

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

This prospectus supplement, together with the accompanying short form base shelf prospectus dated July 26, 2021 to which it relates, as amended or supplemented, and each document incorporated or deemed to be incorporated by reference into this prospectus supplement and the accompanying short form base shelf prospectus, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

These securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any securities laws of any state of the “United States” (as such term is defined in Regulation S under the U.S. Securities Act). Accordingly, except as permitted in the Agency Agreement, the securities may not be offered or sold in the United States or to, or for the account or benefit of, “U.S. persons” (as such term is defined in Regulation S under the U.S. Securities Act) unless the securities are registered under the U.S. Securities Act and any applicable securities laws of any state of the United States or unless an exemption from such registration requirements are available. This prospectus supplement 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. See “Plan of Distribution”.

Information has been incorporated by reference in this prospectus supplement and the accompanying short form base shelf prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated by reference may be obtained on request without charge from the secretary of New Leaf Ventures Inc. at 1910 – 1030 W Georgia St, Vancouver, British Columbia V6E 2Y3, Telephone (778) 930-1321 and are also available at www.sedar.com.

**PROSPECTUS SUPPLEMENT
To Short Form Base Shelf Prospectus Dated July 26, 2021**

New Issue

October 27, 2021



**NEW LEAF VENTURES INC.
1910 – 1030 W Georgia St
Vancouver, British Columbia, V6E 2Y3**

\$1,500,000

6,000,000 Units

This prospectus supplement of New Leaf Ventures Inc. (“**New Leaf**” or the “**Company**”) hereby qualifies the distribution of an aggregate of 6,000,000 units of the Company (the “**Units**”) at an offering price of \$0.25 per Unit (the “**Offering Price**”) for aggregate gross proceeds to the Company of \$1,500,000 (the “**Offering**”). The Units will be sold pursuant to an agency agreement dated October 27, 2021 (the “**Agency Agreement**”) between the Company and Research Capital Corporation (“**Research Capital**”) (the “**Agent**”), as lead agent and sole bookrunner. The Offering Price was determined by arm’s length negotiation between the Company and the Agent with reference to the prevailing market price of the common shares of the Company (the “**Common Shares**”). See “*Plan of Distribution*”.

Each Unit consists of one Common Share of the Company (each a “**Unit Share**”) and one-half of one common share purchase warrant (each whole common share purchase warrant, a “**Warrant**”). Each Warrant entitles the holder to purchase one Common Share of the Company (a “**Warrant Share**”) at an exercise price of \$0.40 per Warrant Share for a period of 24 months from the Closing Date (as defined herein), subject to acceleration and subject to adjustment in certain customary events. If during the life of the Warrants the closing price of the Company’s Common Shares as

quoted on the Canadian Securities Exchange (the “CSE”) is equal to or exceeds \$0.60 per Common Share for any 10 consecutive trading days, the Company may provide notice to the holders of the Warrants by issuance of a news release that the expiry date of the Warrants will be accelerated to the 30th day after the date on which the Company issues such news release. The Warrants will be governed by a warrant indenture (the “Warrant Indenture”) to be entered into on or prior to the Closing Date between the Company and Odyssey Trust Company (“Odyssey” or the “Warrant Agent”), as warrant agent. The Unit Shares and Warrants comprising the Units will be separated immediately upon closing of the Offering. See “Description of Securities Being Distributed”.

The Common Shares are listed on the CSE under the symbol “NLV” and on the OTC PINK of the OTC Markets in the U.S. (the “OTCPINK”) under the symbol “NLVVF”. On September 29, 2021, the last trading day prior to the announcement of the Offering, the closing price of the Common Shares on the CSE was \$0.32 per Common Share, and on the OTCPINK was US\$0.245 per Common Share. On October 26, 2021, the last trading day before the date of this prospectus supplement, the closing price of the Common Shares on the CSE was \$0.20 per Common Share, and on the OTCPINK was US\$0.162 per Common Share.

The Company has applied to list the Unit Shares and the Warrant Shares, including those Unit Shares and Warrant Shares underlying the Compensation Unit Shares (as defined herein) and Compensation Warrant Shares (as defined herein) that may be issued upon exercise of the Compensation Options (as defined herein), on the CSE. Listing will be subject to the Company fulfilling all of the requirements of the CSE. **The Warrants are transferable but there is currently no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants purchased under the Prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants, and the extent of issuer regulation. See “Risk Factors”.**

	Price to the Public	Commission ⁽¹⁾	Net Proceeds to the Company ⁽²⁾
Per Unit	\$0.25	\$0.0175	\$0.2325
Maximum Offering	\$1,500,000	\$105,000	\$1,395,000

Notes:

