

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

September 3, 2019

3. News Release

The news release announcing the material change was disseminated on September 3, 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") announced it was granted a U.S. patent pertaining to the Company's proprietary technology for post-extraction processing of THC and CBD. The patent extends the Company's existing patent portfolio, to include methodology relating to the removal of fats and waxes from crude cannabis oil extracts in far less time, achieving more efficient throughput rates, and a highly desirable, impurity-free, refined distillate. Nextleaf can apply this advantage to a variety of primary extraction methods, such as CO₂ or ethanol.

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

September 9, 2019

Nextleaf Solutions Issued Significant U.S. Patent for Cannabis Post-Extraction Processing

OILS owns a portfolio of four issued and 25 pending patents for industrial-scale extraction and purification of THC and CBD.

VANCOUVER, September 3, 2019 - Nextleaf Solutions Ltd. ("**Nextleaf**", "**OILS**", or the "**Company**") (**CSE: OILS**) (**OTCQB: OILFF**) (**FSE: LOMA**) announced today it has been granted a U.S. patent pertaining to the Company's proprietary technology for post-extraction processing of THC and CBD.

The patent extends the Company's existing patent portfolio, to include methodology relating to the removal of fats and waxes from crude cannabis oil extracts in far less time, achieving more efficient throughput rates, and a highly desirable, impurity-free, refined distillate. Nextleaf can apply this advantage to a variety of primary extraction methods, such as CO₂ or ethanol.

"Since 2017, we've been hyper-focused on acquiring, developing, and protecting IP around the underlying technology that goes into transforming plant into product," stated Paul Pedersen, CEO of Nextleaf. "Our technology is based around what we believe to be the most efficient method to go from dried cannabis biomass into a high-purity THC or CBD rich distillate, in an efficient and truly scalable way. This being our fourth issued patent, further strengthens Nextleaf's intellectual property portfolio pertaining to industrial-scale cannabis extraction and purification"

Deloitte estimates the infused-product market to be \$2.7 billion per year in Canada alone, driven largely by shifting consumer preferences from dried flower to edibles, vapes and concentrates. The Company believes IP around methodology and formulation of how those products are manufactured efficiently at scale will be one of the key differentiators in the industry.

"One of the biggest issues with infused products relates to taste. With crude extracts and less refined oils, the consumer experience is affected by inferior taste and smell because of the chlorophyll, fats, and waxes," said Pedersen. "Nextleaf is able to fix those issues through its proprietary processing methodologies and equipment, which we've protected through a portfolio of four issued and 25 pending patents."

"We believe the success of every producer in the cannabis industry will ultimately come down to the quality of their product, and the cost per milligram to create that product," said Pedersen. "By having a technology advantage protected by defendable intellectual property, OILS will be able to drive low-cost production and maintain a competitive advantage and leadership position."

Nextleaf's IP department is focused on obtaining broad, worldwide patent coverage for the Company's innovative methodologies and equipment, with an emphasis on the United States and Canada. Once cannabis oils, edibles and concentrates become legal, the Company plans to begin commercializing its intellectual property in jurisdictions where cannabis is federally legal.

About Nextleaf Solutions

Nextleaf Solutions Ltd. ("**OILS**") is the first publicly traded company to be issued a U.S. patent for the industrial-scale extraction and purification of cannabinoids. OILS owns a portfolio of four (4) issued and 25 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, and B2B processing services.

Nextleaf Solutions trades as OILS on the Canadian Securities Exchange (*CSE: OILS*), OILFF on the OTCQB

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For more information about Nextleaf visit www.nextleafsolutions.com or follow OILS across social media platforms: [Twitter](#), [LinkedIn](#), Facebook, [Instagram](#) and [YouTube](#).

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