

# Nextleaf Solutions Secures \$3 Million in Convertible Note Financing

Vancouver, British Columbia--(Newsfile Corp. - March 31, 2021) - Nextleaf Solutions Ltd. (**CSE: OILS**) (**OTCQB: OILFF**) (**FSE: LOMA**) ("**Nextleaf**" or the "**Company**"), the world's most innovative cannabis processor, is pleased to announce that it has closed a private placement with an institutional investor (the "**Investor**") for aggregate gross proceeds of \$3,000,000 (the "**Offering**").

The Offering was completed pursuant to the terms of securities purchase agreement dated as of the date hereof between the Company and the Investor which provided for the issuance of a senior secured convertible note of the Company in the principal amount of \$3,300,000 (the "**Note**") and a warrant (the "**Warrant**") to purchase up to 6,875,000 common shares in the capital of the Company ("**Common Shares**").

"Since commercializing our automated proprietary closed-loop refinery in mid 2020, Nextleaf has been highly focused on building our Commercial Partners Program and expanding our intellectual property portfolio," said Charles Ackerman, Chief Financial Officer of Nextleaf. "We are pleased our focused and measured approach continues to attract significant investment interest, despite challenges and variability in the market."

The Company intends to use the net proceeds from the Offering to enhance efficiencies through automation and additional manufacturing capabilities in 2021 and for general corporate and working capital purposes.

The Note was issued for an original issue discount of 10%, will mature on the date that is 18 months from the date of issuance (the "**Maturity Date**") and will bear guaranteed interest at a rate of 5% per annum. The principal amount of the Note is convertible, at the option of the Investor, into Common Shares at a price of \$0.288 per share at any time prior to the close of business on the last day immediately preceding the Maturity Date, subject to adjustment in certain circumstances.

The Warrant is exercisable into Common Shares at a price of \$0.288 per share for a period of 36 months from the date of issuance.

As part of the fees related to the Offering, the Company issued 250,000 Common Shares at a deemed price of \$0.24 per share.

Kronos Capital Partners acted as strategic advisor to the Company in connection with the Offering.

All securities issued in connection with the Offering will be subject to a four-month hold period from the closing date under applicable Canadian securities laws.

## About Nextleaf®

Nextleaf Solutions is an innovative cannabis processor that owns one of the largest portfolios of U.S. patents for the extraction, distillation, and delivery of cannabinoids. Through its wholly-owned subsidiary Nextleaf Labs Ltd, a licensed processor, the Company is a low-cost producer of cannabis distillate and private label THC & CBD oils. Nextleaf's proprietary closed-loop automated extraction plant in Metro Vancouver has a design capacity to process 600 kilos of dried cannabis into oil per day. The Company owns 12 U.S. patents and has been issued over 70 patents globally. Nextleaf is developing delivery technology through its Health Canada research licence with sensory evaluation of cannabis via human testing. The Company's patent pending Rapid Emulsion Technology by OILS™ powers differentiated ingestible cannabis products. Nextleaf is commercializing its issued and pending patents through licensing of intellectual property, extraction services, and supplying cannabis oils to qualified Canadian and international business-to-business partners under their own brand.

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For more information please contact:

Paul Pedersen, CEO

604-283-2301 (ext. 219)

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

## Cautionary Note Regarding Forward-Looking Statements

Certain statements contained in this press release constitute "forward-looking statements" and "forward-looking information" within the meaning of applicable Canadian securities legislation (collectively, "**forward-looking statements**"). All statements other than statements of historical fact are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release. Forward-looking statements contained in this press release include, without limitation, those regarding the Company's intended use of proceeds from the Offering, its ability to capitalize on its IP portfolio, the Company's strategy, plans, objectives, goals and targets. Any statement that discusses predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be 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 management's discussion and analysis 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 Canadian Securities Exchange has not reviewed or approved the contents of this press release.

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