- (1) In connection with the Offering, the Company has agreed to issue or pay to the Agent: (i) a work fee (the “Work Fee”) of \$40,000 (\$20,000 of which has been paid in advance); (ii) a cash commission (the “Commission”) equal to up to 7.0% of the aggregate gross proceeds of the Offering, comprised of a 5.0% cash commission and a 2.0% cash agency fee; and (iii) an aggregate number of compensation options (the “Compensation Options”) equal to up to 7.0% of the aggregate number of Units issued pursuant to the Offering, comprised of 5% broker warrants and 2% advisory warrants. Notwithstanding the foregoing, the Company is entitled to identify certain subscribers to be included in the Offering as part of the president’s list (the “President’s List Subscribers”) for which no Commission or Compensation Options will be paid or issued to the Agent. Each Compensation Option may be exercised to acquire one unit (a “Compensation Unit”) at an exercise price of \$0.25 per Compensation Unit for a period of 24 months from the Closing Date, subject to adjustment in certain events. Each Compensation Unit consists of one Common Share (each a “Compensation Unit Share”) and one-half of one common share purchase warrant (each whole common share purchase warrant, a “Compensation Warrant”). Each Compensation Warrant entitles the holder to purchase one common share of the Company (a “Compensation Warrant Share”) at an exercise price of \$0.40 per Compensation Warrant Share for a period of 24 months from the Closing Date, subject to acceleration on the same terms as the Warrants. This prospectus supplement qualifies the distribution of the Compensation Options and the securities issuable upon exercise thereof. See “Plan of Distribution”.
- (2) After deducting the Commission, but before deducting the Work Fee of \$40,000 and the expenses of the Offering, estimated to be approximately \$60,000, which, together with the Commission, will be paid out of the gross proceeds of the Offering.
- (4) Assuming no President’s List Subscriber participates in the Offering.

The following table sets out the number of securities, if any, that have been issued or may be issued by the Company to the Agent pursuant to the Compensation Options:

Agent's Position	Minimum Size or Number of Securities Available	Exercise Period or Acquisition Date	Exercise Price or Average Acquisition Price
Compensation Options ⁽¹⁾	Option to purchase up to 420,000 Compensation Units	Exercisable for a period of 24 months following the Closing Date	\$0.25 per Compensation Option

Notes:

- (1) Assuming no President's List Subscriber participates in the Offering. This prospectus supplement qualifies the distribution of the Compensation Options and the securities issuable upon the exercise thereof. See "*Plan of Distribution*".

The Offering is not underwritten or guaranteed by any person. The Agent conditionally offers the Units, on a best efforts agency basis, subject to prior sale, if, as and when issued by the Company and accepted by the Agent in accordance with the conditions contained in the Agency Agreement referred to under "*Plan of Distribution*" and subject to approval of certain legal matters relating to the Offering on behalf of the Company by Miller Thomson LLP and on behalf of the Agent by Vantage Law Corporation.

Subscriptions for the Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The closing of the Offering is expected to occur on or about October 29, 2021 or such later date as the Company and the Agent may agree (the "**Closing Date**").

It is anticipated that the Unit Shares and the Warrants comprising the Units will be delivered under the book-based system through CDS Clearing and Depository Services Inc. ("**CDS**") or its nominee and deposited in electronic form. Except for Unit Shares and Warrants to be delivered to certain accredited investors in the United States or that are acting for the account or benefit of U.S. persons or persons in the United States who will receive certificates representing such securities at closing, a purchaser of Units will receive only a customer confirmation from the Agent or another registered dealer from or through which the Units are purchased and who is a CDS depository service participant. CDS will record the CDS participants who hold Units on behalf of owners who have purchased Units in accordance with the book-based system. No definitive certificates will be issued except for certain purchasers in the United States as set forth above or unless specifically requested or required. See "*Plan of Distribution*".

An investment in the Units involves a high degree of risk. Prospective purchasers should consider the risk factors described under "Risk Factors" in this prospectus supplement and the "Risk Factors" section beginning on page 11 of the accompanying prospectus and the documents incorporated by reference herein for a discussion of certain risks that you should consider in connection with an investment in the Units.

Prospective purchasers are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding or disposing of the Unit Shares, Warrants and Warrant Shares, including the Canadian federal income tax consequences applicable to a foreign controlled Canadian corporation that acquires the Units.

The Company's head office is located at 1910 – 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3, and its registered and records office is located at 400 – 725 Granville Street, Vancouver, British Columbia, V7Y 1G5.

Investors should rely only on current information contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus as such information is accurate only as of the date of the applicable document. The Company has not authorized anyone to provide investors with different information. Information contained on the Company's website shall not be deemed to be a part of this prospectus supplement, the accompanying prospectus or incorporated by reference and should not be relied upon by prospective investors for the purpose of determining whether to invest in the securities. Investors should assume that the information appearing in this prospectus supplement and the accompanying prospectus is accurate only as of the date on the front of those documents and that information contained in any document incorporated by reference in this prospectus supplement and the accompanying prospectus is accurate only as of the date of that document. The Company will not make an offer of the Units in any jurisdiction where the offer or sale is not permitted.

