end of period	392,710	0.10	-	-

The weighted average fair value of the finders' warrants granted during the year ended March 31, 2018 was estimated at \$0.05 (March 31, 2017 - \$nil) per warrant at the grant date using the Black-Scholes Pricing Model using the following assumptions: no expected dividends to be paid; volatility of 100% based on industry standard for comparable companies without a historical volatility; risk-free interest rate of 2.45%; and expected life of 2 years.

Number of warrants outstanding	Weighted average exercise price	Expiry dates	Weighted average remaining life (years)
392,710	\$0.10	September 14, 2019	1.46

Legion Metals Corp.

Notes to Financial Statements
(Expressed in Canadian Dollars)

March 31, 2018

8. Related Party Transactions**Key management personnel compensation**

Key management personnel includes officers and directors of the Company and companies controlled by them. The remuneration of directors and other members of key management are as follows:

	For the year ended March 31, 2018	For the period ended March 31, 2017
	\$	\$
Legal	45,331	-
Accounting	6,850	-
Share-based compensation	7,000	-
	59,181	-

As at March 31, 2018, the Company had \$1,074 (2017 - \$4,400) in accounts payable owing to directors and officers.

Legion Metals Corp.

Notes to Financial Statements
(Expressed in Canadian Dollars)

March 31, 2018

9. a) Capital Management

The Company manages its capital structure and makes adjustments to it to effectively support the acquisition, exploration and development of mineral properties and digital asset mining. In the definition of capital, the Company includes, as disclosed on its statement of financial position: share capital, deficit, and reserves.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended March 31, 2018. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products.

b) Financial Instrument Risk and Digital Asset Risk

Credit risk

Financial instruments that potentially subject the Company to credit risk consist of cash. The Company manages its credit risk relating to cash by dealing primarily with high-rated financial institutions as determined by rating agencies. The Company also has cash held by an unregulated exchange where funds are unsecured and may be subject to limitation in transfers.

Liquidity risk

The Company manages liquidity risk by maintaining an adequate level of cash to meet its ongoing obligations. The Company has been successful in raising equity financing in the past; however, there is no assurance that it will be able to do so in the future. As at March 31, 2018, the Company had working capital of \$182,086 (2017 – \$108,946).

Digital asset risk

Digital assets are measured at the lower of cost and NRV. Digital currency prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation and the global political and economic conditions. The profitability of the Company is related to the current and future market price of digital assets; in addition, the Company may not be able liquidate its inventory of digital assets at its desired price if required. A decline in the market prices for digital assets could negatively impact the Company's future operations. The Company has not hedged the conversion of any of its digital assets. Digital assets have a limited history and the fair value historically has been very volatile. Historical performances of digital assets are not indicative of their future price performance.

Other risks

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant currency risk, interest rate risk and commodity price risk arising from financial instruments.

Legion Metals Corp.

Notes to Financial Statements
(Expressed in Canadian Dollars)

March 31, 2018

10. Income Taxes

Provision for income taxes

The provision (recovery) for income taxes differs from the amount that would have resulted by applying the combined Canadian federal and provincial statutory tax rates of 27.00% (2017 – 26.00%).

	For the year ended March 31, 2018	For the period ended March 31, 2017
	\$	\$
Loss before income taxes	(279,260)	(15,554)
Expected income tax recovery	(74,000)	(4,000)
Permanent difference	10,000	-
Change in statutory rates	(1,000)	-
Share issue costs	(18,000)	-
Change in unrecognized deductible temporary differences	83,000	4,000
Income tax recovery	-	-

Deferred tax balances

The tax effects of temporary differences that give rise to deferred income tax assets and liabilities are as follows:

	As at March 31, 2018	As at March 31, 2017
	\$	\$
Deferred tax assets (liabilities)		
Property and equipment	33,000	-
Share issue costs	15,000	-
Non-capital losses available for future period	39,000	4,000
	87,000	4,000
Unrecognized deferred tax assets	(87,000)	(4,000)
Net deferred tax assets	-	-

Legion Metals Corp.

Notes to Financial Statements
(Expressed in Canadian Dollars)

March 31, 2018

10. Income Taxes (Continued)

The Company's unrecognized deferred tax assets related to deductible temporary difference and non-capital losses have not been recognized in the financial statements:

	2018	2017
	\$	\$
Property and equipment	122,000	-
Share issue costs	56,000	-
Non-capital loss	143,000	16,000
	321,000	16,000

The non-capital losses noted above expire from 2037 to 2038, the share issue costs expire in 2038 and the property and equipment credits do not expire.

11. Cost of Digital Asset Sales

Cost of digital asset sales comprises the following:

	2018	2017
	\$	\$
Consulting related to digital asset mining	1,532	-
Depreciation of digital asset mining equipment	12,004	-
Rent expense	1,600	-
Utilities	2,508	-
	17,644	-

12. Segmented Information

The Company operates in two business segments being mining exploration of mineral interests and digital asset mining. All sales related to digital asset mining and all capital assets are located in Canada and are further described in Notes 5 and 6.

The Company considers equipment, inventory and sales and cost of sales of digital assets to be a separate cash generating unit.

Legion Metals Corp.

Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

June 30, 2018

Legion Metals Corp.

Condensed Interim Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	As at June 30, 2018	As at March 31, 2018
	\$	\$
Assets		
Current		
Cash	167,745	188,763
Restricted cash (Note 5)	26,315	10,237
Receivables	11,531	10,692
	<u>205,591</u>	<u>209,692</u>
Exploration and evaluation properties (Note 6)	150,000	150,000
Equipment (Note 7)	<u>120,042</u>	<u>132,046</u>
	<u>475,633</u>	<u>491,738</u>
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 9)	<u>30,497</u>	<u>27,606</u>
	<u>30,497</u>	<u>27,606</u>
Shareholders' Equity		
Share capital (Note 8)	698,045	698,045
Reserves (Note 8)	60,901	60,901
Deficit	<u>(313,810)</u>	<u>(294,814)</u>
	<u>445,136</u>	<u>464,132</u>
	<u>475,633</u>	<u>491,738</u>
Nature and Continuance of Operations (Note 1)		
Subsequent Event (Note 13)		

Approved and Authorized by the Board on November 5, 2018:"Peter Smith" Director"Guy Pinsent" Director

The accompanying notes are an integral part of these condensed interim financial statements.

Legion Metals Corp.

Condensed Interim Statement of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	Three months ended June 30, 2018	Three months ended June 30, 2018
	\$	\$
Digital assets sold	16,159	-
Cost of digital assets sold (Note 11)	21,265	-
	<u>(5,106)</u>	<u>-</u>
Expenses		
General and administration	2,817	167
Filing fees	4,019	12,804
Professional fees (Note 9)	7,054	3,000
Share-based compensation (Note 8 and 9)	-	7,000
	<u>(13,890)</u>	<u>(22,971)</u>
Loss and comprehensive loss for the period	<u>(18,996)</u>	<u>(22,971)</u>
Loss and comprehensive loss per share, basic and diluted	<u>(0.00)</u>	<u>(0.00)</u>
Weighted average number of common shares outstanding	<u>12,764,600</u>	<u>7,091,667</u>

The accompanying notes are an integral part of these condensed interim financial statements.

Legion Metals Corp.

Condensed Interim Statement of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	Three months ended June 30 2018 \$	Three months ended June 30 2017 \$
Cash provided by (used in)		
Operating activities		
Loss for the period	(18,996)	(22,971)
Charges not involving cash		
Depreciation	12,004	-
Share-based compensation	-	7,000
Changes in operating assets and liabilities:		
Increase in restricted cash	(16,078)	-
Increase in receivables	(839)	-
Increase in prepaid expenses	-	(10,500)
Increase in accounts payable and accrued liabilities	2,891	6,107
Cash provided by (used in) operating activities	<u>(21,018)</u>	<u>(20,364)</u>
Financing activities		
Share subscription received	-	2,000
Cash provided by financing activities	<u>-</u>	<u>2,000</u>
Change in cash	(21,018)	(18,364)
Cash, beginning of period	<u>188,763</u>	<u>121,866</u>
Cash, end of period	<u>167,745</u>	<u>103,502</u>
Cash paid for:		
Interest	-	-
Income taxes	-	-

The accompanying notes are an integral part of these condensed interim financial statements.

Legion Metals Corp.

Condensed Interim Statement of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	Common Shares	Share Capital	Reserves	Deficit	Total Equity
		\$	\$	\$	\$
Balance at March 31, 2017	6,225,000	124,500	-	(15,554)	108,946
Share-based compensation	1,500,000	150,000	7,000	-	7,000
Common shares issued for exploration property	-	-	-	-	150,000
Loss for the period	-	-	-	(22,971)	(22,971)
Balance at June 30, 2017	7,725,000	274,500	7,000	(38,525)	242,975
Common shares issued for cash – IPO	4,039,600	403,960	-	-	403,960
Share issuance cost - IPO	-	(90,415)	20,901	-	(69,514)
Common shares issued for cryptocurrency mining equipment	1,000,000	110,000	-	-	110,000
Share options issued for cryptocurrency mining equipment	-	-	33,000	-	33,000
Loss for the period	-	-	-	(256,289)	(256,289)
Balance at March 31, 2018	12,764,600	698,045	60,901	(294,814)	464,132
Loss for the period	-	-	-	(18,996)	(18,996)
Balance at June 30, 2018	12,764,600	698,045	60,901	(313,810)	445,136

The accompanying notes are an integral part of these condensed interim financial statements.

Legion Metals Corp.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

June 30, 2018

1. Nature and Continuance of Operations

Legion Metals Corp. (the “Company”) was incorporated under the laws of the province of British Columbia on December 8, 2016. On December 12, 2017, the Company completed its initial public offering (“IPO”) (Note 8) and is now publicly traded on the Canadian Securities Exchange (“CSE”) under the ticker LEGN. The Company is a mining exploration company that is exploring for gold and other precious metals in Nova Scotia. In January 2018, the Company acquired assets for the purpose of generating digital assets (Note 7).

The Company’s registered and records office is 1090 West Georgia Street, Suite 600, Vancouver, British Columbia, V6E 3V7.

The business of mining and exploring for minerals and digital asset mining involves a high degree of risk and there can be no assurance that the Company will obtain the necessary financing to complete the exploration and development of mineral property interests, or that the current or future exploration and development programs of the Company will result in profitable mining operations. In addition to ongoing working capital requirements, the Company must secure sufficient funding to meet its existing commitments, including conducting minimum exploration and evaluation programs and paying for general and administrative expenses. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern.

2. Statement of compliance and basis of presentation

The condensed interim financial statements of the Company were approved and authorized for issue by the Board of Directors on November 5, 2018.

The Company’s condensed interim financial statements have been prepared on the historical cost basis except for certain financial statements which are measured at fair value, as explained in Note 3, and are presented in Canadian dollars except where otherwise indicated.

The condensed interim financial statements of the Company, have been prepared in accordance with and using accounting policies in full compliance with International Financial Reporting Standards (“IFRS”) as published by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (IAS 34) as issued by the International Accounting Standards Board. Condensed interim consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended March 31, 2018. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company’s financial position and performance since the last annual financial statements as at and for the year ended March 31, 2018.

Legion Metals Corp.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

June 30, 2018

3. Summary of Significant Accounting Policies

Significant accounting judgments, estimates and assumptions

The preparation of the Company's condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of judgement include the assessment of the Company's ability to continue as a going concern as discussed in Note 1 involves judgment regarding future funding available for its operations and working capital requirements. The selection of appropriate accounting policy related digital assets inventory and the sale of digital assets requires significant judgement as currently no specific IFRS directly addresses digital assets.

Areas requiring a significant degree of estimation include the fair value measurements for financial instruments and share-based payments, the valuation of all liability and equity instruments, the valuation and recognition of digital asset inventories and the value and useful life of equipment. Actual results may differ from those estimates.

These condensed interim financial statements have been prepared on a basis which assumes the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. In assessing whether this assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. This assessment is based upon planned actions that may or may not occur for a number of reasons including the Company's own resources and external market conditions.

Cash

Cash is defined as cash on hand, cash held in trust and in bank.

Equipment

Equipment is stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. A prorated amount of depreciation is recorded in the year of acquisition or disposition, based on the number of months the equipment is in use.

The Company's equipment is depreciated on a straight-line basis over three years. Estimated useful lives are reviewed by management and adjusted if necessary.

Legion Metals Corp.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

June 30, 2018

3. Summary of Significant Accounting Policies (Continued)

Equipment (Continued)

Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced. Repairs and maintenance costs are charged to profit or loss during the period in which they are incurred.

Exploration and evaluation properties

Acquisition costs for exploration and evaluation assets include the cash consideration and the fair value of equity instruments issued for exploration and evaluation assets pursuant to agreement terms. Exploration and evaluation expenditures are expensed. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Option payments received are treated as a reduction of the carrying value of the related exploration and evaluation properties and deferred costs until the receipts are in excess of costs incurred, at which time they are credited to income. Option payments are at the discretion of the optionee, and accordingly, are recorded on a cash basis.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use at that time.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment. Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Decommissioning, restoration and similar liabilities

The Company recognizes provisions for statutory, contractual, constructive or legal obligations associated with the reclamation of mineral properties and retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future cost estimates arising from the decommissioning of plant, site restoration work and other similar retirement activities is added to the carrying amount of the related asset and depreciated on the same basis as the related asset, along with a corresponding increase in the provision in the period incurred. Discount rates using a pre-tax rate that reflect the current market assessments of the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the provision.

Legion Metals Corp.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

June 30, 2018

3. Summary of Significant Accounting Policies (Continued)

Decommissioning, restoration and similar liabilities (continued)

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period. The net present value of reclamation costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred. The costs of reclamation projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation properties.

Digital assets

Digital assets consist of cryptocurrency denominated assets. Digital assets are recognized in accordance with IAS 2 as inventory measured at the lower of cost and net realizable value ("NRV"). The cost consists of direct costs attributable to mining the digital asset. Upon conversion of digital assets for other currencies, proceeds are recognized as a sale for the period. As at this reporting date, there is no formal IFRS standard for digital assets; however, digital assets meet specific accounting criteria to be held as inventories.

The digital asset market is still a new market and is highly volatile; historical prices are not necessarily indicative of future value; a significant change in the market prices for digital assets would have an impact on the Company's earnings and financial position.

