

FORM 51-102F3

MATERIAL CHANGE REPORT

- 1. Name and Address of Company**
Nextleaf Solutions Ltd.
Suite 304
68 Water Street
Vancouver, British Columbia, V6B 1A4
- 2. Date of Material Change**
March 27, 2019
- 3. News Release**
The news release announcing the material change was disseminated on March 28, 2019, through Canada Newswire. The news release was also filed with the British Columbia, Alberta and Ontario Securities Commissions on SEDAR.
- 4. Summary of Material Change**
Nextleaf Solutions Ltd. (“Nextleaf” or the “Company”) has been issued a standard patent by IP Australia – the Australian Government agency that administers intellectual property rights - for the Company’s unique, industrial-scale process of producing purified cannabinoid distillate.
- 5.1 Full Description of Material Change**
See attached news release.
- 5.2 Disclosure for Restructuring Transactions**
N/A
- 6. Reliance on subsection 7.1(2) of National Instrument 51-102**
Not applicable.
- 7. Omitted Information**
No information has been intentionally omitted from this material change report.
- 8. Executive Officer**
Paul Pedersen, CEO
604.283.2301
- 9. Date of Report**
March 28, 2019

NEXTLEAF BECOMES FIRST PUBLIC COMPANY TO BE ISSUED A PATENT FOR EXTRACTION AND PURIFICATION OF CANNABINOIDS

Vancouver, B.C. – March 28th, 2019 – Nextleaf Solutions Ltd. (“Nextleaf” or the “Company”) (CSE: OILS) is pleased to announce that it has been issued a patent by the United States Patent and Trade Office pertaining to the Company’s proprietary process of extraction, refinement, and distillation of cannabinoids from marijuana and hemp.

The resulting THC or CBD distillate is tasteless, odourless, standardized for potency, and ready to use in a wide range of products, including topicals, transdermal or sublingual delivery technology, vape technology, edible oils, beverages, and water-soluble extracts. Nextleaf’s patented technology allows for low-quality dried cannabis biomass to be efficiently processed into a high-purity distilled oil, simplifying the manufacturing of differentiated cannabinoid formulations and delivery methods.

Nextleaf is pleased to further announce that it has been issued a standard patent by IP Australia – the Australian Government agency that administers intellectual property (“IP”) rights - for the Company’s unique, industrial-scale process of producing purified cannabinoid distillate.

The Company’s management believes, to the best of its knowledge, that Nextleaf is the first publicly traded company to be issued a patent for the extraction and purification of cannabinoids.

“Nextleaf Solutions has succeeded in beating big pharma, big tobacco, big alcohol, and *every single* billion-dollar cannabis company to the first issued patent for the extraction and purification of cannabinoids.” said Paul Pedersen, CEO. “We believe companies that can develop and protect valuable intellectual property will benefit substantially in the long-term, especially in an industry as young as the cannabis industry.

Currently, legal cannabis producers in Canada can only sell one form of cannabis extract (“cannabis oil”) with a maximum potency of approximately 3% THC. However, the Federal Government has announced that cannabis concentrates, edibles, beverages, topicals, and vape pens will be legal by October 2019, and is expected to publish draft regulations in the coming months. These products are extremely popular in other legal cannabis jurisdictions, and demand for them continues to grow.

“Nextleaf’s patented process allows a cannabis processor to turn raw biomass or a crude extract into a refined, high-purity oil that’s tasteless, odourless, easy to standardize, or even make water soluble. Developed by Nextleaf’s team of chemists and engineers, it allows us to efficiently separate and isolate THC and CBD molecules at an industrial scale, before reformulating in the ideal combination based on the product, client, and end consumer’s needs. The mass-market consumer is looking for a consistent experience to either reliably target a particular medical condition, or to bring about a desired effect. We expect Nextleaf’s issued patent will have a major impact on the production of the next generation of legal cannabis products, especially since most federally-legal cannabis processors seem to be lacking the technology and expertise to do it themselves,” said Nextleaf Co-Founder and CEO Paul Pedersen.

