



New Leaf Ventures Provides Harvest Outlook

VANCOUVER, British Columbia, Sept. 23, 2020 -- **New Leaf Ventures Inc. (CSE: NLV) (OTC: NLVVF)** (“New Leaf,” “NLV” or the “Company”), a management and investment organization dedicated to evaluating and accelerating advanced stage operations in the North American Cannabis sector today provides forecasting insight for [New Leaf USA](#)’s brand license operator, New Leaf Enterprises, through the end of Q4 2020.

2020 Cannabis Harvest Outlook

The use of light deprivation and auto-flower techniques generated early harvests beginning mid-August. While this represents a relatively small portion of the total harvest, it provided critical inventory to fine-tune new processing equipment and techniques recently implemented for the 2020 harvest season.

Non-light deprived greenhouse and outdoor harvests are on-track for early-October with processed material available mid-October. Mid-October through mid-November is projected as the peak of the 2020 harvest season with all material harvested by the second half of November.

Bulk Supply Chain

2020 harvest processing will continue through mid-December with the majority anticipated as sold by mid-January. Agreements with suppliers ensure access to material through March 2021 in order to extend purchasing capacity beyond January in order to meet increased demand as marketing efforts begin to generate increased bulk sales opportunities.

Current supply projections are assessed at 7,000 lbs of flower and pre-roll material, plus 2,000 lbs of extractable material. Typically, cost prices are negotiated 1-2 weeks in advance of harvest in order to manage quality assurance.

In-House Supply

Current and projected internally produced biomass is anticipated to supply the remainder of all business activities through August 2021. Continuous internal production and processing throughout this period is anticipated to result in 2,000 lbs of flower and pre-roll material, plus 900 lbs of extractable material.

Use of Product

100% of all internally produced flower and pre-roll material will go to Dama flower and pre-roll products.

Bulk supply flower and pre-roll material is slated for use as:

- 15% - Dama Select brand (premium outdoor) flower products
- 15% - Dama Select pre-roll products
- 25% - Weed (value outdoor) flower products
- 40% - Bulk sales to processors
- 5% - Product development

Extractable material:

- 50% - Vape products
- 10% - Edible products
- 40% - Bulk sales to processors

Sales Activity

Retail Sales:

The existing retail network can manage approximately 35% of all product sales at current levels and pre-existing marketing efforts. The strategic plan aims to invest in focused marketing support and sales efforts to increase the retailer base to 120 stores within fiscal 2021 which would meet or exceed production goals for the year.

Bulk Sales:

An optimistic outlook has been achieved through verbal commitments from multiple trusted 3rd party processors prepared to acquire bulk material allotments as soon as harvest pricing stabilizes over the next few weeks.

Sales Team:

In preparation for the increase in both bulk and finished products, the sales team has implemented several key initiatives:

- Addition of sales/brand representatives
- Updates to both Dama and Weed product branding.
- Created the Dama Select brand for premium purchased material.
- Introduction of new vape and edible lines to broaden the overall product scope.
- Implemented a proactive sample distribution and lead generation program.
- Extended high-level customer service to include rapid inventory communication, enhanced purchasing tools with faster and assured deliveries and return protocols.

- Established in-store sales and merchandising collateral.

Sales Value

A significant investment in new processing equipment will impact book value through the tail end of 2020, but these critical investments are poised to markedly increase scalable efficiency without increased labour costs thereby directly and positively impacting future earnings.

Projected improvements encompass:

- 40% increased output: Internal flower
- 60% increased output: Purchased flower
- Overall process capability: increased to +500 lbs of flower per week

Mr. Michael Stier, CEO of New Leaf Ventures states, "The team in Seattle has provided a pragmatically favourable assessment of the year-end harvest outlook with an excellent snapshot of what to expect for 2021 and beyond. As anticipated, our investment in critical equipment and processes holds the key to transforming the performance capacity of the [New Leaf USA](#) brand licensing venture. Following July's positive [operational outlook](#) and recent [marketing report](#), the momentum is steady and the transformative strategy beginning to shift into high gear. Over the next 12 months and beyond the investment in this venture is designed to provide quantifiable economies of scale. I am pleased to report that recent meetings with the operations team have reached a consensus for an achievable target to process 250% more material compared to the previous 12 months while adding only 50% to the actual processing cost. The transformation of an undervalued asset into a regional leader has truly begun. As always, we thank our shareholders for their commitment and shared vision as we continue towards building investment-grade opportunities in the cannabis industry."

About New Leaf Ventures Inc. (CSE: NLV) (OTC: NLVVF)

New Leaf Ventures Inc. is developing a cannabis sector-based scalable securities concept of focused financing and applied management to achieve earnings growth through targeted investment. The Company's flagship enterprise is New Leaf USA and its subsidiaries, which provide licenses, consulting services, real property, intellectual property and equipment for lease and ancillary services to a Washington-based Tier 3 Producer/Processor focused on cultivating, growing, processing, packaging, and distributing cannabis and cannabis related products. Find out more at: <https://newleafventuresinc.com/>.

For further information, please contact:

New Leaf Ventures Inc.

Invictus Investor Relations

Tel: +1 (604) 330-9220

Email: investors@newleafventuresinc.com

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Forward-looking information is based on the assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. The material factors and assumptions used to develop the forward-looking information contained in this news release include, but are not limited to, key personnel and qualified employees continuing their involvement with the Company; and the Company's ability to secure financing on reasonable terms.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking information, including, without limitation, risks relating to the future business plans of the Company; risks that the Company will not be able to retain its key personnel; risks that the Company will not be able to secure financing on reasonable terms or at all, as well as all of the other risks as described in the Company's management discussion and analysis for year ended December 31, 2019 under the heading "Risks and Uncertainties". Accordingly, readers should not place undue reliance on any such forward-looking information. Further, any forward-looking information speaks only as of the date on which such statement is made. New factors emerge from time to time, and it is not possible for the Company's management to predict all of such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking information. The Company does not undertake any obligation to update any forward-looking information to reflect information or events after the date on which it is made or to reflect the occurrence of unanticipated events, except as required by law, including securities laws.

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