Recognition of digital asset sales

The Company recognizes sales in accordance with IFRS 15 (see Changes in Accounting Policies below for details on the transition to new standard), based on consideration received on digital asset inventory, which it receives from providing transaction verification services within digital currency networks, commonly termed "cryptocurrency mining". As consideration for these services, the Company receives digital assets from each specific network in which it participates ("coins") and the cost of mining these digital assets are recorded as inventory. A sale is recognized upon conversion of the digital asset to another currency such as cash.

There is currently no specific definitive guidance in IFRS or alternative accounting frameworks for the accounting for the production and mining of digital currencies and management has exercised significant judgement in determining appropriate accounting treatment for the recognition of revenue for mining of digital currencies. In the event authoritative guidance is enacted by the IASB, the Company may be required to change its policies which could result in a change in the Company's financial position and earnings.

Legion Metals Corp.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

June 30, 2018

3. Summary of Significant Accounting Policies (Continued)

Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net earnings (loss) attributable to common shareholders by the weighted average number of common shares outstanding during the reporting period.

Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that (i) net earnings (loss) attributable to common shareholders are adjusted for fair value gains or losses of warrants (if dilutive) and (ii) the weighted average number of common shares outstanding is adjusted for the number of shares that are potentially issuable in connection with stock options and warrants (if dilutive). Under this method, the Company assumes that outstanding dilutive stock options and warrants were exercised and that the proceeds from such exercises (after adjustment of any unvested portion of stock options) were used to acquire common stock at the average market price during the reporting periods. For the period presented, this calculation proved to be anti-dilutive.

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the country where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income (loss) or equity is recognized in other comprehensive income (loss) or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is provided for, based on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Legion Metals Corp.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

June 30, 2018

3. Summary of Significant Accounting Policies (Continued)

Share capital

Common shares are included as shareholders' equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from shareholders' equity. Common shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued.

The Company has adopted a residual value method with respect to the measurement of warrants attached to private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in the private placements to be the more easily measurable component. The balance, if any, is allocated to the attached warrants. Any value attributed to the warrants is recorded as warrant reserve.

Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments on the date of grant. Fair value is measured using the Black-Scholes option pricing model. The fair value determined at the grant date of the equity-settled share-based payments is expensed as services are rendered over the vesting period, based on the Corporation's estimate of the shares that will eventually vest and adjusted for the effect of non-market based vesting conditions. For share-based payment awards with non-market vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Equity-settled share-based payment transactions with parties other than employees and those providing similar services are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Accounting standards issued but not yet effective

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.

Legion Metals Corp.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

June 30, 2018

3. Summary of Significant Accounting Policies (Continued)

Effective for annual periods beginning on or after January 1, 2019

IFRS 16, *Leases*

IFRS 16 is a new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model. The Company is in the process of determining the impact of this standard on the financial statements.

IFRIC 23 – Uncertainty Over Income Tax Treatments:

IFRIC 23 clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. It is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted. The Company does not expect that the adoption of this standard will have a material effect on the Company's consolidated financial statements.

Legion Metals Corp.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

June 30, 2018

4. Changes in Accounting Policies

IFRS 9

Effective April 1, 2018, the Company adopted IFRS 9 Financial Instruments. In July 2014, the IASB issued the final publication of the IFRS 9 standard, which supersedes IAS 39, Financial Instruments: recognition and measurement (IAS 39). IFRS 9 includes revised guidance on the classification and measurement of financial instruments, new guidance for measuring impairment on financial assets, and new hedge accounting guidance. The Company has adopted IFRS 9 on a retrospective basis, however, this guidance had no impact on the Company's financial statements. As a result of the adoption of IFRS 9, the accounting policy for financial instruments as disclosed in the Company's March 31, 2018 consolidated financial statements has been updated as described below.

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains the primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit and loss ("FVTPL").

Recognition

The Company recognizes a financial asset or financial liability on the statement of financial position when it become party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value, and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

Classification and Measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

- i) those to be measured subsequently at fair value, either through profit or loss ("FVTPL") or through other comprehensive income ("FVTOCI"); and,
- ii) those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

Legion Metals Corp.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

June 30, 2018

4. Changes in Accounting Policies (Continued)

The classification and measurement bases of the Company's financial instruments as at April 1, 2018 as a result of adopting IFRS 9 (along with comparison to IAS 39) are as follows:

After initial recognition at fair value, financial liabilities are classified and measured at either:

- i) amortized cost;
- ii) FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or,
- iii) FVTOCI, when the change in fair value is attributable to changes in the Company's credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at fair value through profit or loss are expensed in profit or loss.

Impairment

The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

IFRS 15

Effective April 1, 2018, the Company has adopted IFRS 15 Revenue from Contracts with Customers. This new standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time; or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. The standard was applied using a modified retrospective approach whereby the effects of the change in the accounting policy for revenue as at April 1, 2018 is presented as a single adjustment to the opening deficit. Upon adoption there was no impact as the Company had no uncompleted contracts as at April 1, 2018.

Legion Metals Corp.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

June 30, 2018

5. Financial Instruments

Categories of financial instruments

The fair value of financial assets and financial liabilities at amortized cost is based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short term maturity of these instruments.

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data.

	As at June 30, 2018 (Unaudited)	As at March 31, 2018 (Audited)
	\$	\$
FINANCIAL ASSETS		
FVTPL, at fair value		
Cash	167,745	188,763
Restricted cash	26,315	10,237
Amortized cost		
Receivables		
Receivables	11,531	10,692
Total financial assets	205,591	209,692
FINANCIAL LIABILITIES		
Amortized cost		
Accounts payable and accrued liabilities	30,497	27,606
Total financial liabilities	30,497	27,606

Restricted cash consists of amounts held by a cryptocurrency exchange awaiting transfer to a chartered bank account.

Legion Metals Corp.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

June 30, 2018

5. Financial Instruments (Continued)

	Fair value hierarchy	FVTPL, at fair value	Amortized cost
As at June 30, 2018			
Cash	Level 1	167,745	-
Restricted cash	Level 1	26,315	-
Receivables	N/A	-	11,531
Accounts payable and accrued liabilities	N/A	-	30,497
	Fair value hierarchy	FVTPL, at fair value	Amortized cost
As at March 31, 2018			
Cash	Level 1	188,763	-
Restricted cash	Level 1	10,237	-
Receivables	N/A	-	10,692
Accounts payable and accrued liabilities	N/A	-	27,606

There were no transfers between Level 1, 2 and 3 during the periods ended June 30, 2018 or March 31, 2018.

	Classification prior to IFRS 9	Classification under IFRS 9
As at March 31, 2018		
Cash	FVTPL, at fair value	FVTPL, at fair value
Restricted cash	FVTPL, at fair value	FVTPL, at fair value
Receivables	Held-to maturity and loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost	Amortized cost

Legion Metals Corp.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

June 30, 2018

6. Exploration and Evaluation Properties

The Company's exploration and evaluation properties expenditures for the periods ended June 30, 2018 and March 31, 2018 were as follows:

	Millen Mountain	Total
	\$	\$
ACQUISITION COSTS		
Balance, March 31, 2018	150,000	150,000
Additions	-	-
Balance, June 30, 2018	150,000	150,000

During the year ended March 31, 2018 the Company acquired a 100% interest in a mineral exploration license located in Nova Scotia (the "Millen Mountain Property") from Beja Resources Inc., a related party by way of common directors, in April 2017. As consideration the Company issued 1,500,000 common shares valued at \$150,000 to Beja Resources Inc. on May 9, 2017 (Note 8).

During the year ended March 31, 2018 the Company entered into an agreement, subsequently amended, with Probe Metals Inc. ("Probe") to grant the option to acquire 75% of the Millen Mountain Property. In order to exercise the option, Probe shall, within 18 months, incur expenditures on the property in the amount of \$250,000, and thereafter Probe will have the right to earn an additional 25% interest in the Property (for an aggregate 75% interest) by incurring an additional \$250,000 in exploration expenditures (for an aggregate of \$500,000 in exploration expenditures) by October 2019. The property is subject to 2% net smelter royalty interest.

Legion Metals Corp.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

June 30, 2018

7. Equipment

	Equipment
	\$
COST	
Balance, March 31, 2017	-
<u>Additions</u>	<u>287,050</u>
Balance, March 31, 2018	287,050
<u>Additions</u>	<u>-</u>
Balance, June 30, 2018	287,050
DEPRECIATION	
Balance, March 31, 2017	-
<u>Depreciation</u>	<u>12,004</u>
Balance, March 31, 2018	12,004
<u>Depreciation</u>	<u>12,004</u>
Balance, June 30, 2018	24,008
IMPAIRMENT	
Balance, March 31, 2018	143,000
<u>Impairment</u>	<u>-</u>
Balance, June 30, 2018	143,000
NET BOOK VALUE	
Balance, March 31, 2017	-
<u>Balance, March 31, 2018</u>	<u>132,046</u>
<u>Balance, June 30, 2018</u>	<u>120,042</u>

(1) Depreciation is included in cost of digital assets sold for the period ended June 30, 2018, in full.

During the year ended March 31, 2018 the Company acquired computer equipment in exchange for cash of \$144,050, 1,000,000 common shares valued at \$110,000, and 400,000 stock options valued at \$33,000 (Note 8). The equipment was acquired to enable the Company to earn digital assets.

As at March 31, 2018, \$143,000 in equipment was written down due to uncertainties of economic benefit within the digital currency industry. The Company valued the equipment based on estimated fair value less cost to sell.

Legion Metals Corp.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

June 30, 2018

8. Share Capital

Authorized

The total authorized capital are an unlimited number of common shares with no par value.

Issued and Outstanding

As of June 30, 2018, 2,570,606 shares were held in escrow. The shares held in escrow are to be released according to the following schedule:

<u>Date</u>	<u>Number of shares released</u>
October 19, 2018	514,121
April 19, 2019	514,121
October 19, 2019	514,121
April 19, 2020	514,121
<u>October 19, 2020</u>	<u>514,121</u>
<u>Total</u>	<u>2,570,606</u>

On January 8, 2018, the Company issued 1,000,000 common shares of the Company at \$0.11 per common share for a total value of \$110,000 to acquire equipment (Note 7).

On September 14, 2017, the Company completed its IPO and issued 4,039,600 common shares of the Company at \$0.10 per common share for gross proceeds of \$403,960. In connection with this offering, the Company paid \$69,514 in cash and issued 392,710 agent warrants valued at \$20,901. Each agent warrant entitles the holder to purchase one common share of the Company at \$0.10 per share for a period of 24 months.

On May 9, 2017, the Company issued 1,500,000 common shares of the Company at \$0.10 per common share for a total value of \$150,000 to acquire a 100% interest in a mineral exploration license, the Millen Mountain Property (Note 6).

Legion Metals Corp.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

June 30, 2018

8. Share Capital (Continued)

Stock Options

The Company has adopted a stock option plan (the “Plan”) pursuant to which it may from time to time, in its discretion, and in accordance with CSE requirements, grant to directors, officers, and consultants to the Company, non-transferable options to purchase common shares of the Company and is the basis for the Company’s long term incentive scheme. The Plan is administered by the Board, or if appointed, by a special committee of directors appointed from time to time by the Board. The maximum number of common shares issuable under the Plan shall not exceed 10% of the number of common shares of the Company issued and outstanding as of each award date, inclusive of all common shares reserved for issuance pursuant to previously granted stock options. The exercise price of options granted under the Plan will not be less than the closing market price of the Company’s common shares on the exchange. The options have a maximum term of 5 years from date of issue.

The following is a summary of the changes in the Company’s stock option plan for the three months ended June 30, 2018 and the year ended March 31, 2018:

	Three months ended June 30, 2018		Year ended March 31, 2018	
	Number of options	Weighted average exercise price \$	Number of options	Weighted average exercise price \$
Outstanding, beginning of period	1,100,000	0.10	-	-
Expired	-	-	-	-
Granted	-	-	1,100,000	0.10
Outstanding, end of period	1,100,000	0.10	1,100,000	0.10
Exercisable, end of period	1,100,000	0.10	1,100,000	0.10

On January 8, 2018 the Company granted stock options to purchase an aggregate of 400,000 common shares, valued at \$33,000, at an exercise price of \$0.11 for a term of 5 years (Note 7).

On May 1, 2017 the Company granted stock options to purchase an aggregate of 700,000 common shares, valued at \$7,000, to directors and officers of the Company at an exercise price of \$0.10 for a term of 5 years.

No options were granted during the three months ended June 30, 2018. The weighted average fair value of the options granted during the three months ended June 30, 2017 was estimated at \$0.01 per option at the grant date using the Black-Scholes Option Pricing Model using the following assumptions: no expected dividends to be paid; volatility of 100% based on industry standard for comparable companies without a historical volatility; risk-free interest rate of 1.02%; and expected life of 5 years.

Legion Metals Corp.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

June 30, 2018

8. Share Capital (Continued)

Stock Options (Continued)

Exercise price	Expiry date	Number of options outstanding and exercisable	Weighted-average remaining contractual life
			(years)
		\$	
\$0.10	May 1, 2022	700,000	3.84
\$0.11	January 8, 2023	400,000	4.53
Total		1,100,000	4.09

Share Purchase Warrants

	Three months ended June 30, 2018		Year ended March 31, 2018	
	Number of share purchase warrants	Weighted average exercise price \$	Number of share purchase warrants	Weighted average exercise price \$
Outstanding, beginning of period	392,710	0.10	-	-
Issued - finders' warrants	-	-	392,710	0.10
Outstanding, end of period	392,710	0.10	392,710	0.10

No warrants were granted during the three months ended June 30, 2018. The weighted average fair value of the finders' warrants granted during the year ended March 31, 2018 was estimated at \$0.05 per warrant at the grant date using the Black-Scholes Pricing Model using the following assumptions: no expected dividends to be paid; volatility of 100% based on industry standard for comparable companies without a historical volatility; risk-free interest rate of 2.45%; and expected life of 2 years.

Number of warrants outstanding	Weighted average exercise price	Expiry dates	Weighted average remaining life (years)
392,710	\$0.10	September 14, 2019	1.21

Legion Metals Corp.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

June 30, 2018

9. Related Party Transactions**Key management personnel compensation**

Key management personnel includes officers and directors of the Company and companies controlled by them. The remuneration of directors and other members of key management are as follows:

	For the three months ended June 30, 2018 \$	For the three months ended June 30, 2017 \$
Legal	3,754	-
Accounting	3,300	-
Share-based compensation	-	7,000
	<u>7,054</u>	<u>7,000</u>

As at June 30, 2018, the Company had \$4,854 (March 31, 2018 - \$1,074) in accounts payable and accruals owing to directors and officers.

