

NEXTLEAF SOLUTIONS LTD.
BEST-EFFORTS PROSPECTUS OFFERING OF UNITS
TERM SHEET

A final base shelf prospectus containing important information relating to the securities described in this document has been filed with the securities regulatory authorities in each of the provinces and territories of Canada. A copy of the final base shelf prospectus, any amendment to the final base shelf prospectus and any applicable shelf prospectus supplement that has been filed, is required to be delivered with this document, and copies may be obtained from Research Capital Corporation (ecm@researchcapital.com) and are also available electronically at www.sedar.com.

This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the final base shelf prospectus, any amendment, and any applicable shelf prospectus supplement for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

The securities offered under the final base shelf prospectus and prospectus supplement have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States (as such term is defined in Regulation S under the U.S. Securities Act) (the "United States"), and may not be offered or sold within the United States, or to, or for the account or benefit of a U.S. Person (as defined in Regulation S under the U.S. Securities Act) or a person in the United States, except in transactions exempt from registration under the U.S. Securities Act and applicable U.S. state securities laws. This term sheet does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States or to, or for the account or benefit of, U.S. persons.

- Issuer:** Nextleaf Solutions Ltd. ("**Nextleaf**" or the "**Company**").
- Offering:** Best-efforts, marketed base shelf prospectus offering (the "**Offering**") of units of the Company (the "**Units**").
- Gross Proceeds:** Minimum of \$3,000,000.
- Offering Price:** Indicative price of \$0.20 per Unit, priced in the context of the market (the "**Offering Price**").
- Units:** Each Unit shall be comprised of one common share of the Company (a "**Common Share**") and one Common Share purchase warrant of the Company (a "**Warrant**").
- Warrants:** Each Warrant shall entitle the holder thereof to purchase one additional Common Share (each, a "**Warrant Share**") at an indicative exercise price of \$0.275 for a period of 24 months following closing of the Offering, however, the definitive structure, including the exercise price of each Warrant and the expiry date of the Warrants will be determined in the context of the market.
- Over-Allotment Option:** Up to 15% of the number of Units, and/or the components thereof, issued pursuant to the Offering to cover any over-allotments, if any, and for market stabilization purposes, exercisable within 30 days following the closing of the Offering at the Offering Price.
- Use of Proceeds:** The Company intends to use the net proceeds of the Offering for the procurement and delivery of its cannabis products to various provincial markets nationally, for the partial repayment of principal and interest on a senior secured convertible note of the Company, for general and administrative expenses and for working capital and general corporate purposes.
- Form of Offering:** The Units will be offered by way of a prospectus supplement to the Company's final base shelf prospectus dated November 23, 2021, to be filed in each of the provinces of Canada (except Québec), pursuant to *National Instrument 44-102 – Shelf Distributions* and *National Instrument 44-101 – Short Form Prospectus*

Distributions and may be offered in the United States on a private placement basis pursuant to an appropriate exemption from the registration requirements under applicable U.S. law.

- Listing:** The Company will obtain the necessary approvals to list the Common Shares comprising the Units, as well as Warrant Shares and Common Shares issuable upon the exercise of broker warrants, and the corporate finance fee shares for trading on the Canadian Securities Exchange. The Warrants will not be listed for trading on the Canadian Securities Exchange.
- Eligibility:** The Common Shares comprising the Units and Warrant Shares underlying the Warrants are eligible for RRSPs, RRIFs, RDSPs, RESPs, TFSAs and DPSPs.
- Commission:** 8.0% cash commission and 8.0% broker warrants, subject to a reduction to 2.0% for certain purchasers identified by the Company on a president's list.
- Agent:** Research Capital Corporation as sole agent and sole bookrunner (the "**Agent**").
- Closing:** The closing of the Offering will occur on or about December 16, 2021, or such other earlier or later date as the Agent and Company may agree upon.