

# Nextleaf Solutions Enters into Agreement to Consolidate Nextleaf Labs

Nextleaf Labs is designed to process more than 270,000 kg of dried cannabis and hemp biomass per year using Nextleaf Solutions' patented intellectual property

VANCOUVER, Oct. 15, 2019 /CNW/ - Nextleaf Solutions Ltd. ("**Nextleaf**", "**OILS**", or the "**Company**") (CSE: **OILS**) (OTCQB: **OILFF**) (FSE: **LOMA**) a Vancouver-based extraction technology company that owns a portfolio of eight (8) issued and over 35 pending patents pertaining to industrial-scale extraction, purification and formulation of cannabinoids, announced today that it has entered into an agreement with its commercialization partner, Nextleaf Labs Ltd. ("**Labs**"), a Standard Processor licensed under the Cannabis Regulations.

Through Nextleaf's existing intellectual property (IP) and infrastructure, OILS will be able to extract, refine, purify, and formulate cannabinoids such as THC and CBD, the precursor ingredients for a variety of infused cannabis products becoming legal in Canada later this week.

"With this consolidation, we will expand on our foundation from developing intellectual property, into the delivery of toll processing and white labeling services to leverage OILS' IP through Labs' Standard Processing Licence," said Paul Pedersen, co-founder and CEO of OILS.

The 6,540 sq. ft. facility, located in the Greater Vancouver Area, was granted a Standard Processor licence on September 6, 2019. The licensing process was led by Tom Ulanowski, President of Nextleaf Labs Ltd. "Nextleaf has developed efficient, scalable technology for the cannabis and hemp extraction industry, and has protected their IP in a number of jurisdictions where cannabis is - or will likely be - legal," said Mr. Ulanowski. "At this time, our focus is on commissioning the phase one custom extraction and purification system and finalizing commercial contracts, in time for the next wave of legal cannabis products."

In his previous role as Quality Assurance Person (QAP) and Qualified Person in Charge (QPIC) at British Columbia's first Licensed Producer, Mr. Ulanowski quality-assured hundreds of batches of cannabis, while helping to obtain multiple production and sales licences, win national industry awards, and increase output ten-fold via facility expansions, improvements to current practices, and the development of new processes and products. In 2018, Mr. Ulanowski led the effort to manufacture and bring to market the first legal concentrated cannabis product to be sold in Canada.

Mr. Ulanowski has also been integral in developing Kwantlen Polytechnic University's (KPU's) *Cannabis Professional Series* courses, and has taught hundreds of students around the world about cannabis production and the interpretation of national and international cannabis laws and regulations.

Under the share purchase agreement for the acquisition of Labs by Nextleaf, the Company will issue 1,000,000 common shares (the "**Shares**") to Mr. Ulanowski at a deemed price of \$0.385 per Share for aggregate consideration of \$385,000. The Shares issued under the agreement will be subject to a pooling arrangement which restricts the ability of the holder to transfer or trade the Shares. The Shares will be released from the pooling arrangement over a period of 18 months, with 25% of the Shares released immediately upon completion of the acquisition and the balance released in three equal tranches every six months thereafter.

## Options Grant

The Company has awarded key management of the Company 300,000 options, pursuant to the Company's Stock Option Plan, exercisable at a price of \$0.50 per common share, vesting in December 2020.

## About Nextleaf Solutions

Nextleaf Solutions Ltd. ("OILS") is developing disruptive intellectual property for industrial-scale extraction, purification and formulation of cannabinoids. OILS owns a portfolio of eight (8) issued and over 35 pending patents pertaining to the production of high-purity, cannabinoid rich distillate, the key ingredient used in the manufacturing of standardized THC and CBD infused products. Once cannabis concentrates and edibles become legal across Canada, OILS plans to commercialize its intellectual property portfolio through IP licensing, B2B processing services, and the supply of THC and CBD 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 LOMA on the Frankfurt Stock Exchange (FSE: **LOMA**).

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

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