Legion Metals Corp.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

June 30, 2018

10. a) Capital Management

The Company manages its capital structure and makes adjustments to it to effectively support the acquisition, exploration and development of mineral properties and digital asset mining. In the definition of capital, the Company includes, as disclosed on its statement of financial position: share capital, deficit, and reserves.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the three months ended June 30, 2018. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products.

b) Financial Instrument Risk and Digital Asset Risk

Credit risk

Financial instruments that potentially subject the Company to credit risk consist of cash and restricted cash. The Company manages its credit risk relating to cash by dealing primarily with high-rated financial institutions as determined by rating agencies. The Company also has cash held by an unregulated exchange where funds are unsecured and may be subject to limitation in transfers.

Liquidity risk

The Company manages liquidity risk by maintaining an adequate level of cash to meet its ongoing obligations. The Company has been successful in raising equity financing in the past; however, there is no assurance that it will be able to do so in the future. As at June 30, 2018, the Company had working capital of \$175,095.

Digital asset risk

Digital assets are measured at the lower of cost and net realizable value. Digital currency prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation and the global political and economic conditions. The profitability of the Company is related to the current and future market price of digital assets; in addition, the Company may not be able to liquidate its inventory of digital assets at its desired price if required. A decline in the market prices for digital assets could negatively impact the Company's future operations. The Company has not hedged the conversion of any of its digital assets. Digital assets have a limited history and the fair value historically has been very volatile. Historical performances of digital assets are not indicative of their future price performance.

Other risks

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant currency risk, interest rate risk and price risk arising from financial instruments.

Legion Metals Corp.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

June 30, 2018

11. Cost of Digital Asset Sales

Cost of digital asset sales comprises the following:

	Three months ended June 30, 2018	Three months ended June 30, 2017
	\$	\$
Consulting related to digital asset mining	2,273	-
Depreciation of digital asset mining equipment	12,004	-
Rent expense	2,400	-
Utilities	4,588	-
	<u>21,265</u>	<u>-</u>

12. Segmented Information

The Company operates in two business segments being mining exploration of mineral interests and digital asset mining. All sales related to digital asset mining and all capital assets are located in Canada and are further described in Notes 6 and 7.

The Company considers equipment, inventory and sales and cost of sales of digital assets to be a separate cash generating unit.

13. Subsequent Events

Subsequent to June 30, 2018, the Company:

Entered into a binding letter of intent (“LOI”) with Nextleaf Solutions Ltd. (“Nextleaf”), a private company, under which the Company will acquire all of the issued and outstanding shares of Nextleaf in a reverse takeover transaction by way of plan of arrangement (the “Transaction”). The Company 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 requires approval from the Canadian Securities Exchange. 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 the Company’s 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 the Company 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 the Company will change its name to “Nextleaf Solutions Ltd.” and will carry on with the development of Nextleaf’s cannabis extraction technology business.

SCHEDULE "H"
Annual Financial Statements of Nextleaf for the fiscal years ended September 30, 2016 and 2017 and
for the 9 month interim period ended June 30, 2018

NextLeaf Solutions Ltd.
Financial Statements
(Expressed in Canadian Dollars)
September 30, 2017

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
NextLeaf Solutions Inc.

We have audited the accompanying financial statements of NextLeaf Solutions Inc., which comprise the statements of financial position as at September 30, 2017 and 2016, and the statements of loss and comprehensive loss, cash flows and changes in shareholders' equity (deficiency) for the year ended September 30, 2017 and the period from incorporation on October 6, 2015 to September 30, 2016, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of NextLeaf Solutions Inc. as at September 30, 2017 and 2016 and its financial performance and its cash flows for the year ended September 30, 2017, and the period from incorporation on October 6, 2015 to September 30, 2016 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about NextLeaf Solutions Inc.'s ability to continue as a going concern.

“DAVIDSON & COMPANY LLP”

Vancouver, Canada

Chartered Professional Accountants

February 13, 2018

NextLeaf Solutions Ltd.
 Statements of Financial Position
 (Expressed in Canadian Dollars)
 As at September 30,

	2017	2016
ASSETS		
Current		
Cash	\$ 342,572	\$ -
Receivables (Note 4)	203,881	-
Prepaid expenses and advances (Note 5)	81,235	-
Due from related parties (Note 8)	100,000	-
Subscriptions receivable (Note 7)	74,495	-
	802,183	-
Equipment deposits (Note 6)	336,996	-
Equipment (Note 6)	869,053	-
	1,206,049	-
	\$ 2,008,232	\$ -
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current		
Accounts payable and accrued liabilities (Note 8)	\$ 141,681	\$ 2,016
Promissory note (Note 6)	2,462	-
	144,143	2,016
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Share capital (Note 7)	1,982,637	5,000
Warrant reserve (Note 7)	48,320	-
Subscriptions received in advance (Note 7)	342,645	-
Deficit	(509,513)	(7,016)
	1,864,089	(2,016)
	\$ 2,008,232	\$ -

Nature and Continuance of Operations (Note 1)
Subsequent Events (Note 15)

Approved and Authorized by the Board on February 13, 2018:

"Paul Pedersen"

Director

"Larry Timlick"

Director

The accompanying notes are an integral part of these financial statements.

NextLeaf Solutions Ltd.
 Statements of Loss and Comprehensive Loss
 (Expressed in Canadian Dollars)

	For the year ended September 30, 2017	For the period from incorporation, October 6, 2015 to September 30, 2016
Revenue	\$ 119,760	\$ -
Cost of sales (Note 13)	(267,001)	-
	(147,241)	-
Expenses		
Sales and marketing	92,222	-
General and administration (Note 12)	34,003	-
Share-based payments (Note 7)	-	5,000
Professional fees and consulting (Note 8)	231,022	2,016
	357,247	7,016
Loss and comprehensive loss for the period	\$ (504,488)	\$ (7,016)
Loss and comprehensive loss per share - basic and diluted	\$ (0.03)	\$ (0.00)
Weighted average number of common shares outstanding	14,958,589	2,112,111

The accompanying notes are an integral part of these financial statements.

NextLeaf Solutions Ltd.
Statements of Cash Flows
(Expressed in Canadian Dollars)

	For the year ended September 30, 2017	For the period from incorporation, October 6, 2015 to September 30, 2016
Cash flows used in operating activities		
Loss for the period	\$ (504,488)	\$ (7,016)
Items not involving cash:		
Depreciation (Note 6)	181,290	-
Share-based payments	-	5,000
Changes in non-cash working capital:		
Receivables	(203,881)	-
Prepaid expenses and advances	(81,235)	-
Due from related parties	(100,000)	-
Accounts payable and accrued liabilities	75,982	2,016
	(632,332)	-
Cash flows used in investing activities		
Purchase of equipment	(351,122)	-
Equipment deposits	(336,996)	-
	(688,118)	-
Cash flows from financing activities		
Subscriptions received in advance	342,645	-
Repayment of promissory note	(125,000)	-
Issuance of common shares, net of share issue costs	1,445,377	-
	1,663,022	
Change in cash	342,572	-
Cash, beginning of period	-	-
Cash, end of period	\$ 342,572	\$ -

Supplemental disclosure of significant non-cash investing and financing activities:

Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -
Promissory note issued for equipment	\$ 127,462	\$ -
Common shares issued for equipment	\$ 571,759	\$ -
Subscriptions receivable from issuance of common shares	\$ 74,495	\$ -
Share issue costs included in accounts payable and accrued liabilities	\$ 63,683	\$ -
Finders' units – included in share issue costs	\$ 42,400	\$ -
Finders' warrants – included in share issue costs	\$ 48,320	\$ -

The accompanying notes are an integral part of these financial statements.

NextLeaf Solutions Ltd.
 Statements of Changes in Shareholders' Equity (Deficiency)
 (Expressed in Canadian Dollars)

	Common Shares	Share Capital	Warrant Reserve	Subscriptions received in advance	Deficit	Total
Balance at October 6, 2015 (inception)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Shares issued on incorporation	1,000	1	-	-	-	1
Shares returned to treasury	(1,000)	(1)	-	-	-	(1)
Share-based payments	5,000,000	5,000	-	-	-	5,000
Loss for the period	-	-	-	-	(7,016)	(7,016)
Balance at September 30, 2016	5,000,000	5,000	-	-	(7,016)	(2,016)
Shares returned to treasury	(1,990,742)	(1,991)	-	-	1,991	-
Shares issued for cash	6,504,444	1,588,000	-	-	-	1,588,000
Subscriptions received in advance	-	-	-	342,645	-	342,645
Share issue costs – cash	-	(131,811)	-	-	-	(131,811)
Share issue costs – finders' units	169,600	-	-	-	-	-
Share issue costs – finders' warrants	-	(48,320)	48,320	-	-	-
Shares issued for equipment (Note 6)	11,435,185	571,759	-	-	-	571,759
Loss for the year	-	-	-	-	(504,488)	(504,488)
Balance at September 30, 2017	21,118,487	\$ 1,982,637	\$ 48,320	\$ 342,645	\$ (509,513)	\$ 1,864,089

The accompanying notes are an integral part of these financial statements.

NextLeaf Solutions Ltd.

Notes to Financial Statements
(Expressed in Canadian Dollars)

September 30, 2017 and 2016

1. NATURE AND CONTINUANCE OF OPERATIONS

NextLeaf Solutions Ltd. (the “Company” or “NextLeaf”) was incorporated under the laws of the province of British Columbia on October 6, 2015. The Company is an extraction and processing solution company providing services to the cannabis industry in British Columbia, Canada. The Company’s registered and records office is 1090 West Georgia Street, Suite 600, Vancouver, British Columbia, V6E 3V7.

The Company is in the process of applying for a public listing of its common shares on the Australian Stock Exchange through an initial public offering, see Note 15 for details.

The nature of the Company’s business operations involves a high degree of risk and there can be no assurance that the Company will generate sales and positive cash flows or obtain the necessary financing to fund working capital requirements and fund operational growth and future profitable business operations. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern.

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than a process of forced liquidation. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. BASIS OF PRESENTATION

These financial statements have been prepared on the historical cost basis except for cash flow information and certain financial instruments which are measured at fair value, as explained in Note 3, and are presented in Canadian dollars except where otherwise indicated.

Statement of compliance

The financial statements of the Company, including comparative, have been prepared in accordance with and using accounting policies in full compliance with International Financial Reporting Standards (“IFRS”) and International Accounting Standards (“IAS”) issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

Accounting standards issued but not yet effective

A number of new IFRS standards, amendments to standards and interpretations are not yet effective for the year ended September 30, 2017, and have not been applied in preparing these financial statements. The Company is currently assessing the impact of these standards on its financial statements:

- IFRS 9 - New standard that replaced IAS 39 for classification and measurement, tentatively effective for annual periods beginning on or after January 1, 2018.
- IFRS 15 - New standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity’s contracts with customers, effective for annual periods beginning on or after January 1, 2018.

2. BASIS OF PRESENTATION (cont'd)

- IFRS 16: A new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lease accounting model, effective for annual periods beginning on or after January 1, 2019.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

The information about significant areas of estimation uncertainty considered by management in preparing the financial statements is as follows:

Fair value of finders' warrants

Determining the fair value of finders' warrants requires estimates related to the choice of a pricing model, the estimation of stock price volatility, the fair value of the Company's common shares, the expected forfeiture rate and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could have a significant impact on the Company's future operating results or on other components of shareholders' equity (deficiency).

Equipment

The estimated useful lives of assets are reviewed by management and adjusted if necessary. To estimate equipment's useful life, management must use its past experience with the same or similar assets, review engineering estimates and industry practices for similar pieces of equipment and/or apply statistical methods to assist in its determination of useful life. Additionally, management makes estimates with respect to the fair value of equipment acquired for non-monetary consideration. The Company assesses fair value by comparing market prices for similar types of equipment.

Non-monetary transactions

All non-monetary transactions are measured at the fair value of the asset surrendered or the asset received, whichever is more reliable, unless the transaction lacks commercial substance or the fair value cannot be reliably established. The commercial substance requirement is met when the future cash flows are expected to change significantly as a result of the transaction. When the fair value of a non-monetary transaction cannot be reliably measured, it is recorded at the carrying amount (after reduction, when appropriate, for impairment) of the asset given up and adjusted by the fair value of any monetary consideration received or given. When the asset received or consideration given up is shares in an actively traded market, the market value of those shares will be considered fair value.

NextLeaf Solutions Ltd.
Notes to Financial Statements
(Expressed in Canadian Dollars)
September 30, 2017 and 2016

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Determination of market value of NextLeaf common shares

Management is required to estimate the fair market value of the Company's shares when using its shares to procure assets or financing. Management has estimated the shares' value by comparing other public companies of a similar size and nature as NextLeaf's and applying some of their metrics to NextLeaf's current situation.

The information about significant areas of judgment considered by management in preparing the financial statements is as follows:

Income taxes

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in profit or loss both in the period of change, which would include any impact on cumulative provisions, and in future periods. Deferred tax assets (if any) are recognized only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as the amounts recognized in profit or loss in the period in which the change occurs.

Going concern

The assessment of the Company's ability to continue as a going concern as discussed in Note 1 involves judgment regarding future funding available for its operations and working capital requirements.

Equipment

Equipment is stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. A full year of depreciation is recorded in the year of acquisition. No depreciation is recorded in the year of disposal.

Depreciation is provided at rates calculated to amortize the cost of equipment, less its estimated residual value, using the diminishing balance method over its expected period of use by the Company. The Company's equipment is depreciated at a rate of 20%. Estimated useful lives are reviewed by management and adjusted if necessary.

Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced. Repairs and maintenance costs are charged to profit or loss during the period they are incurred.

NextLeaf Solutions Ltd.
Notes to Financial Statements
(Expressed in Canadian Dollars)
September 30, 2017 and 2016

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the business. Sales are presented, net of value-added tax, rebates and discounts.

The Company recognises extraction service revenue when the service has been rendered, the amount of revenue and related cost can be reliably measured, and it is probable that the collectability of the related receivables is reasonably assured.

