

Nextleaf Labs Signs Cannabis Extraction Agreement with 10-acre Greenhouse Cannabis Cultivator

The Agreement has the potential to generate up to \$16MM¹ in gross revenue for Nextleaf Labs over the next 12 months.

VANCOUVER, April 2, 2020 /CNW/ - Nextleaf Solutions Ltd. ("**Nextleaf Solutions**", "**OILS**", or the "**Company**") (CSE: OILS) (OTCQB: OILFF), Canada's most innovative cannabis extractor, is pleased to announce that Nextleaf Labs Ltd. ("**Nextleaf Labs**"), a Health Canada licensed standard processor whose acquisition by OILS is pending, has entered into a Cannabis Extraction Agreement (the "**Agreement**") with a well-known cannabis producer based in Ontario who operates a 10-acre greenhouse licensed for cannabis cultivation (the "**Client**").

Cannabis Extraction Agreement

Pursuant to the Agreement, the Client will provide cannabis biomass which Nextleaf Labs will process into refined and distilled THC and CBD oils using OILS's patented and proprietary extraction technology. The bulk distilled THC and CBD oils will be supplied to the wholesale market by Nextleaf Labs, with net proceeds of such sales expected to be shared by Nextleaf Labs and the Client. The initial term of the Agreement will end on the earlier of (a) 12 months, and (b) the date upon which 15 metric tons of biomass has been processed, and automatically renews thereafter for successive one year terms. Over the initial term, the Agreement has the potential to generate up to \$16MM in gross revenue¹ for Nextleaf Solutions, who receives the economic benefit of processing activities conducted by Nextleaf Labs pursuant to agreements between the companies.

"Our stakeholders have been eagerly awaiting the commercialization of Nextleaf Solutions' proprietary extraction technology. We are pleased Nextleaf Labs' first large cannabis extraction agreement is with such a strong cultivator, who has been an early industry leader producing exceptional quality product at a large scale," stated Nextleaf Solutions CFO, Charles Ackerman. "We believe we are delivering on the overall mission of building a fundamentally-sound Company that operates one of the most efficient, technology-driven cannabis oil refineries in Canada, and we look forward to taking the business into the next phase of growth," continued Ackerman.

Nextleaf believes there is significant opportunities to monetize lower-grade cannabis materials into high-purity distilled oil. Investments in technology enable the delivery of efficient, scalable, and lower cost solutions to B2B partners and customers, driving higher margins and ultimately a competitive barrier for the Company over the long-term.

About Nextleaf®

OILS is Canada's most innovative cannabis extractor, developing technology for extracting and distilling THC and CBD oils from cannabis and hemp biomass. The Company's industrial-scale extraction and purification plant in Greater Vancouver, BC has a design capacity to process 600 kg per day of dried cannabis biomass into refined oils. Nextleaf owns a portfolio of over 15 issued patents and over 60 pending patents for the extraction, purification, and formulation of cannabinoids. Nextleaf Solutions commercializes its patent portfolio through IP licensing, and supplying THC and CBD oils through Nextleaf Labs, 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.

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www.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 expected revenues resulting from the Agreement over the term, the Company's ability to capitalize on its IP portfolio and create a competitive barrier, the efficiency and scalability of the Company's technology and operations, expectations regarding lower concentrate costs and higher margins resulting from utilization of the Company's technology, expectations regarding the Company's ability to enter into further extraction agreements, 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.

¹This 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 the Agreement, representations from Nextleaf Labs regarding current commodity pricing and projections. 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".

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