

**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**

November 19, 2019

**3. News Release**

The news release announcing the material change was disseminated on November 20, 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 the United States Patent and Trademark Office has granted the Company its sixth U.S. patent pertaining to a proprietary chilled cannabinoid extraction process with downstream media treatment and filtration. The Company also received news it had been issued a patent by the Superintendency of Industry and Commerce – the Colombian Government agency that administers intellectual property rights – pertaining to the Company’s industrial-scale process of extraction, refinement, and distillation of cannabinoids.

**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**

November 26, 2019



## Nextleaf Solutions Granted Two Patents for Industrial-Scale Extraction of CBD and THC

*The Company's 10 issued patents protect what management believes to be the most efficient methods for producing CBD and THC distillate oil at scale*

VANCOUVER, Nov. 20, 2019 /CNW/ - Nextleaf Solutions Ltd. ("**Nextleaf**", "**OILS**", or the "**Company**") (**CSE: OILS**) (**OTCQB: OILFF**) (**FSE: LOMA**), a company developing disruptive intellectual property for extraction and purification of cannabinoids, announced today the United States Patent and Trademark Office has granted the Company its sixth U.S. patent pertaining to a proprietary chilled cannabinoid extraction process with downstream media treatment and filtration.

Nextleaf is pleased to further announce it has been issued a patent by the Superintendency of Industry and Commerce – the Colombian Government agency that administers intellectual property rights – pertaining to the Company's industrial-scale process of extraction, refinement, and distillation of cannabinoids.

"Nextleaf being awarded 10 patents by four international patent offices in the key markets of Canada, Australia, Colombia, and the United States validates our technology and further reinforces our vision of developing defensible intellectual property ("IP") that improves CBD and THC oil economics globally" said Paul Pedersen, CEO of Nextleaf.

The Company's patented technology allows for lower-quality dried cannabis and hemp biomass to be efficiently processed at scale into a high-purity THC and CBD distilled oil, the key ingredient used in the manufacturing of standardized cannabis 2.0 products. OILS believes that as cannabis becomes commoditized, proprietary technology which allows companies to establish a low-cost competitive advantage will become a focal point of differentiation and a key driver of long-term value.

"As more governments around the world move to legalize cannabis, we expect to see large multi-national companies, including tobacco and pharmaceutical companies, acquire IP in order to protect their rights as part of their broader strategy to dominate the global market for legal cannabinoid-based products," stated Pedersen. "Recent acquisitions by large players in the sector are evidence of the potential for significant shareholder value creation through the formalization and protection of IP".

### Commercialization of Intellectual Property

The Company is focused commercializing its IP portfolio through toll processing, wholesale of CBD and THC distillate, and licensing IP to partners operating in other legal markets. Management feels there is significant value in the Company's IP and has had advanced discussions with a number of strategic parties regarding IP licensing. Management believes over the next 12 months, Nextleaf can generate upwards of \$5MM-\$10MM in gross revenue from IP licensing alone.<sup>1</sup>

### **About Nextleaf Solutions**

Nextleaf Solutions Ltd. ("**OILS**") is developing disruptive intellectual property for industrial-scale

commercializes its IP portfolio through IP licensing, B2B processing services, and supplying THC and CBD oils to qualified Canadian and international partners through Nextleaf Labs Ltd., a Health Canada licensed Standard Processor.

Nextleaf Solutions trades as **OILS** on the Canadian Securities Exchange, **OILFF** on the OTCQB Market in the United States, and **LOMA** on the Frankfurt Stock Exchange.

Follow OILS across social media platforms: [Twitter](#), [LinkedIn](#), [Facebook](#), and [Instagram](#).  
[www.nextleafsolutions.com](http://www.nextleafsolutions.com)

For further information, please contact:

604-283-2301 (ext. 201)

[investors@nextleafsolutions.com](mailto:investors@nextleafsolutions.com)

*On behalf of the Board of Directors of the Company,*  
Paul Pedersen, CEO

## CAUTIONARY STATEMENT

Certain statements contained in this press release constitute “forward-looking statements”. All statements other than statements of historical fact contained in this press release, including, without limitation, those regarding the Company’s ability to capitalize on its IP portfolio, expectations regarding lower concentrate costs resulting from utilization of the Company’s technology, changes in the global market for cannabinoid-based products, the potential for shareholder value creation through the formalization and protection of IP, expected IP licensing revenues, levels of purity resulting from the Company’s patented technology, and the Company’s strategy, plans, objectives, goals and targets, and any statements preceded by, followed by or that include the words “believe”, “expect”, “aim”, “intend”, “plan”, “continue”, “will”, “may”, “would”, “anticipate”, “estimate”, “forecast”, “predict”, “project”, “seek”, “should” or similar expressions or the negative thereof, are forward-looking statements. These statements are not historical facts but instead represent only the Company’s expectations, estimates and projections regarding future events. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to the risk factors discussed in the Company’s MD&A for the most recent fiscal period. Management provides forward-looking statements because it believes they provide useful information to investors when considering their investment objectives and cautions investors not to place undue reliance on forward-looking information. Consequently, all of the forward-looking statements made in this press release are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Company. These forward-looking statements are made as of the date of this press release and the Company assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise, except as required by law. The CSE has not reviewed, approved or disapproved the contents of this press release.

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<sup>i</sup> This estimate is based on management’s current views, strategies, expectations, assumptions and forecasts, and has been calculated using accounting policies that are generally consistent with the Company’s current accounting policies. The estimate is derived from the expected gross revenues from IP licensing globally and assumes the commercialization of various aspects of Nextleaf IP portfolio and the achievement of projected product sales forecasts. This estimate is considered a financial outlook under applicable securities laws. The estimate and any other financial outlooks or future-oriented financial information included herein has been approved by management of the Company as of the date hereof. Such financial outlooks or future-oriented financial information are provided for the purposes of presenting information about management’s current expectations and goals relating to the future business of OILS. Readers are cautioned that actual results may vary materially as a result of a number of risks, uncertainties, and other factors, many of which are beyond the Company’s control. See “Cautionary Statement”.