Cash

Cash is defined as cash on hand, cash held in trust and in bank.

Loss per share

Basic loss per share is computed by dividing the net loss attributable to common shareholders by the weighted average number of common shares outstanding during the reporting period.

Diluted loss per share is computed similar to basic loss per share except that (i) net loss attributable to common shareholders are adjusted for the dilutive effect of warrants and stock options. Under this method, the Company assumes that outstanding dilutive stock options and warrants were exercised and that the proceeds from such exercises (after adjustment of any unvested portion of stock options) were used to acquire common shares at the average market price during the reporting periods.

Income taxes

Income tax comprises current and deferred income taxes. Current income tax and deferred income tax are recognized in profit or loss, except to the extent that they relate to items recognized directly in shareholders' equity (deficiency).

Current income tax is the expected tax payable or receivable on the taxable profit or loss for the year, using tax rates enacted or substantively enacted at the reporting date, adjusted for any amendments to tax payable in respect of previous years.

Deferred income tax is provided for, based on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Share capital

Common shares are classified as shareholders' equity (deficiency). Transaction costs directly attributable to the issue of common shares are recognized as a deduction from shareholders' equity (deficiency). Common shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued.

The Company has adopted a residual value method with respect to the measurement of warrants attached to private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in the private placements to be the more easily measurable component. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as warrant reserve.

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

i. Fair value through profit or loss ("FVTPL")

This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statements of financial position at fair value with changes in fair value recognized in profit or loss.

ii. Held to maturity

These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss.

iii. Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

iv. Available-for-sale ("AFS")

Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in profit or loss.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Company's accounting policy for each category is as follows:

i. Fair value through profit or loss

This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statements of financial position at fair value with changes in fair value recognized in profit or loss.

ii. Other financial liabilities

This category consists of liabilities carried at amortized cost using the effective interest method. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

The Company has classified its cash as fair value through profit or loss. Receivables, due from related parties, and share subscriptions receivable are classified as loans and receivables. The Company's accounts payable and accrued liabilities, and promissory note are classified as other financial liabilities.

Impairment of non-financial assets

The carrying amount of the Company's long-lived assets is reviewed for an indication of impairment at the end of each reporting period. If an indication of impairment exists, the Company makes an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets (cash generating units "CGU"). The recoverable amount of an asset group is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the CGU and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

Where the carrying amount of an asset group exceeds its recoverable amount, the CGU is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated to reduce the carrying amounts of the assets in the CGU on a pro rata basis.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

NextLeaf Solutions Ltd.Notes to Financial Statements
(Expressed in Canadian Dollars)**September 30, 2017 and 2016**

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**Related party transactions**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

4. RECEIVABLES

The Company's receivables comprise the following:

	2017	2016
	\$	\$
Trade receivables	185,967	-
Sales taxes receivable	17,914	-
	<u>203,881</u>	<u>-</u>

5. PREPAID EXPENSES AND ADVANCES

The Company's prepaid expenses and advances comprise the following:

	2017	2016
	\$	\$
Conference fees	30,000	-
Retainers	35,516	-
Expense advances and other	15,719	-
	<u>81,235</u>	<u>-</u>

NextLeaf Solutions Ltd.
Notes to Financial Statements
(Expressed in Canadian Dollars)
September 30, 2017 and 2016

6. EQUIPMENT

	Equipment
	\$
COST	
Balance, September 30, 2016, and October 5, 2015	-
Additions	1,050,343
Balance, September 30, 2017	1,050,343
DEPRECIATION	
Balance, September 30, 2016, and October 5, 2015	-
Depreciation ⁽¹⁾	181,290
Balance, September 30, 2017	181,290
NET BOOK VALUE	
Balance, September 30, 2017	869,053

⁽¹⁾ Depreciation is included in cost of sales for the year ended September 30, 2017, in full. Certain of the Company's equipment was not yet in use at September 30, 2017. Depreciation is taken when items are in the location and condition necessary for it to be capable of operating in a manner intended by management.

On January 10, 2017, the Company acquired cannabis extraction equipment from a third party with a fair value of \$699,221. This value makes up its initial cost (included within additions for the year), (the "Transaction"). Subsequent to the Transaction, the individual became the VP Operations of the Company. The consideration paid by the Company was in the form of: (i) a \$127,462 unsecured promissory note, bearing interest at 2.5% per annum, of which \$2,462 remains outstanding at September 30, 2017; and (ii) 11,435,185 common shares of the Company (Note 7). The Company accrued \$976 in interest expense during the year.

Equipment deposits:

During the year ended September 30, 2017, the Company paid cash deposits for additional cannabis extraction equipment in the amount of \$336,996. The various components of equipment relating to these deposits were received subsequent to September 30, 2017.

7. SHARE CAPITAL AND WARRANT RESERVE

Authorized

Unlimited number of common shares with no par value.

Issued and Outstanding

As of September 30, 2017, the total issued and outstanding share capital consists of 21,118,487 (2016 – 5,000,000) common shares.

Period ended September 30, 2016:

On May 1, 2016, the Company issued 5,000,000 common shares of the Company at \$0.001 per common share for a total fair value of \$5,000, recorded as a share-based payment expense for management services to the Company's CEO. During the year ended September 30, 2017, 1,990,742 of these shares were returned to treasury for \$nil consideration and their book value of \$1,991, was recorded to deficit.

NextLeaf Solutions Ltd.
Notes to Financial Statements
(Expressed in Canadian Dollars)
September 30, 2017 and 2016

7. SHARE CAPITAL AND WARRANT RESERVE (cont'd)

Issued and Outstanding (cont'd)

Year ended September 30, 2017:

On January 10, 2017, the Company issued 11,435,185 common shares of the Company with a value of \$571,759 for the purchase of equipment (Note 6). This transaction was valued in reference to the estimated fair value of the equipment acquired.

On June 2, 2017, the Company issued 372,000 units at a price \$0.25 per unit for gross proceeds of \$93,000. Each unit comprised of one common share, and one common share purchase warrant, exercisable at a price of \$0.50 per share until June 2, 2018. The Company also issued 29,760 finders' warrants in connection with this financing, recorded at a fair value of \$2,976, and paid cash finders' fees of \$5,580. The finders' warrants expire on June 2, 2018, and are exercisable at a price of \$0.25 per share.

On July 10, 2017, the Company issued 317,000 units at a price \$0.25 per unit for gross proceeds of \$79,250. Each unit comprised of one common share, and one common share purchase warrant, exercisable at a price of \$0.50 per share until July 10, 2018. The Company also issued 25,360 finders' warrants in connection with this financing, recorded at a fair value of \$2,536, and paid cash finders' fees of \$4,755. The finders' warrants expire on July 10, 2018, and are exercisable at a price of \$0.25 per share. \$74,495 related to this unit issuance was received subsequent to September 30, 2017.

On July 20, 2017, the Company issued 4,240,000 units at a price \$0.25 per unit for gross proceeds of \$1,060,000. Each unit comprised one common share and one common share purchase warrant, exercisable at a price of \$0.50 per share until July 20, 2018. The Company also issued 424,000 finders' warrants in connection with this financing, recorded at a fair value of \$42,400. Further, the Company paid cash finders' fees of \$42,400, and issued an additional 169,600 units to finders' (in lieu of a cash commission), recorded at a fair value of \$42,400 within share issue costs, having a net \$nil effect on share capital. The finders' warrants expire on July 20, 2018, and are exercisable at a price of \$0.25 per share.

On July 31, 2017, the Company issued 51,000 units at a price \$0.25 per unit for gross proceeds of \$12,750. Each unit comprised of one common share and one common share purchase warrant, exercisable at a price of \$0.50 per share until July 31, 2018. The Company also issued 4,080 finders' warrants in connection with this financing, recorded at a fair value of \$408, and paid cash finders' fees of \$765. The finders' warrants expire on July 31, 2018, and are exercisable at a price of \$0.25 per share.

On August 14, 2017, the Company issued 1,524,444 units at a price \$0.225 per unit for gross proceeds of \$343,000. Each unit comprised of one common share and one common share purchase warrant, exercisable at a price of \$0.50 per share until August 14, 2018.

During the year ended September 30, 2017, the Company received \$342,645 in the form of subscription deposits for units that were issued subsequent to September 30, 2017 (Note 15 (b)).

Aggregate cash share issue costs pursuant to the financings completed during the year ended September 30, 2017, totaled \$131,811, of which \$53,500 were cash commissions to finders' (as disclosed above), and \$78,311 were professional and other fees related to the financings.

NextLeaf Solutions Ltd.

Notes to Financial Statements
(Expressed in Canadian Dollars)

September 30, 2017 and 2016

7. SHARE CAPITAL AND WARRANT RESERVE (cont'd)

Warrants

	Number of warrants outstanding	Weighted average exercise price
Balance, September 30, 2016, October 5, 2015	-	\$ -
Issued – attached to units	6,674,044	0.50
Issued – finders' warrants	483,200	0.25
Balance, September 30, 2017	7,157,244	\$ 0.48

Number of warrants outstanding	Weighted average exercise price	Expiry Dates	Weighted average remaining life (years)
372,000	\$ 0.50	June 2, 2018	0.7
29,760	\$ 0.25	June 2, 2018	0.7
317,000	\$ 0.50	July 10, 2018	0.8
25,360	\$ 0.25	July 10, 2018	0.8
4,409,600	\$ 0.50	July 20, 2018	0.8
424,000	\$ 0.25	July 20, 2018	0.8
51,000	\$ 0.50	July 31, 2018	0.8
4,080	\$ 0.25	July 31, 2018	0.8
1,524,444	\$ 0.50	August 14, 2018	0.9
7,157,244	\$ 0.48		0.8

The fair value of the finders' warrants issued during the year ended September 30, 2017, was \$48,320 (2016 - \$nil), and is recorded as a share issue cost. The fair value of the finders' warrants was estimated at the issuance date based on the Black-Scholes option pricing model, using the following weighted average assumptions:

	2017	2016
Risk-free interest rate	2.30%	-
Expected dividend yield	0%	-
Expected life	1 year	-
Expected volatility	100%	-
Fair value per finders' warrant issued	\$0.10	-

NextLeaf Solutions Ltd.
Notes to Financial Statements
(Expressed in Canadian Dollars)
September 30, 2017 and 2016

8. RELATED PARTY TRANSACTIONS

Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and Corporate Officers.

The remuneration of key management for the periods ended September 30, are as follows:

	2017	2016
Consulting fees	\$ 40,000	\$ -
Share-based payments	-	5,000
	<u>\$ 40,000</u>	<u>\$ 5,000</u>

Other transactions with related parties

The Company incurred the following amounts with companies controlled by related parties:

	2017	2016
Legal fees (professional fees)	\$ 17,305	\$ 2,016

Amounts due from (to) related parties

The following amounts are due from (to) related parties as at September 30:

	2017	2016
Officer and director of the Company – accounts payable and accrued liabilities	\$ (29,015)	\$ -
Due from related parties ⁽¹⁾	100,000	-
Promissory note ⁽²⁾	(2,462)	-

⁽¹⁾ During the year ended September 30, 2017, \$75,000 was loaned to a director of the Company. The loan is repayable on demand and bears interest at a rate of 6% per annum. An additional \$25,000 was loaned to the VP Operations. The loan is repayable on demand and bears interest at a rate of 3% per annum. Aggregate interest income of \$152 was recorded within general and administration during the year.

⁽²⁾ The promissory note is unsecured and bears interest at rate of 3% per annum payable to the VP Operations (Note 6).

NextLeaf Solutions Ltd.

Notes to Financial Statements
(Expressed in Canadian Dollars)

September 30, 2017 and 2016

9. FINANCIAL INSTRUMENTS

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the assets or liability either directly or indirectly
- Level 3 - Inputs that are not based on observable market data.

Fair value risk

The Company's financial instruments consist of cash, receivables, due from related parties, subscriptions receivable, accounts payable and accrued liabilities, and promissory note.

The Company's financial instruments with the exception of cash approximate their fair value due to their short-term maturities. The Company's other financial instrument, cash, under the fair value hierarchy is based on level one quoted prices in active markets for identical assets or liabilities.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

All the Company's cash is held through a Canadian chartered bank and accordingly, the Company's exposure to credit risk on cash is considered to be limited. The Company's exposure to its trade receivables equates to their carrying value. Subsequent to September 30, 2017, the Company collected its trade receivables in full. The Company's sales taxes receivable are refunds due from the Government of Canada and the exposure to credit risk on these amounts are considered to be limited.

Liquidity risk

The Company manages liquidity risk by maintaining an adequate level of cash to meet its ongoing obligations. The Company has been successful in raising equity financing in the past; however, there is no assurance that it will be able to do so in the future. As at September 30, 2017, the Company had working capital of \$658,040, and requires additional financing to meet its business objectives. Subsequent to September 30, 2017, the Company obtained additional equity financing (Note 15).

Market risk

Market risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market prices or prevailing conditions. Market risk comprises three types of risk: currency risk, interest rate risk, and price risk as follows:

(i) Currency risk

Currency risk is the risk of change in profit or loss that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company has insignificant exposure to currency risk as it does not have assets or liabilities denominated in foreign currencies. The Company occasionally incurs purchases denominated in the United States dollar.

NextLeaf Solutions Ltd.
Notes to Financial Statements
(Expressed in Canadian Dollars)
September 30, 2017 and 2016

9. FINANCIAL INSTRUMENTS (cont'd)

Market risk (cont'd)

(ii) Interest rate risk

The Company is not exposed to interest rate risk because it does not have any assets or liabilities subject to variable rates of interest, except for cash held in interest-bearing accounts which poses an insignificant risk exposure.

(iii) Price risk

The Company has limited exposure to price risk with respect to equity prices as it operates as a private company currently. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. This risk level will change if the Company becomes publicly traded.

10. CAPITAL RISK MANAGEMENT

The Company defines capital as the components of shareholders' equity (deficiency). The Company's objectives when managing capital are to support further advancement of the Company's business objectives and existing service offerings, as well as to ensure that the Company is able to meet its financial obligations as they come due.

The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company relies on the expertise of the Company's management to sustain the future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended September 30, 2017. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products.

