

Nextleaf Solutions Announces Completion of Two Federally Funded R&D Projects

Results demonstrate innovation in extraction and sustainability in disposal of cannabis biomass waste.

VANCOUVER, BC – August 12, 2019 - Nextleaf Solutions Ltd. (**CSE: OILS**) (**OTCQB: OILFF**) (**Frankfurt: LOMA**) ("**Nextleaf**", "**OILS**" or the "**Company**"), an extraction technology company that owns a portfolio of issued and pending patents pertaining to the Company's industrial-scale process of extraction and purification of cannabinoids, is pleased to announce the completion of two research and development projects with the National Research Council of Canada's Industrial Research Assistance Program ("**IRAP**"), and the Natural Science and Engineering Council ("**NSERC**").

During the yearlong IRAP project, Nextleaf successfully developed a media treatment process to remove undesirable elements such as chlorophyll, carotenoids, and anthocyanins from crude extract. The project was conducted using common hops (*Humulus lupulus*), a suitable analog for cannabis as the two are genetically related, and contain a similar pigment and oil profile.

The five-person research team - including four PhDs - was led by Nextleaf's Engineering Manager, Krupal Pal, PhD, P.Eng. "We found unique ways to adapt existing validated technology from complementary industries such as oenology, as well as drawing on my previous experience in oil and gas refinement," stated Dr. Pal.

Technology developed during the IRAP funded R&D project will be applied within Nextleaf's patented extraction process and used in the production of THC and CBD distillates for vapes, edibles, and beverages once legalized in Canada. "Chlorophyll and other pigments can affect the consumer experience in a number of ways, including inferior taste and appearance," said Dr. Krupal Pal, "but more importantly chlorophyll can affect the functionality of vape hardware as it has a different temperature tolerance and vaporizes at a different rate compared to THC and CBD."

Additionally, Dr. Pal led efforts with regards to Nextleaf's collaborative research project with the University of British Columbia (UBC), and British Columbia Institute of Technology (BCIT) under the auspices of an NSERC grant. The project was anchored in a sustainability-driven outcome with the goal to repurpose post-extraction cannabis biomass, and minimize waste byproducts.

Hemp biomass, when reduced to ash under Nextleaf's incineration process, shows considerable promise as a replacement for fly ash as a key ingredient in Portland Cement due to the silica content. When leveraged as a biofuel during hemp ash production, power is generated and metric tonnes of biomass can be diverted from landfills and used as a supplementary cementitious material. Current estimates indicate close to a billion kilograms of biomass being harvested annually by the marijuana and hemp industry.

"We were adamant on finding an environmentally conscious way to put cannabis biomass waste used in our extraction process to good use, and the evidence suggests we've found it," stated

Paul Pedersen, CEO of Nextleaf Solutions. “These two R&D projects speak to Nextleaf’s talent for research collaboration and technological innovation, key pillars in our growth strategy.”

As a direct result of the two government funded R&D projects, OILS has filed additional U.S. patent applications increasing its IP portfolio.

About Nextleaf Solutions

Nextleaf Solutions Ltd. ("**OILS**") is the first publicly traded company to be issued a U.S. patent for industrial-scale extraction and purification of cannabinoids. OILS owns a portfolio of 3 issued and 24 pending patents pertaining to the production of high-purity cannabinoid distillate, the precursor used in the manufacturing of standardized THC and CBD based products.

Once cannabis concentrates become legal across Canada on October 17, 2019, the company plans to commercialize its intellectual property portfolio through IP licensing, B2B processing services, and the supply of oils and concentrates to qualified Canadian and international partners.

Nextleaf Solutions trades as OILS on the Canadian Securities Exchange (CSE: OILS), OILFF on the OTCQB Market in the United States (OTCQB: OILFF) and L0MA on the Frankfurt Stock Exchange (FRA: L0MA).

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www.NextleafSolutions.com

Contact:

Adel Fares, Investor Relations
604-283-2301 (ext. 201)
investors@nextleafsolutions.com

Paul Pedersen, CEO
paul@nextleafsolutions.com

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