Nextleaf’s patented process improves upon traditional extraction methods that use only CO₂ or ethanol to produce crude cannabis extracts. Unrefined botanical extracts contain chlorophyll, fats, and other impurities that result in undesirable flavours and aromas when consumed. Nextleaf’s unique method of extracting and separating cannabinoids and terpenes makes it possible to purify and concentrate the desired compounds, which can be used for the manufacturing of a diverse array of products standardized for dose.

The Company initially files its patents in the United States to create a priority date and allow for future

filings in other selected jurisdictions. This is common in the field of IP protection. Following the issuance of its patent in the United States, Nextleaf filed for patent protection in Canada, Europe, Mexico, Colombia, and Jamaica. These patent filings are part of the Company's overall strategy to develop and protect IP pertaining to the production of innovative cannabinoid-based products geared towards both medical cannabis patients and adult-use consumers.

About Nextleaf Solutions

Nextleaf Solutions Ltd. (**CSE: OILS**) is an extraction technology company that has developed a portfolio of issued and pending patents pertaining to the company's unique, industrial-scale process of producing purified cannabinoid distillate, a tasteless, odourless cannabis concentrate best suited for infusing premium value-added products. Nextleaf plans to commercialize its intellectual property portfolio by providing B2B processing services to licensed cultivators and supplying cannabis oil and extracts to qualified Canadian and international partners under the client's own brands. Nextleaf has completed construction of its dedicated extraction and processing facility in Greater Vancouver, British Columbia, in time for Canada's legalization of edibles and other cannabis derivative products. The Company's processing facility includes research and laboratory infrastructure, allowing for the continued development of novel, scalable cannabis processing technology and intellectual property.

For more information about Nextleaf Solutions (CSE: OILS) visit www.nextleafsolutions.com or follow Nextleaf across social media platforms.

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CAUTIONARY STATEMENT:

The securities described herein, if any, have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws, and may not be offered or sold within the United States or to, or for the benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act) except in compliance with the registration requirements of the U.S. Securities Act and applicable state securities laws or pursuant to exemptions therefrom. This release does not constitute an offer to sell or a solicitation of an offer to buy of any of Nextleaf Solutions securities in the United States. This news release may contain "forward-looking information" as defined in applicable Canadian securities legislation. All statements other than statements of historical fact included in this release, including, without limitation, future operating margins, future production and processing, processing results, and future plans and objectives of Nextleaf Solutions, constitute forward looking information that involve various risks and uncertainties. Forward-looking information is based on a number of factors and assumptions which have been used to develop such information but which may prove to be incorrect, including, but not limited to, assumptions in connection with the continuance of Nextleaf Solutions and its subsidiaries as a going concern, general economic and market conditions, price of biomass, the accuracy of production resource estimates, and the performance of Nextleaf Solutions future operations. There can be no assurance that such information will prove to be accurate and actual results and future events could differ materially from those anticipated in such forward-looking information. Important factors that could cause actual results to differ materially from Nextleaf Solutions' expectations include but are not limited to: changes in economic conditions or financial markets; increases in costs; litigation; legislative, environmental and other judicial, regulatory, political and competitive developments; and technological or operational difficulties. This list is not exhaustive of the factors that may affect our forward-looking information. These and other factors should be considered carefully, and readers should not place undue reliance on such forward-looking information. For additional information with respect to risk factors applicable to Nextleaf Solutions, reference should be made to Nextleaf Solutions continuous disclosure materials filed from time to time with securities regulators, including, but not limited to, Nextleaf Solutions CSE Listing Statement. The forward-looking information contained in this release is made as of the date of this release. Nextleaf Solutions does not intend, and expressly disclaims any intention or obligation to, update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required by applicable law. The CSE has not reviewed, approved or disapproved the contents of this press release. To contact the company, email investors@nextleafsolutions.com