11. INCOME TAXES

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	2017	2016
Loss before income taxes	\$ (504,488)	\$ (7,016)
Expected income tax recovery	(131,000)	(2,000)
Permanent difference	2,000	1,000
Change in unrecognized deductible temporary differences and other	129,000	1,000
Income tax recovery	\$ -	\$ -

NextLeaf Solutions Ltd.
Notes to Financial Statements
(Expressed in Canadian Dollars)
September 30, 2017 and 2016

11. INCOME TAXES (cont'd)

The Company has unused temporary differences that have not been included on the statements of financial position as follows:

	2017	Expiry Date Range	2016	Expiry Date Range
Equipment	\$ 91,000	N/A	\$ -	N/A
Share issue costs	\$ 79,000	2021	\$ -	N/A
Non-capital losses available	\$ 441,000	2036 – 2037	\$ 2,000	2036

12. GENERAL AND ADMINISTRATION

General and administration expenses comprise the following:

	2017	2016
Bank charges	\$ 534	\$ -
Foreign exchange	3,771	-
Insurance	13,085	-
Office	10,660	-
Rent	5,953	-
	<u>\$ 34,003</u>	<u>\$ -</u>

13. COST OF SALES

Cost of sales comprises the following:

	2017	2016
Contractors	\$ 28,000	\$ -
Depreciation	181,290	-
Supplies and utilities	57,711	-
	<u>\$ 267,001</u>	<u>\$ -</u>

14. SEGMENTED INFORMATION

The Company has a single reportable segment: the provision of extraction and processing solutions to the cannabis industry in British Columbia, Canada. All of the Company's revenues are generated in Canada, and its non-current assets are located in Canada.

For the year ended September 30, 2017, there were five customers that each accounted for greater than 10% of total revenue individually. The aggregate revenues from these customers amounted to \$119,760.

NextLeaf Solutions Ltd.
Notes to Financial Statements
(Expressed in Canadian Dollars)
September 30, 2017 and 2016

15. SUBSEQUENT EVENTS

Subsequent to September 30, 2017, the Company:

- a) Is in the process of applying for a public listing of its common shares on the Australian Stock Exchange through an initial public offering (“IPO”) of up to 23,333,333 common shares for gross proceeds of up to \$7,000,000, of which a commission of 2,500,000 shares is due to the broker.
- b) On October 31, 2017, 1,648,112 units were issued at a price of \$0.25 per unit for gross proceeds of \$412,028. Each unit comprises one common share and one common share purchase warrant exercisable at a price of \$0.50 per common share until July 20, 2018. Related to this issuance, \$342,645 of subscriptions received in advance as at September 30, 2017, were reclassified to share capital.
- c) On January 31, 2018, 4,500,000 shares were issued at a price of \$0.11 a share for gross proceeds of \$487,566. The Company also paid cash finders’ fees of \$34,130.
- d) On January 31, 2018, 3,775,144 shares were issued at a price of \$0.18 a share for gross proceeds of \$665,734. The Company also paid cash finders’ fees of \$46,601.

Nextleaf Solutions Ltd.
Condensed Interim Financial Statements
(Expressed in Canadian Dollars)
June 30, 2018

Nextleaf Solutions Ltd.

Condensed Interim Statements of Financial Position

(Expressed in Canadian Dollars)

As at

	June 30, 2018	September 30, 2017
ASSETS		
Current		
Cash	\$ 723,621	\$ 342,572
Inventory	26,080	-
Receivables (Note 4)	66,208	203,881
Prepaid expenses and advances (Note 5)	149,619	81,235
Due from related parties (Note 8)	101,476	100,000
Subscriptions receivable (Note 7)	-	74,495
	<u>1,067,004</u>	<u>802,183</u>
Equipment deposits (Note 6)	208,212	336,996
Equipment (Note 6)	<u>2,392,375</u>	<u>869,053</u>
	<u>2,600,587</u>	<u>1,206,049</u>
	<u>\$ 3,667,591</u>	<u>\$ 2,008,232</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 8)	\$ 578,148	\$ 141,681
Promissory note (Note 6)	-	2,462
	<u>578,148</u>	<u>144,143</u>
SHAREHOLDERS' EQUITY		
Share capital (Note 7)	3,615,539	1,982,637
Warrant reserve (Note 7)	40,444	48,320
Subscriptions received in advance (Note 7)	1,309,716	342,645
Deficit	<u>(1,876,256)</u>	<u>(509,513)</u>
	<u>3,089,443</u>	<u>1,864,089</u>
	<u>\$ 3,667,591</u>	<u>\$ 2,008,232</u>

Nature and Continuance of Operations (Note 1)

Subsequent Events (Note 14)

Approved and Authorized by the Board on November 4, 2018:

"Paul Pedersen"

Director

"Charles Ackerman"

Director

The accompanying notes are an integral part of these condensed interim financial statements.

Nextleaf Solutions Ltd.

Condensed Interim Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

	For the		For the	
	three months ended		nine months ended	
	June 30,		June 30,	
	2018	2017	2018	2017
Revenue				
Equipment sales	\$ -	\$ -	\$ 127,236	\$ -
Rental revenue	90,172	-	214,172	-
	90,172		341,408	
Cost of sales (Note 12)	(123,936)	-	(462,261)	-
	(33,764)	-	(120,853)	-
Expenses				
Sales and marketing	81,770	46,904	125,723	51,434
General and administration (Note 11)	176,496	25,330	428,540	38,046
Share-based payments (Note 7)	-	-	27,000	-
Professional fees and consulting (Note 8)	136,394	51,425	664,627	58,846
	394,660	123,659	1,245,890	148,326
Loss and comprehensive loss for the period	\$ (428,424)	\$ (123,659)	\$ (1,366,743)	\$ (148,326)
Loss and comprehensive loss per share - basic and diluted	\$ (0.01)	\$ (0.00)	\$ (0.02)	\$ (0.00)
Weighted average number of common shares outstanding	63,112,176	54,251,100	56,931,860	38,051,835

The accompanying notes are an integral part of these condensed interim financial statements.

Nextleaf Solutions Ltd.

Condensed Interim Statements of Cash Flows

(Expressed in Canadian Dollars)

	For the nine months ended June 30 2018	For the nine months ended June 30 2017
Cash flows used in operating activities		
Loss for the period	\$ (1,366,743)	\$ (148,326)
Items not involving cash:		
Depreciation	211,404	-
Share-based payments	27,000	-
Interest income	(1,476)	
Changes in non-cash working capital:		
Receivables	137,673	(7,162)
Inventory	(26,080)	-
Prepaid expenses and advances	(68,384)	(35,397)
Due from related parties	-	2,035
Accounts payable and accrued liabilities	436,467	177,324
	<u>(650,139)</u>	<u>(11,526)</u>
Cash flows used in investing activities		
Purchase of equipment	(1,688,253)	(263,858)
Equipment deposits	82,311	(56,000)
	<u>(1,605,942)</u>	<u>(319,858)</u>
Cash flows from financing activities		
Subscriptions receivable	74,495	-
Subscriptions received in advance	967,071	1,070,170
Repayment of promissory note	(2,462)	(125,000)
Issuance of common shares, net of share issue costs	1,598,026	402,107
	<u>2,637,130</u>	<u>1,347,277</u>
Change in cash	381,049	1,015,893
Cash, beginning of period	<u>342,572</u>	<u>-</u>
Cash, end of period	\$ 723,621	\$ 1,015,893

Supplemental disclosure of significant non-cash investing and financing activities:

Promissory note issued for equipment	\$ -	\$ 127,462
Common shares issued for equipment	\$ -	\$ 571,759
Share issue costs included in accounts payable and accrued liabilities	\$ -	\$ 11,000
Finders' units – included in share issue costs	\$ 450,000	\$ -
Finders' warrants – included in share issue costs	\$ 37,500	\$ -
Transfer of contributed surplus on exercise of warrants	\$ 45,376	\$ -
Transfer of equipment deposits to equipment	\$ 46,473	\$ -

The accompanying notes are an integral part of these condensed interim financial statements.

Nextleaf Solutions Ltd.

Condensed Interim Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian Dollars)

	Common Shares	Share Capital	Warrant Reserve	Subscriptions received in advance	Deficit	Total
Balance at September 30, 2016	11,250,000	\$5,000	\$ -	\$ -	\$(7,016)	\$(2,016)
Shares issued for cash	837,000	93,000	-	-	-	93,000
Subscriptions received in advance	-	-	-	1,070,170	-	1,070,170
Share issue costs – cash	-	(33,893)	-	-	-	(33,893)
Share issue costs – finders' warrants	-	(2,976)	2,976	-	-	-
Shares issued for equipment (Note 6)	25,729,166	571,759	-	-	-	571,759
Loss for the period	-	-	-	-	(148,326)	(148,326)
Balance at June 30, 2017	37,816,166	632,890	2,976	1,070,170	(155,342)	1,550,694
Balance at September 30, 2017	47,516,595	1,982,637	48,320	342,645	(509,513)	1,864,089
Shares issued for cash	11,983,396	1,565,328	-	(342,645)	-	1,222,683
Shares issued for cash on exercise of warrants	1,020,960	158,805	(45,376)	-	-	113,429
Subscriptions received in advance	-	-	-	1,309,716	-	1,309,716
Share issue costs – cash	-	(80,731)	-	-	-	(80,731)
Share issue costs – finders' shares	2,500,000	-	-	-	-	-
Share issue costs – finders' warrants	-	(37,500)	37,500	-	-	-
Share-based payments	150,000	27,000	-	-	-	27,000
Loss for the period	-	-	-	-	(1,366,743)	(1,366,743)
Balance at June 30, 2018	63,170,951	\$ 3,615,539	\$ 40,444	\$ 1,309,716	\$(1,876,256)	\$ 3,089,443

The accompanying notes are an integral part of these condensed interim financial statements.

Nextleaf Solutions Ltd.

Notes to Condensed Financial Interim Statements
(Expressed in Canadian Dollars)

June 30, 2018

1. NATURE AND CONTINUANCE OF OPERATIONS

Nextleaf Solutions Ltd. (the “Company” or “Nextleaf”) was incorporated under the laws of the province of British Columbia on October 6, 2015. The Company is an extraction and processing solution company providing services and sale of related equipment to the licensed cannabis industry in Canada. The Company’s registered and records office is 1090 West Georgia Street, Suite 600, Vancouver, British Columbia, V6E 3V7.

The Company is in the process of completing a transaction which would result in the public listing of the Company’s common shares on the Canadian Securities Exchange through a reverse take-over, see Note 15 for details.

The nature of the Company’s business operations involves a high degree of risk and there can be no assurance that the Company will generate sales and positive cash flows or obtain the necessary financing to fund working capital requirements and fund operational growth and future profitable business operations. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern.

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than a process of forced liquidation. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. BASIS OF PRESENTATION

These condensed interim financial statements have been prepared on the historical cost basis except for cash flow information and certain financial instruments which are measured at fair value, as explained in Note 3, and are presented in Canadian dollars except where otherwise indicated.

Reverse Stock Split

On December 19, 2017, the Company effected a 2.25 for 1 stock split of the Company’s common shares. All common share and per-share amounts for all periods presented in these financial statements have been adjusted retroactively to reflect the stock split.

Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (IAS 34) as issued by the International Accounting Standards Board. Condensed interim consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended September 30, 2017. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company’s financial position and performance since the last annual financial statements as at and for the year ended September 30, 2017.

Nextleaf Solutions Ltd.

Notes to Condensed Financial Interim Statements
(Expressed in Canadian Dollars)

June 30, 2018

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting standards issued but not yet effective

A number of new IFRS standards, amendments to standards and interpretations are not yet effective for the period ended June 30, 2018, and have not been applied in preparing these financial statements.

IFRS 9 - Financial Instruments ("IFRS 9")

IFRS 9 is a new standard that replaced IAS 39 for classification and measurement, effective for annual periods beginning on or after January 1, 2018.

IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. As most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, the Company's accounting policy with respect to financial liabilities is unchanged.

On adoption of IFRS 9, the Company will classify its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

Adoption of IFRS 9 is expected to increase the required disclosure for financial instruments.

	<i>Original classification IAS 39</i>	<i>New classification IFRS 9</i>
Financial assets		
Cash	FVTPL	FVTPL
Receivables	Loans and receivables	Amortized cost
Due from related parties	Loans and receivables	Amortized cost
Financial liabilities		
Accounts payable and accrued liabilities	Amortized cost	Amortized cost

Nextleaf Solutions Ltd.

Notes to Condensed Financial Interim Statements
(Expressed in Canadian Dollars)

June 30, 2018

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Accounting standards issued but not yet effective (cont'd)

IFRS 15 – Revenue from Contracts with Customers ("IFRS 15")

IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is effective for annual periods beginning on or after January 1, 2018. Adoption of this standard is not expected to have a significant impact on the financial statements.

IFRS 16 – Leases ("IFRS 16")

IFRS 16, Leases, new standard contains a single lessee accounting model, eliminating the distinction between operating and financing leases from the perspective of the lessee. The accounting requirements from the perspective of the lessor remains largely in line with previous IAS 17 requirements, effective for annual reporting periods beginning on or after January 1, 2019. The Company is currently assessing the impact of this standard on the financial statements.

IFRIC 23 – Uncertainty over Income Tax Treatments ("IFRIC 23")

IFRIC 23 clarifies the accounting for income tax treatments and is applicable for annual periods beginning on or after January 1, 2019.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

Significant accounting judgments, estimates and assumptions

The preparation of the Company's condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

The information about significant areas of estimation uncertainty considered by management in preparing the financial statements is as follows:

Fair value of finders' warrants

Determining the fair value of finders' warrants requires estimates related to the choice of a pricing model, the estimation of stock price volatility, the fair value of the Company's common shares, the expected forfeiture rate and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could have a significant impact on the Company's future operating results or on other components of shareholders' equity (deficiency).

Nextleaf Solutions Ltd.

Notes to Condensed Financial Interim Statements
(Expressed in Canadian Dollars)

June 30, 2018

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Significant accounting judgments, estimates and assumptions (cont'd)

Equipment

The estimated useful lives of assets are reviewed by management and adjusted if necessary. To estimate equipment's useful life, management must use its past experience with the same or similar assets, review engineering estimates and industry practices for similar pieces of equipment and/or apply statistical methods to assist in its determination of useful life. Additionally, management makes estimates with respect to the fair value of equipment acquired for non-monetary consideration. The Company assesses fair value by comparing market prices for similar types of equipment.

