

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**
May 28, 2020
- 3. News Release**
The news release announcing the material change was disseminated on May 28, 2020, 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”) closed the second and final tranche of its non-brokered private placement of units (the “Units”) previously announced on May 7, 2020 (the “Financing”) pursuant to which it has issued an aggregate of 10,200,738 Units at a price of \$0.30 per Unit for gross proceeds of \$3,060,221.40. Under the first tranche, the Company issued 6,666,667 Units for gross proceeds of \$2,000,000 (see the Company’s press release dated May 22, 2020). Under this second tranche of the Financing, the Company issued an additional 3,534,071 Units for gross proceeds of \$1,060,221.30.
- 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**
May 28, 2020

Nextleaf Solutions Closes Oversubscribed \$3 Million Non-Brokered Financing

Vancouver, British Columbia--(Newsfile Corp. - May 28, 2020) - Nextleaf Solutions Ltd. (**CSE: OILS**) ("**Nextleaf**", "**OILS**", or the "**Company**"), Canada's most innovative cannabis extractor, is pleased to announce that it has closed the second and final tranche of its non-brokered private placement of units (the "**Units**") previously announced on May 7, 2020 (the "**Financing**") pursuant to which it has issued an aggregate of 10,200,738 Units at a price of \$0.30 per Unit for gross proceeds of \$3,060,221.40. Under the first tranche, the Company issued 6,666,667 Units for gross proceeds of \$2,000,000 (see the Company's press release dated May 22, 2020). Under this second tranche of the Financing, the Company issued an additional 3,534,071 Units for gross proceeds of \$1,060,221.30.

"Following our recently announced commercial contracts and the market opportunities with additional cannabis 2.0 manufacturers coming on line, we felt this was the right time to provide our Company with additional growth working capital to pursue these accretive opportunities," stated Charles Ackerman, CFO of Nextleaf. "We have received strong interest for this non-brokered private placement from loyal OILS shareholders and new strategic investors. As we move towards Canada's 2020 outdoor-grown cannabis harvest, our goal is to have our cannabis oil refinery at 100% utilization," continued Ackerman.

The Company intends to use the proceeds of the Financing to fund operating expenses related to its recently announced extraction contracts, global protection of intellectual property, and for general working capital.

As previously announced, each Unit is comprised of one common share in the capital of the Company (a "**Common Share**") and one Common Share purchase warrant (a "**Warrant**"), with each Warrant exercisable at a price of \$0.50 per share for a period of 24 months from the date of issuance; provided that if the Common Shares trade above \$0.70 per share for 10 consecutive trading days, then the expiry date of the Warrants will be automatically accelerated to the date that is 30 days after the date the Company provides notice by press release to the holders of the Warrants.

In conjunction with the Financing, an aggregate of \$58,742 in finder's fees and 195,807 broker warrants were paid to finders. The broker warrants are exercisable into one common share at \$0.30 for a period of two years from the date of issuance, subject to an acceleration provision if the shares of OILS trade above \$0.70 per share for 10 consecutive trading days, then the expiry date of the broker warrants will be automatically accelerated to the date that is 30 days after the date the Company provided notice by press release to the holders of the broker warrants.

The Units issued under the second tranche of the Financing are subject to a four-month hold period expiring September 29, 2020. Additional details regarding the Financing can be found in the Form 9 filed in accordance with the rules of the Canadian Securities Exchange, a copy of which is accessible at www.thecse.com under Nextleaf's profile.

In settlement of a prior service agreement the Company has issued 250,000 warrants with an exercise price of \$0.40, which expire March 21, 2021.

About Nextleaf®

OILS is Canada's most innovative cannabis extractor, developing technology for extracting and distilling THC and CBD oils. Nextleaf's industrial-scale extraction plant in Greater Vancouver, BC has a design capacity to process 600 kg of dried cannabis biomass into refined oils per day. The Company owns a portfolio of over 20 issued patents and 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.

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

For further information, please contact:
604-283-2301 (ext. 219)
investors@nextleafsolutions.com

NOT FOR DISSEMINATION IN THE UNITED STATES OR TO UNITED STATES NEWSWIRE SERVICES

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

CAUTIONARY STATEMENTS

This press release shall not constitute an offer to sell or the solicitation of an offer to buy the securities in any jurisdiction. The Units (and the Common Shares and Warrants that comprise the Units) will not be and have not been registered under the United States Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. All statements other than statements of historical fact included in this release, including,

without limitation, the expected size of the Financing and the use of proceeds thereof, the Company's ability to capitalize on cannabis 2.0 manufacturing opportunities, the Company's goal of reaching 100% utilization by Fall 2020, future production and processing, processing results, and future plans and objectives of Nextleaf, 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 and its subsidiaries as a going concern, general economic and market conditions, price of biomass, the accuracy of production resource estimates, and the performance and future operations of Nextleaf. 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. 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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To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/56746>