

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**
July 29, 2020
- 3. News Release**
The news release announcing the material change was disseminated on July 30, 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”) announced the completion of the previously announced acquisition of all of the issued and outstanding shares of Nextleaf Labs Ltd. (“Nextleaf Labs” or “Labs”), a Company that holds Health Canada standard processing and research licenses under the *Cannabis Act* (the “Acquisition”). As consideration for the Acquisition, Nextleaf issued 1,000,000 common shares (the “Shares”) to the sole shareholder of Labs (the “Seller”) at a deemed price of \$0.385 per share for aggregate consideration of \$385,000. 250,000 Shares were released to the Seller on closing, with the remaining 750,000 Shares subject to an escrow agreement providing for the release of such Shares in three equal tranches every six months. All Shares issued are subject to a four month and one day hold period in accordance with Canadian securities laws.
- 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**
August 7, 2020

Nextleaf Solutions Announces Completion of Acquisition of Licensed Processor

VANCOUVER, July 30, 2020 - Nextleaf Solutions Ltd. ("**Nextleaf**", "**OILS**", or the "**Company**") (**CSE: OILS**) (**OTCQB: OILFF**), Canada's most innovative cannabis extractor, is pleased to announce that it has completed the previously announced acquisition of all of the issued and outstanding shares of Nextleaf Labs Ltd. ("**Nextleaf Labs**" or "**Labs**"), a Company that holds Health Canada standard processing and research licenses under the *Cannabis Act* (the "**Acquisition**").

The closing of the Acquisition represents an important milestone for the Company, allowing OILS to continue the commercialization of its intellectual property ("**IP**") portfolio through the production and wholesale of THC and CBD based oils and concentrates by Labs. The Company owns a portfolio of 40 issued patents and over 60 pending patents for the extraction, and distillation of cannabinoids.

As consideration for the Acquisition, Nextleaf issued 1,000,000 common shares (the "**Shares**") to the sole shareholder of Labs (the "**Seller**") at a deemed price of \$0.385 per share for aggregate consideration of \$385,000. 250,000 Shares were released to the Seller on closing, with the remaining 750,000 Shares subject to an escrow agreement providing for the release of such Shares in three equal tranches every six months. All Shares issued are subject to a four month and one day hold period in accordance with Canadian securities laws.

About Nextleaf®

OILS is Canada's most innovative cannabis extractor, developing technology for extracting and distilling cannabinoids. The Company owns a portfolio of 40 issued patents and over 60 pending patents for the extraction and distillation of cannabinoids. OILS provides extraction services and wholesale of THC and CBD oils through its wholly owned subsidiary Nextleaf Labs, a Health Canada licensed standard processor. The Company's proprietary closed-loop extraction plant in Metro Vancouver has a design capacity to process 600 kg per day of dried cannabis biomass into distilled oils.

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

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

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, 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.