Non-monetary transactions

All non-monetary transactions are measured at the fair value of the asset surrendered or the asset received, whichever is more reliable, unless the transaction lacks commercial substance or the fair value cannot be reliably established. The commercial substance requirement is met when the future cash flows are expected to change significantly as a result of the transaction. When the fair value of a non-monetary transaction cannot be reliably measured, it is recorded at the carrying amount (after reduction, when appropriate, for impairment) of the asset given up and adjusted by the fair value of any monetary consideration received or given. When the asset received or consideration given up is shares in an actively traded market, the market value of those shares will be considered fair value.

The information about significant areas of judgment considered by management in preparing the financial statements is as follows:

Income taxes

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in profit or loss both in the period of change, which would include any impact on cumulative provisions, and in future periods. Deferred tax assets (if any) are recognized only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as the amounts recognized in profit or loss in the period in which the change occurs.

Going concern

The assessment of the Company's ability to continue as a going concern as discussed in Note 1 involves judgment regarding future funding available for its operations and working capital requirements.

Nextleaf Solutions Ltd.

Notes to Condensed Financial Interim Statements

(Expressed in Canadian Dollars)

June 30, 2018

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Equipment

Equipment is stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. A full year of depreciation is recorded in the year of acquisition. No depreciation is recorded in the year of disposal.

Depreciation is provided at rates calculated to amortize the cost of equipment, less its estimated residual value, using the diminishing balance method over its expected period of use by the Company. Depreciation of equipment and leasehold improvements is calculated over the estimated useful lives as follows:

Office leasehold improvements	10 years	straight-line method
Equipment	20%	declining balance method

Estimated useful lives are reviewed by management and adjusted if necessary.

Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced. Repairs and maintenance costs are charged to profit or loss during the period they are incurred.

Inventory

Inventory is recorded at the lower of cost and net realizable value. Cost is determined using the specific identification cost method. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

All inventories are periodically reviewed for impairment due to slow-moving and obsolete inventory. The provision for obsolete, slow-moving or defective inventories are recognized in profit or loss. Previous write-downs to net realizable value are reversed to the extent there is a subsequent increase in net realizable value of the inventories.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of equipment inventory and the rendering of services in the ordinary course of the business. Sales are presented, net of value-added tax, rebates and discounts.

The Company recognises extraction equipment rental revenue when the service has been rendered, the amount of revenue and related cost can be reliably measured, and it is probable that the collectability of the related receivables is reasonably assured.

Revenue of equipment sales are recognized when persuasive evidence of a sale arrangement exists, delivery has occurred, the price is fixed or determinable, and collectability is reasonably assured.

Nextleaf Solutions Ltd.

Notes to Condensed Financial Interim Statements
(Expressed in Canadian Dollars)

June 30, 2018

4. RECEIVABLES

The Company's receivables comprise the following:

	June 30, 2018	September 30, 2017
	\$	\$
Trade receivables	17,095	185,967
Sales taxes receivable	49,113	17,914
	<u>66,208</u>	<u>203,881</u>

5. PREPAID EXPENSES AND ADVANCES

The Company's prepaid expenses and advances comprise the following:

	June 30, 2018	September 30, 2017
	\$	\$
Conference fees	9,000	30,000
Retainers	86,832	35,516
Expense advances and other	53,787	15,719
	<u>149,619</u>	<u>81,235</u>

6. EQUIPMENT

	Leasehold Improvements	Equipment	Total
	\$	\$	\$
COST			
Balance, September 30, 2016	-	-	-
Additions	-	1,050,343	1,050,343
Balance, September 30, 2017	<u>-</u>	<u>1,050,343</u>	<u>1,050,343</u>
DEPRECIATION			
Balance, September 30, 2016	-	-	-
Depreciation ⁽¹⁾	-	181,290	181,290
Balance, September 30, 2017	<u>-</u>	<u>181,290</u>	<u>181,290</u>
NET BOOK VALUE			
Balance, September 30, 2017	<u>-</u>	<u>869,053</u>	<u>869,053</u>

Nextleaf Solutions Ltd.

Notes to Condensed Financial Interim Statements
(Expressed in Canadian Dollars)

June 30, 2018

6. EQUIPMENT (cont'd)

	Leasehold Improvements	Equipment	Total
	\$	\$	\$
COST			
Balance, September 30, 2017	-	1,050,343	1,050,343
Additions	25,849	1,708,877	1,734,726
Balance, June 30, 2018	25,849	2,759,220	2,785,069
DEPRECIATION			
Balance, September 30, 2017	-	181,290	181,290
Depreciation ⁽¹⁾	-	211,404	211,404
Balance, June 30, 2018	-	392,694	392,694
NET BOOK VALUE			
Balance, June 30, 2018	25,849	2,366,526	2,392,375

⁽¹⁾ \$209,787 and \$181,290 of depreciation is included in cost of sales for the period ended June 30, 2018 and year ended September 31, 2017, respectively. \$1,617 of depreciation is included in general and administration for the period ended June 30, 2018. Certain of the Company's equipment was not yet in use at June 30, 2018. Depreciation is taken when items are in the location and condition necessary for it to be capable of operating in a manner intended by management.

Equipment deposits:

At June 30, 2018, the Company had paid cash deposits for additional cannabis extraction equipment in the amount of \$208,212 (September 30, 2017- \$336,996). The various components of equipment relating to these deposits were received or refunded subsequent to June 30, 2018 and September 30, 2017.

The leasehold improvements were not in use at the end of the period, therefore no depreciation was taken during the period.

7. SHARE CAPITAL AND WARRANT RESERVE

Authorized

Unlimited number of common shares with no par value.

Issued and Outstanding

As of June 30, 2018, the total issued and outstanding share capital consists of 63,170,951 (September 30, 2017 – 47,516,595) common shares.

On December 19, 2017, the Company effected a 2.25 for 1 stock split of the Company's common shares. All common share and per-share amounts for all periods presented in these financial statements have been adjusted retroactively to reflect the stock split.

Nextleaf Solutions Ltd.

Notes to Condensed Financial Interim Statements
(Expressed in Canadian Dollars)

June 30, 2018

7. SHARE CAPITAL AND WARRANT RESERVE (cont'd)

Period ended June 30, 2017:

On January 10, 2017, the Company issued 25,729,166 common shares of the Company with a value of \$571,759 for the purchase of equipment (Note 6). This transaction was valued in reference to the estimated fair value of the equipment acquired.

On June 2, 2017, the Company issued 837,000 units at a price \$0.1111 per unit for gross proceeds of \$93,000. Each unit comprised of one common share, and one common share purchase warrant, exercisable at a price of \$0.2222 per share until June 2, 2018. The Company also issued 66,960 finders' warrants in connection with this financing, recorded at a fair value of \$2,976, and paid cash finders' fees of \$5,580. The finders' warrants expire on June 2, 2018, and are exercisable at a price of \$0.1111 per share.

Aggregate cash share issue costs pursuant to the financings completed during the period ended June 30, 2017, totaled \$33,893, of which \$5,580 were cash commissions to finders' (as disclosed above), and \$28,313 were professional and other fees related to the financings.

At June 30, 2017, there was \$1,070,170 in share subscriptions received in advance. These subscriptions were issued subsequent to the period end.

Period ended June 30, 2018:

On October 31, 2017, 3,708,252 units were issued at a price of \$0.1111 per unit for gross proceeds of \$412,028. Each unit comprises one common share and one common share purchase warrant exercisable at a price of \$0.2222 per common share until July 20, 2018. Related to this issuance, \$342,645 of subscriptions received in advance as at September 30, 2017, were reclassified to share capital.

On January 31, 2018, 4,500,000 shares were issued at a price of \$0.1083 a share for gross proceeds of \$487,566. The Company also paid cash finders' fees of \$34,130.

On January 31, 2018, 3,775,144 shares were issued at a price of \$0.1764 a share for gross proceeds of \$665,734. The Company also paid cash finders' fees of \$46,601.

On February 22, 2018, 150,000 shares were issued with a value of \$27,000 for services provided by a consultant.

On March 1, 2018, upon the exercise of 954,000 broker share purchase warrants, 954,000 shares were issued at a price of \$0.1111 per share for gross proceeds of \$105,989. The warrants were previously valued at \$42,400.

On March 1, 2018, 2,500,000 shares were issued at a value of \$450,000 for service provided related to share issuances.

On June 18, 2018, upon the exercise of 66,960 broker share purchase warrants, 66,960 shares were issued at a price of \$0.1111 per share for gross proceeds of \$7,440. The warrants were previously valued at \$2,976.

At June 30, 2018, there was \$1,309,716 share subscriptions received in advance. These subscriptions were issued subsequent to the period end.

Nextleaf Solutions Ltd.

Notes to Condensed Financial Interim Statements
(Expressed in Canadian Dollars)

June 30, 2018

7. SHARE CAPITAL AND WARRANT RESERVE (cont'd)

Aggregate cash share issue costs pursuant to the financings completed during the period ended June 30, 2018, totalled \$80,731 which were commissions paid to finders' (as disclosed above).

Warrants

	Number of warrants outstanding	Weighted average exercise price
Balance, September 30, 2016	-	\$ -
Issued – attached to units	15,016,599	0.22
Issued – finders' warrants	1,087,200	0.11
Balance, September 30, 2017	16,103,799	0.21
Issued – attached to units	3,708,252	0.22
Issued – finders' warrants	750,000	0.25
Exercised	(1,020,960)	0.11
Expired	(837,000)	0.11
Balance, June 30, 2018	18,704,091	\$ 0.22

Number of warrants outstanding	Weighted average exercise price	Expiry Dates	Weighted average remaining life (years)
713,250	\$ 0.22	July 10, 2018	0.03 ⁽¹⁾
57,060	\$ 0.11	July 10, 2018	0.03 ⁽²⁾
9,921,600	\$ 0.22	July 20, 2018	0.05 ^(1, 3)
114,750	\$ 0.22	July 31, 2018	0.08 ⁽¹⁾
9,180	\$ 0.11	July 31, 2018	0.08 ⁽²⁾
3,429,999	\$ 0.22	August 14, 2018	0.12 ⁽¹⁾
3,708,252	\$ 0.22	July 20, 2018	0.05 ⁽¹⁾
750,000	\$ 0.25	March 1, 2019	0.67
18,704,091	\$ 0.22		0.09

⁽¹⁾ Subsequent to the period ended June 30, 2018, 15,522,441 of these warrants' expiry was extended until September 30, 2018. 15,522,441 of warrants were exercised for gross proceeds of \$3,449,086.

⁽²⁾ Subsequent to the period ended June 30, 2018, these warrants expired unexercised.

⁽³⁾ Subsequent to the period ended June 30, 2018, 2,365,410 of these warrants expired unexercised.

Nextleaf Solutions Ltd.

Notes to Condensed Financial Interim Statements
(Expressed in Canadian Dollars)

June 30, 2018

7. SHARE CAPITAL AND WARRANT RESERVE (cont'd)

The fair value of the finders' warrants issued during the period ended June 30, 2018, was \$37,500 (year ended September 30, 2017 - \$48,320), and is recorded as a share issue cost. The fair value of the finders' warrants was estimated at the issuance date based on the Black-Scholes option pricing model, using the following weighted average assumptions:

	2018	2017
Risk-free interest rate	2.00%	2.30%
Expected dividend yield	0%	0%
Expected life	1 year	1 year
Expected volatility	100%	100%
Fair value per finders' warrant issued	\$0.05	\$0.10

8. RELATED PARTY TRANSACTIONS

Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and Corporate Officers.

The remuneration of key management for the periods ended June 30, 2018 and June 30, 2017 are as follows:

	2018	2017
Consulting fees	\$ 87,700	\$ 6,602
Legal	\$ 24,585	\$ -
	<u>\$ 112,285</u>	<u>\$ 6,602</u>

Nextleaf Solutions Ltd.

Notes to Condensed Financial Interim Statements
(Expressed in Canadian Dollars)

June 30, 2018

8. RELATED PARTY TRANSACTIONS (cont'd)

Amounts due from (to) related parties

The following amounts are due from (to) related parties as at June 30, 2018 and September 30, 2017:

	2018	2017
Officer and director of the Company – accounts payable and accrued liabilities	\$ (28,044)	\$ (29,015)
Due from related parties ⁽¹⁾	101,476	100,000
Promissory note ⁽¹⁾	-	(2,462)
	<u>\$ 73,432</u>	<u>\$ 68,523</u>

⁽¹⁾ During the year ended September 30, 2017, \$75,000 was loaned to a director of the Company. The loan is repayable on demand and bears interest at a rate of 6% per annum. An additional \$25,000 was loaned to the Chief Technical Officer as an unsecured promissory note. The loan is repayable on demand and bears interest at a rate of 3% per annum. Interest income of \$3,938 (2017 - \$0) was recorded within general and administration during the period related to these loans. During the period ended June 30, 2018 a promissory note in the amount of \$2,462 owing to a director was netted against a loan from the same related party.

9. FINANCIAL INSTRUMENTS

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the assets or liability either directly or indirectly;
- Level 3 - Inputs that are not based on observable market data.

Fair value risk

The Company's financial instruments consist of cash, receivables, due from related parties, subscription receivable, accounts payable and accrued liabilities, and promissory note.

The Company's financial instruments with the exception of cash approximate their fair value due to their short-term maturities. The Company's other financial instrument, cash, under the fair value hierarchy is based on level one quoted prices in active markets for identical assets or liabilities.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

All the Company's cash is held through a Canadian chartered bank and accordingly, the Company's exposure to credit risk is considered to be limited. The Company's exposure to its trade receivables equates to their carrying value. The Company's sales taxes receivable are refunds due from the Government of Canada and the exposure to credit risk on these amounts are considered to be limited.

Nextleaf Solutions Ltd.

Notes to Condensed Financial Interim Statements
(Expressed in Canadian Dollars)

June 30, 2018

9. FINANCIAL INSTRUMENTS (cont'd)

Liquidity risk

The Company manages liquidity risk by maintaining an adequate level of cash to meet its ongoing obligations. The Company has been successful in raising equity financing in the past; however, there is no assurance that it will be able to do so in the future. As at June 30, 2018, the Company had working capital of \$488,856, and requires additional financing to meet its business objectives. Subsequent to June 30, 2018, the Company obtained additional equity financing (refer to Note 15 for details).

Market risk

Market risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market prices or prevailing conditions. Market risk comprises three types of risk: currency risk, interest rate risk, and price risk as follows:

(i) Currency risk

Currency risk is the risk of change in profit or loss that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company has insignificant exposure to currency risk as it does not have assets or liabilities denominated in foreign currencies. The Company occasionally incurs purchases denominated in the United States dollar.

