

Nextleaf Solutions Awarded U.S. Patent for Cannabis Extract and Launches CBD Oils

Vancouver, British Columbia--(Newsfile Corp. - January 11, 2021) - Nextleaf Solutions Ltd. (**CSE: OILS**) (**OTCQB: OILFF**) ("**Nextleaf**", "**OILS**", or the "**Company**"), the world's most innovative cannabis extractor, announced today that the United States Patent and Trademark Office has granted the Company a patent for a process resulting in a solventless cannabis concentrate, adding to the Company's dynamic and expanding U.S. patent portfolio.

The Company owns 12 issued U.S. patents and over 60 issued patents globally for the extraction, purification, and delivery of cannabinoids.

"The world's largest cannabis company launching the industry's first patent infringement lawsuit against a multi-national pharmaceutical company in December 2020 demonstrates the value of patents and intellectual property in the cannabis industry, similar to biotech and life sciences," stated Paul Pedersen, CEO of Nextleaf Solutions.

Nextleaf's latest U.S. patent covers a process whereby trichomes are made brittle from exposure to low temperatures and separated from plant material during agitation and through a series of filtration. The result is a proprietary full melt bubble hash concentrate, a product category that makes up approximately 10% of the cannabis market in the United States. This patent further enriches the Company's intellectual property around differentiated formats and delivery technology. OILS commercializes its intellectual property in Canada through its wholly-owned subsidiary, Nextleaf Labs Ltd. ("**Nextleaf Labs**"), a cannabis processor licensed under the Cannabis Act.

"We're excited to start 2021 with the 2nd largest portfolio of U.S. patents among all cannabis companies, and a validated extraction platform to produce low-cost cannabis distillate from Canada's abundant supply of biomass inputs," said Pedersen. "With the results of the 2020 U.S. elections, the passing of the MORE Act in December, and the Democratic Party gaining control of the U.S. Senate, we believe cannabis legalization in the United States will become a reality within three years. I expect our robust U.S. patent portfolio will make OILS a target for large pharmaceutical and multi-national CPG companies entering the cannabinoid market upon U.S. legalization."

Launch of CBD Oils in Canada

Nextleaf Labs delivered approximately 100 kilos of CBD distillate to one of Canada's top selling cannabis brands (the "**Partner**") during the month of December.

"We see this as the beginning of a long-term partnership, allowing OILS to bring its high-purity CBD distillate to the Canadian market at a great value. With our Partner distributing branded CBD products in over 1,000 points of retail across Canada, and Nextleaf's competitive advantage producing low-cost cannabis distillate, we think this is an incredible opportunity to monetize our patented technology and scale CBD oil production," stated Nextleaf CFO, Charles Ackerman.



Founder Ryan Ko, and Production Manager Keenan Sindia with 100 kilos of CBD distillate oil

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Nextleaf Labs' bulk cannabis distillate supply agreement is with a British Columbia-based licensed producer and one of the largest distributors of cannabis products in Canada. Nextleaf expects to continue supplying CBD distillate to the Partner for the purposes of manufacturing CBD based products, with distribution of the Partner's branded consumer products through their existing sales channels.

About Nextleaf®

OILS is the world's most innovative cannabis extractor, having developed the 2nd largest portfolio of U.S. patents among all cannabis companies. The Company wholesales THC and CBD oils and provides extraction services through its wholly owned subsidiary Nextleaf Labs Ltd. The Company's automated

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 Labs holds Health Canada licenses for standard processing and research under the Cannabis Act. The Company owns a portfolio of 12 issued U.S. patents, and over 60 issued patents globally, for the extraction, purification, and delivery of cannabinoids.

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](#).

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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, 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.

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