(ii) Interest rate risk

The Company is not exposed to interest rate risk because it does not have any assets or liabilities subject to variable rates of interest, except for cash held in interest-bearing accounts which poses an insignificant risk exposure.

(iii) Price risk

The Company has limited exposure to price risk with respect to equity prices as it operates as a private company currently. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. This risk level will change if the Company becomes publicly traded.

10. CAPITAL RISK MANAGEMENT

The Company defines capital as consistent of the components of shareholders' equity (deficiency). The Company's objectives when managing capital are to support further advancement of the Company's business objectives and existing service offerings, as well as to ensure that the Company is able to meet its financial obligations as they come due.

The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company relies on the expertise of the Company's management to sustain the future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended June 30, 2018. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products.

Nextleaf Solutions Ltd.

Notes to Condensed Financial Interim Statements
(Expressed in Canadian Dollars)

June 30, 2018

11. GENERAL AND ADMINISTRATION

General and administration for the period ending June 30, 2018 and June 30, 2017 comprise the following:

	2018	2017
Bank charges	\$ 8,658	\$ 340
Depreciation	1,617	-
Foreign exchange	(3,264)	6,587
Insurance	18,416	-
Interest income	(3,938)	-
Office	64,407	4,363
Shop supplies and consumables	-	26,756
Rent	20,816	-
Repairs and maintenance	44,126	-
Wages and salaries	277,702	-
	<u>\$ 428,540</u>	<u>\$ 38,046</u>

12. COST OF SALES

Cost of sales for the period ending June 30, 2018 and June 30, 2017 comprises the following:

	2018	2017
Contractors	\$ 22,785	\$ -
Depreciation	209,787	-
Hardware	99,762	-
Supplies and utilities	129,927	-
	<u>\$ 462,261</u>	<u>\$ -</u>

13. SEGMENTED INFORMATION

The Company has a single reportable segment: the provision of extraction and processing solutions and equipment to the cannabis industry in British Columbia, Canada. All of the Company's revenues are generated in Canada, and its non-current assets are located in Canada.

For the period ended June 30, 2018, there were three customers that each accounted for greater than 10% of total revenue individually. The aggregate revenues from these customers amounted to \$341,408.

Nextleaf Solutions Ltd.

Notes to Condensed Financial Interim Statements
(Expressed in Canadian Dollars)

June 30, 2018

14. SUBSEQUENT EVENTS

Subsequent to June 30, 2018, the Company:

- a) Entered into a binding letter of intent (“LOI”) with Legion Metals Corp. (“Legion”), a publicly listed company on the Canadian Securities Exchange, 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 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.
- b) On August 17, 2018, upon the exercise of 7,417,798 share purchase warrants, 7,417,798 shares were issued at a price of \$0.2222 for gross proceeds of \$1,648,235. Fees related to the share issue totaled \$77,823.
- c) On September 28, 2018, upon the exercise of 8,104,643 share purchase warrants, 8,104,643 shares were issued at a price of \$0.2222 per share for gross proceeds of \$1,800,852. Fees related to the share issue totaled \$84,980.

SCHEDULE "I"
Pro forma financial statements of Legion and Nextleaf

LEGION METALS CORP.

Pro Forma Consolidated Statement of Financial Position

As at June 30, 2018

(Unaudited)

LEGION METALS CORP.
Pro Forma Consolidated Statement of Financial Position
As at June 30, 2018
(Unaudited)
(Expressed in Canadian Dollars)

	Legion as at June 30, 2018	Nextleaf as at June 30, 2018	Notes	Pro Forma Adjustments	Pro Forma Consolidated
	(\$)	(\$)		(\$)	(\$)
ASSETS					
Current assets					
Cash	167,745	723,621	4(b)	(75,000)	
			4(c)	1,976,567	
			4(d)	2,720,000	5,512,933
Restricted cash	26,315	-			26,315
Inventory	-	26,080		-	26,080
Receivable	11,531	66,208		-	77,739
Prepaid expenses and advances	-	149,619		-	149,619
Due from related parties	-	101,476		-	101,476
Investment	-	-	4(e)	150,000	150,000
	205,591	1,067,004		4,771,567	6,044,162
Exploration and evaluation assets	150,000	-	4(e)	(150,000)	-
Equipment deposits	-	208,212		-	208,212
Equipment	120,042	2,392,375		-	2,512,417
	475,633	3,667,591		4,621,567	8,764,791
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Accounts payable and accrued liabilities	30,497	578,148		-	608,645
	30,497	578,148		-	608,645
Shareholders' equity					
Share capital	698,045	3,615,539	4(b)	1,276,460	
			4(b)	(698,045)	
			4(c)	3,286,283	
			4(d)	3,000,000	
			4(d)	(240,000)	
			4(d)	(40,000)	
			4(d)	(290,328)	10,607,954
Reserves	60,901	40,444	4(b)	(60,901)	
			4(b)	98,351	
			4(d)	290,328	429,123
Subscriptions received in advance	-	1,309,716	4(c)	(1,309,716)	-
Deficit	(313,810)	(1,876,256)	4(b)	313,810	
			4(b)	(1,004,675)	(2,880,931)
	445,136	3,089,443		4,621,567	8,156,146
	475,633	3,667,591		4,621,567	8,764,791

LEGION METALS CORP.

Pro Forma Consolidated Statement of Loss and Comprehensive Loss

(Unaudited)

(Expressed in Canadian Dollars)

	Legion 3 months ended June 30, 2018	Nextleaf 3 months ended June 30, 2018	Notes	Pro Forma Adjustments	Pro Forma Consolidated
	(\$)	(\$)		(\$)	(\$)
Revenue	-	90,172		-	90,172
Cost of Sales	-	(123,936)		-	(123,936)
	-	(33,764)		-	(33,764)
Digital assets sold	16,159	-		-	16,159
Cost of digital assets sold	(21,264)	-		-	(21,264)
	(5,105)	-		-	(5,105)
Expenses					
Filing fees	4,019	-		-	4,019
General administration	2,817	176,496		-	179,313
Professional fees and consulting	7,054	136,394		-	143,448
Sales and general administration	-	81,770		-	81,770
	(13,890)	(394,660)		-	(408,550)
Listing expense	-	-	4(b)	(1,004,675)	(1,004,675)
Loss and comprehensive loss for the period	(18,995)	(428,424)		(1,004,675)	(1,452,094)

LEGION METALS CORP.

Pro Forma Consolidated Statement of Loss and Comprehensive Loss

(Unaudited)

(Expressed in Canadian Dollars)

	Legion 12 months ended March 31, 2018	Nextleaf 12 months ended June 30, 2018	Notes	Pro Forma Adjustments	Pro Forma Consolidated
	(\$)	(\$)		(\$)	(\$)
Revenue	-	461,168		-	461,168
Cost of Sales	-	(729,262)		-	(729,262)
	-	(268,094)		-	(268,094)
Digital assets sold	10,289	-		-	10,289
Cost of digital assets sold	(17,644)	-		-	(17,664)
	(7,355)	-		-	(7,355)
Expenses					
Filing fees	38,374	-		-	38,374
General administration	7,496	437,213		-	444,709
Professional fees and consulting	74,435	844,224		-	918,659
Property investigation	1,600	-		-	1,600
Sales and general administration	-	171,041		-	171,041
Share-based payments	7,000	27,000		-	34,000
	(128,905)	(1,479,478)		-	(1,608,383)
Loss on impairment of equipment	(143,000)	-		-	(143,000)
Listing expense	-	-	4(b)	(1,004,675)	(1,004,675)
Loss and comprehensive loss for the period	(279,260)	(1,747,572)		(1,004,675)	(3,031,507)

LEGION METALS CORP.

Notes to the Pro Forma Financial Statements

As at June 30, 2018

(Unaudited)

(Expressed in Canadian Dollars)

NOTE 1 – BASIS OF PRESENTATION

Legion Metals Corp. (the “Company”) was incorporated under the laws of the province of British Columbia on December 8, 2016. On December 12, 2017, the Company completed its initial public offering (“IPO”) and is now publicly traded on the Canadian Securities Exchange (“CSE”) under the ticker “LEGN”. The Company’s registered and records office is 1090 West Georgia Street, Suite 600, Vancouver, British Columbia, V6E 3V7.

On November 19, 2018, the Company entered into a definitive Acquisition Agreement to complete a reverse takeover transaction by way of plan of arrangement (the “Transaction”) with Nextleaf Solutions Ltd. (“Nextleaf”), a privately held company incorporated under the laws of the province of British Columbia. Nextleaf is an extraction and processing solution company providing services and sale of related equipment to the licensed cannabis industry in Canada.

The unaudited pro forma consolidated financial statements of the Company have been compiled from the following information and should be read in conjunction with the following:

1. The unaudited financial statements of Legion as at and for the period ended June 30, 2018;
2. The unaudited financial statements of Nextleaf as at and for the period ended June 30, 2018.

The unaudited pro forma consolidated statement of financial position is intended to reflect the financial position of the Company as if the transactions had been effected on June 30, 2018. The unaudited pro forma consolidated statement of financial position is not necessarily indicative of the financial position which would have resulted if the transaction had actually occurred on June 30, 2018.

The unaudited pro forma statement of loss and comprehensive loss of Nextleaf for the 12 months ended June 30, 2018 was constructed for the purposes of the pro forma financial statements using the unaudited financial statements of Nextleaf for the period ended June 30, 2018 and the audited financial statements for the year ended September 30, 2017. The unaudited pro-forma consolidated statements of loss and comprehensive loss have been prepared as if the transactions described in note 2 had occurred on April 1, 2018 and April 1, 2017 respectively.

As a result of the Transaction, the former shareholders of Nextleaf will acquire control of the Company, and the Transaction will be accounted for as a reverse take-over that does not constitute a business for accounting purposes, in accordance with IFRS 2, Share-Based Payment. Nextleaf is deemed to be the acquiring company and its assets and liabilities, equity and historical operating results are included at their historical carrying values, and the net assets of Legion will be recorded at fair value as at the date of the Transaction. Transaction costs that were incurred in connection with the Transaction, other than costs associated with the financing, have been expensed as incurred.

It is management’s opinion that the unaudited pro forma consolidated statement of financial position includes all adjustments necessary for the fair presentation, in all material respects, of the transactions described in Note 3 in accordance with IFRS applied on a basis consistent with Nextleaf and Legion’s accounting policies.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The unaudited pro forma consolidated statement of financial position has been compiled using the significant accounting policies as set out in the audited financial statements of Nextleaf and the Company as described in Note 3 to their audited financial statements for the year ended September 30, 2017 and March 31, 2018, respectively.

LEGION METALS CORP.

Notes to the Pro Forma Financial Statements

As at June 30, 2018

(Unaudited)

(Expressed in Canadian Dollars)

NOTE 3 – PROPOSED TRANSACTION

On November 19, 2018, Legion and Nextleaf entered into a definitive Acquisition Agreement whereby Legion will acquire all of the issued and outstanding shares of Nextleaf in a reverse takeover transaction by way of plan of arrangement. Under the terms of the agreement, the following events must occur at closing of the Transaction:

- Prior to the closing of the transaction, Legion shall transfer the Millen Mountain Property to Myriad Metals Corp. (“Spinco”), a private company incorporated under the provision of the BCA and is a wholly owned subsidiary of Legion, in consideration of the Distributed Spinco Shares.
- Prior to the closing of the transaction, Nextleaf shall 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 to increase such financing gross proceeds by 15%), at a price of \$0.35 per unit comprising one ordinary share and one share purchase warrant to purchase a further ordinary share at \$0.70. Nextleaf will pay financing costs of 8% of gross proceeds raised and an additional \$40,000 agent finance fee as well as agent’s compensation options of 8% of the total number of units sold through agents assisting with such financing; and
- Each Nextleaf Share that is issued and outstanding immediately following the Nextleaf Financing Completion will be transferred, and will be deemed to be transferred, without any act or formality on the Nextleaf Shareholder’s part, to Legion in exchange for one (1) fully paid and non-assessable Legion Share and each Nextleaf share purchase warrant and Nextleaf agent’s compensation option shall be exchanged for a Legion share purchase warrant and Legion agent’s compensation option for an equal number of shares and price and the same exercise term; and

The completion of the Transaction is subject to a number of conditions, including receipt of applicable regulatory and shareholder approvals and completion of the Transaction Financing. There can be no assurance that the Transaction will be completed as proposed or at all.

NOTE 4 – PRO FORMA ASSUMPTIONS AND ADJUSTMENTS

The unaudited pro forma consolidated statement of financial position has been presented giving effect to the following assumptions and pro forma adjustments:

a) Legion share consolidation

Prior to the Transaction, the common shares of Legion will be consolidated on a basis of 1 for every 3.5 share issued and outstanding.

b) Reverse Take-Over

The Transaction constitutes a reverse takeover of Legion so the unaudited pro forma consolidated statement of financial position is presented as a continuation of the financial statements of Nextleaf. Accordingly, the assets and liabilities of Nextleaf are included in the unaudited pro forma consolidated statement of financial position at their historic cost values as at June 30, 2018. The net assets of Legion are included in the unaudited pro forma consolidated statement of financial position at their fair values as at June 30, 2018. The historical values of Legion’s share capital, warrant reserve and deficit are eliminated. Legion will issue 78,693,392 common shares (Note 5) and 750,000 share purchase warrants (Note 4(c)) in exchange for voting control of all of the issued and outstanding securities of Nextleaf. Each whole warrant will entitle the holder to acquire an additional common share of Legion at a price of \$0.25 and will expire on March 1, 2019. The common shares and warrants deemed to be issued by Nextleaf for the acquisition of Legion are recorded as additional amounts in shareholders’ equity and are set out as follows along with a summary of the fair value of net identifiable assets acquired:

LEGION METALS CORP.

Notes to the Pro Forma Financial Statements

As at June 30, 2018

(Unaudited)

(Expressed in Canadian Dollars)

NOTE 4 – PRO FORMA ASSUMPTIONS AND ADJUSTMENTS (continued)

The purchase price is allocated as follows:

	Amount
	(\$)
Fair value of Legion shares (3,647,029 post-consolidated common shares at \$0.35 per share)	1,276,460
Fair value of 750,000 share purchase warrants ¹	98,351
Transaction costs	<u>75,000</u>
	1,449,811
Less: Net assets of the Company	
Cash	167,745
Restricted cash	26,315
Receivables	11,531
Investment	150,000
Equipment	120,042
Accounts payable and accrued liabilities	(30,497) (445,136)
Listing expense	<u>1,004,675</u>

¹ A fair value of \$98,351 was estimated with respect to the share purchase warrants using the a Black-Scholes model with the following assumptions: share price of \$0.35, exercise price of \$0.25, risk free rate of 2.27%, volatility of 100% expected life of 0.345 years.

c) Warrants

Subsequent to June 30, 2018, a total of 15,522,441 Nextleaf share purchase warrants were exercised at \$0.2222 per share for gross proceeds of \$3,449,086. Nextleaf incurred fees of \$162,803 in connection with the issuance. On issuance, the \$1,309,716 in subscriptions received in advance was reclassified to share capital.

After exercise of the 15,522,441 warrants, Nextleaf has total issued and outstanding common shares of 78,693,392

d) Transaction Financing

The Company shall complete a minimum non-brokered private placement of 8,571,429 Units for estimated gross proceeds of \$3,000,000. Each unit is comprised of one common share and one share purchase warrant, with each warrants exercisable at \$0.70 per share for a period of 24 months.

In connection with the Transaction Financing, it is estimated that finders' fees totaling \$240,000 will be paid in cash representing 8% of the gross proceeds raised from their efforts. Additionally, Nextleaf will incur a \$40,000 agent finance fee and issue agent's compensation options in the amount of 685,714, equal to 8% of the shares issued in the private placement. Agents compensation options will be exercisable for a period of 24 months from the date of issue and will be exercisable at \$0.35 per share.

Legion will also issue a total of 1,250,000 agents warrants exercisable at \$0.25 per share until March 1, 2019.

The agent's compensation options and agent's warrants were valued at a total of \$290,328 using the following weighted average assumptions:

Risk free interest rate	2.26%	Share price	\$0.35
Expected volatility	100%	Strike price	\$0.29
Expected dividend yield	0%	Expected term	0.925 yrs
Expected forfeiture rate	0%	Fair value per warrant	\$0.15

LEGION METALS CORP.

Notes to the Pro Forma Financial Statements

As at June 30, 2018

(Unaudited)

(Expressed in Canadian Dollars)

e) Divestiture of exploration and evaluation assets

Legion shall transfer the Millen Mountain Property to Spinco, a private company incorporated under the provision of the BCA and is a wholly owned subsidiary of Legion, in consideration of the Distributed Spinco Shares

NOTE 5 – PRO FORMA SHARE CAPITAL

The number of common shares issued and outstanding after giving effect to the assumptions and pro forma adjustments discussed in Note 4 is as follows:

	Note	Number of Common Shares	Amount (\$)
Legion post-consolidated common shares issued and outstanding at June 30, 2018			
Common shares issued pursuant to Transaction Financing	4(a)	3,647,029	698,045
Nextleaf warrants exercised subsequent to June 30, 2018	4(d)	8,571,429	2,489,672
Common shares issued to Nextleaf in connection with the Transaction	4(c)	-	3,286,283
Nextleaf common shares issued and outstanding at June 30, 2018	4(a)	78,693,392	-
Acquisition of Legion at fair value		-	3,615,539
Adjustment for Transaction		-	1,276,460
		-	(698,045)
		<u>90,911,850</u>	<u>10,607,954</u>

NOTE 6 – INCOME TAXES

The pro forma effective statutory Canadian income tax rate applicable to the consolidated operations subsequent to the completion of the Transaction is approximately 26%.

SCHEDULE "J"
Financial Statements of Spinco

Myriad Metals Corp.
Financial Statements
(Expressed in Canadian Dollars)
October 31, 2018

INDEPENDENT AUDITORS' REPORT

To the Directors of
Myriad Metals Corp.

We have audited the accompanying financial statements of Myriad Metals Corp., which comprise the statement of financial position as at October 31, 2018, and the statements of loss and comprehensive loss, cash flows and changes in shareholders' equity for the period from incorporation on October 5, 2018 to October 31, 2018, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Myriad Metals Corp. as at October 31, 2018, and its financial performance and its cash flows for the period from incorporation on October 5, 2018 to October 31, 2018 in accordance with International Financial Reporting Standards.



Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Myriad Metals Corp.'s ability to continue as a going concern.

“DAVIDSON & COMPANY LLP”

Vancouver, Canada

Chartered Professional Accountants

November 26, 2018

Myriad Metals Corp.
Statements of Financial Position
(Expressed in Canadian Dollars)
As at October 31, 2018

	2018
	\$
Assets	
Current	
Cash	<u>1</u>
	<u>1</u>
Liabilities	
Shareholders' Equity	
Share capital (Note 5)	<u>1</u>
	<u>1</u>

Nature and Continuance of Operations (Note 1)

Approved and Authorized by the Board on November 26, 2018:

" Peter Smith " Director

" Guy Pinsent " Director

Myriad Metals Corp.
Statement of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
For the period of incorporation from October 5, 2018 to October 31, 2018

	For the period of incorporation from October 5, 2018 to October 31, 2018
	\$
Expenses	-
	-
	-
Loss and comprehensive loss for the period	-
Loss and comprehensive loss per share, basic and diluted	-
Weighted average number of common shares outstanding	1

Myriad Metals Corp.
Statement of Cash Flows
(Expressed in Canadian Dollars)

For the period of incorporation from October 5, 2018 to October 31, 2018

	For the period of incorporation from October 5, 2018 to October 31, 2018
	\$
Financing activities	
Proceeds from issuance of common shares, net of commission	<u>1</u>
Cash provided by financing activities	<u>1</u>
Change in cash	1
Cash, beginning of period	<u>-</u>
Cash, end of period	<u><u>1</u></u>

Supplemental disclosure of non-cash transactions.

Amounts paid for interest	\$nil
Amounts paid for taxes	\$nil

Myriad Metals Corp.
Statement of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Common Shares	Share Capital	Deficit	Total Shareholders' Equity
		\$	\$	\$
Balance at October 5, 2018 (incorporation)	-	-	-	-
Common shares issued for cash	1	1	-	1
Loss for the period	-	-	-	-
Balance at October 31, 2018	1	1	-	1

Myriad Metals Corp.
Notes to Financial Statements
(Expressed in Canadian Dollars)
October 31, 2018

1. Nature and Continuance of Operations

Myriad Metals Corp. (the “Company”) was incorporated under the laws of the province of British Columbia on October 5, 2018. The Company is a wholly owned subsidiary of Legion Metals Corp., a publicly traded company on the Canadian Securities Exchange (“CSE”) under the ticker LEGN.

The Company’s registered and records office is 1090 West Georgia Street, Suite 600, Vancouver, British Columbia, V6E 3V7.

The Company is in the business of raising funds for mineral exploration in expectation of completing a Plan of Arrangement as outlined in Note 7. The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that the Company will obtain the necessary financing to complete the exploration and development of mineral property interests, or that the current or future exploration and development programs of the Company will result in profitable mining operations. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern.

2. Statement of compliance and basis of presentation

The financial statements of the Company were approved and authorized for issue by the Board of Directors on November 26, 2018.

The Company’s financial statements have been prepared on the historical cost basis except for certain financial statements which are measured at fair value, as explained in Note 3, and are presented in Canadian dollars except where otherwise indicated.

The financial statements of the Company, have been prepared in accordance with and using accounting policies in full compliance with International Financial Reporting Standards (“IFRS”) as published by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

Myriad Metals Corp.

Notes to Financial Statements
(Expressed in Canadian Dollars)

October 31, 2018

3. Summary of Significant Accounting Policies

Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of judgement include the assessment of the Company's ability to continue as a going concern as discussed in Note 1 involves judgment regarding future funding available for its operations and working capital requirements.

These financial statements have been prepared on a basis which assumes the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. In assessing whether this assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. This assessment is based upon planned actions that may or may not occur for a number of reasons including the Company's own resources and external market conditions.

Cash

Cash is defined as cash on hand, cash held in trust and in bank.

Earnings (loss) per share

Basic loss per share is computed by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding during the reporting period.

Diluted loss per share is computed similar to basic loss per share except that (i) net loss attributable to common shareholders are adjusted for fair value gains or losses of warrants (if dilutive) and (ii) the weighted average number of common shares outstanding is adjusted for the number of shares that are potentially issuable in connection with stock options and warrants (if dilutive). Under this method, the Company assumes that outstanding dilutive stock options and warrants were exercised and that the proceeds from such exercises (after adjustment of any unvested portion of stock options) were used to acquire common stock at the average market price during the reporting periods. For the period presented, this calculation proved to be anti-dilutive.

Myriad Metals Corp.

Notes to Financial Statements
(Expressed in Canadian Dollars)

October 31, 2018

3. Summary of Significant Accounting Policies (Continued)

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the country where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income (loss) or equity is recognized in other comprehensive income (loss) or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is provided for, based on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Financial instruments

Recognition

The Company recognizes a financial asset or financial liability on the statement of financial position when it become party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value, and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

Classification and Measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

Myriad Metals Corp.
Notes to Financial Statements
(Expressed in Canadian Dollars)
October 31, 2018

3. Summary of Significant Accounting Policies (Continued)

- i) those to be measured subsequently at fair value, either through profit or loss (“FVTPL”) or through other comprehensive income (“FVTOCI”); and,
- ii) those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial liabilities are classified and measured at either:

- i) amortized cost;
- ii) FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or,
- iii) FVTOCI, when the change in fair value is attributable to changes in the Company’s credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at fair value through profit or loss are expensed in profit or loss.

The IFRS 9 accounting model for financial liabilities is broadly the same as that in IAS 39. However, there are two key differences compared to IAS 39.

Financial liabilities held for trading, (e.g. derivative liabilities), as well as loan commitments and financial guarantee contracts that are designated at FVTPL under the fair value option, will continue to be measured at fair value with all changes being recognised in profit or loss. However, for all other financial liabilities designated as at FVTPL using the fair value option, IFRS 9 requires the amount of the change in the liability’s fair value attributable to changes in the credit risk to be recognised in OCI with the remaining amount of change in fair value recognised in profit or loss, unless this treatment of the credit risk component creates or enlarges a measurement mismatch. Amounts presented in other comprehensive income are not subsequently transferred to profit or loss.

Myriad Metals Corp.

Notes to Financial Statements
(Expressed in Canadian Dollars)

October 31, 2018

3. Summary of Significant Accounting Policies (Continued)

The part of IFRS 9 dealing with financial assets removed the cost exemption in IAS 39 for unquoted equity instruments and related derivative assets where fair value is not reliably determinable. IFRS 9 also removed the cost exemption for derivative liabilities that will be settled by delivering unquoted equity instruments whose fair value cannot be determined reliably (e.g. a written option where, on exercise, an entity would deliver unquoted shares to the holder of the option). Therefore all derivatives on unquoted equity instruments, whether assets or liabilities, are measured at fair value under IFRS 9.

Impairment

The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

Share capital

Common shares are included as shareholders' equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from shareholders' equity. Common shares issued for consideration other than cash, are valued based on their fair market value at the date the shares are issued.

The Company has adopted a residual value method with respect to the measurement of warrants attached to component based on fair value and then the residual value, if any, to the less easily measurable component.

The Company considers the fair value of common shares issued in the private placements to be the more easily measurable component. The balance, if any, is allocated to the attached warrants. Any value attributed to the warrants is recorded as warrant reserve.

Myriad Metals Corp.

Notes to Financial Statements
(Expressed in Canadian Dollars)

October 31, 2018

3. Summary of Significant Accounting Policies (Continued)

Accounting standards issued but not yet effective

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.

Effective for annual periods beginning on or after January 1, 2019

IFRS 16, *Leases*

IFRS 16 is a new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model. The Company is in the process of determining the impact of this standard on the financial statements.

IFRIC 23 – Uncertainty Over Income Tax Treatments:

IFRIC 23 clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. It is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted. The Company does not expect that the adoption of this standard will have a material effect on the Company's consolidated financial statements.

4. Financial Instruments

Categories of financial instruments

The fair value of financial assets and financial liabilities at amortized cost is based on discounted cash flow analysis or using prices from observable current market transactions.

Financial instruments are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data.

There were no transfers between Level 1, 2 and 3 during the period from incorporation on October 5, 2018 to October 31, 2018.

Myriad Metals Corp.
Notes to Financial Statements
(Expressed in Canadian Dollars)
October 31, 2018

5. Share Capital

Authorized

The total authorized capital are an unlimited number of common shares with no par value.

Issued and Outstanding

On October 5, 2018, the Company issued 1 common share of the Company at \$1 per common share.

6. Capital management and Financial Risk

a) Capital Management

The Company manages its capital structure and makes adjustments to it to effectively support the acquisition, exploration and development of mineral properties and digital asset mining. In the definition of capital, the Company includes, as disclosed on its statement of financial position: share capital, deficit, and reserves.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period from incorporation on October 5, 2018 to October 31, 2018. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products.

b) Financial Instrument Risk and Digital Asset Risk

Credit risk

Financial instruments that potentially subject the Company to credit risk consist of cash. The Company manages its credit risk relating to cash by dealing primarily with high-rated financial institutions as determined by rating agencies. The Company also has cash held by an unregulated exchange where funds are unsecured and may be subject to limitation in transfers.

Liquidity risk

The Company manages liquidity risk by maintaining an adequate level of cash to meet its ongoing obligations. The Company has been successful in raising equity financing in the past; however, there is no assurance that it will be able to do so in the future. As at October 31, 2018, the Company had working capital of \$1.

Other risks

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant currency risk, interest rate risk and commodity price risk arising from financial instruments.

Myriad Metals Corp.
Notes to Financial Statements
(Expressed in Canadian Dollars)
October 31, 2018

7. Proposed Transaction

On November 19, 2018, Nextleaf Solutions Ltd. entered into the binding Acquisition Agreement with Legion Metals Corp. (“Legion”) and the binding Arrangement Agreement with Legion and Myriad Metals Corp., Legion’s wholly-owned subsidiary, to merge their respective businesses pursuant to a Plan of Arrangement, subject to shareholder and court approvals.

As part of this Plan of Arrangement, it is proposed that Legion’s Millen Mountain property will be transferred to Myriad at fair market value.