This Prospectus qualifies the distribution of securities of an entity that currently directly derives all of its revenues from the cannabis industry in the State of Washington, which industry is illegal under U.S. Federal Law. As of the date hereof, 100% of the Company's operations are in the United States. The Company provides ancillary services (through subsidiaries) in both the adult-use and medical cannabis industry in the State of Washington, as permitted within such state under applicable state law, which has regulated such industries.

The cultivation, manufacturing, sale, distribution, possession and use of cannabis is illegal under United States federal law pursuant to the U.S. Controlled Substance Act of 1970 (the "CSA"), which places controlled substances, including cannabis, in a schedule. Other than industrial hemp, cannabis is considered marijuana, is classified as a Schedule I controlled substance, and is illegal under United States federal law. Under United States federal law, a Schedule I controlled substance has a high potential for abuse, no accepted medical use in the United States, and a lack of accepted safety for the use of the drug under medical supervision. Under the CSA, the policies and regulations of the United States Federal Government and its agencies are that cannabis has no medical benefit and a range of activities including cultivation and the personal use of cannabis is prohibited. The United States Food and Drug Administration (the "U.S. FDA") has not approved marijuana as a safe and effective drug for any indication.

Despite the current state of the United States federal law, the States of Arizona, California, Nevada, Massachusetts, Maine, Michigan, Washington, Oregon, Colorado, Vermont, Illinois, New Jersey, New York, South Dakota, Montana and Alaska, and the District of Columbia, have legalized cannabis for adult or "recreational" use of cannabis; although the commercial recreational operations are not permitted in the District of Columbia because of a prohibition on using funds for regulation within a federal appropriations amendment to local District spending powers. In addition, over half of the U.S. states have enacted legislation to legalize and regulate the sale and use of medical cannabis, with some imposing limits on the levels of tetrahydrocannabinol ("THC").

However, there is no guarantee that state laws legalizing and regulating the sale and use of cannabis will not be repealed or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions.

Additionally, state laws that permit and regulate the production, distribution and use of cannabis for adult use or medical purposes are in direct conflict with the CSA. Although certain states authorize medical or adult-use cannabis production and distribution by licensed or registered entities, under United States federal law, the possession, use, cultivation, and transfer of cannabis and any related drug paraphernalia is illegal and any such acts are criminal acts. The Supremacy Clause of the United States Constitution establishes that the United States Constitution and federal laws made pursuant to it are paramount and in case of conflict between federal and state law, the federal law shall apply.

On January 4, 2018, former U.S. Attorney General Jeff Sessions issued a memorandum to U.S. district attorneys which rescinded previous guidance from the U.S. Department of Justice ("DOJ") specific to cannabis enforcement in the United States, including the Cole Memorandum (as defined herein). With the Cole Memorandum rescinded, U.S. federal prosecutors have been given discretion in determining whether to prosecute cannabis related violations of U.S. federal law. Mr. Sessions resigned on November 7, 2018 and was succeeded by William Barr on February 14, 2019. The DOJ under Mr. Barr has not taken a formal position on federal enforcement of laws relating to cannabis. Mr. Barr has stated publicly that his preference would be to have a uniform federal rule against cannabis, but, absent such a uniform rule, his preference would be to permit the existing federal approach of leaving it up to the states to make their own decisions. Attorney General Barr's statements are not official declarations of the DOJ policy, are not binding on the DOJ, on any U.S. Attorney, or on the federal courts. Attorney General Barr may clarify, retract, or contradict these statements. There is no guarantee that the position of the DOJ will not change. Although Attorney General Barr has not provided a clear policy directive for the United States as it pertains to state legal marijuana-related activities, and despite his previous statements, in June 2020 Congress investigated reports that Barr directed the DOJ to apply additional scrutiny to proposed cannabis mergers. If the DOJ policy was to aggressively pursue financiers or equity owners of cannabis-related business, and United States Attorneys followed such DOJ policies through pursuing prosecutions, then the Company could face (i) seizure of its cash and other assets used to support or derived from its cannabis subsidiaries, and (ii) the arrest of its employees, directors, officers, managers and investors, who could face charges of ancillary criminal violations of the CSA for aiding and abetting and

conspiring to violate the CSA by virtue of providing financial support to state-licensed or permitted cultivators, processors, distributors, and/or retailers of cannabis. Additionally, as has been affirmed by U.S. Customs and Border Protection (“CBP”), employees, directors, officers, managers and investors of the Company who are not U.S. citizens face the risk of being barred from entry into the United States for life.

On February 15, 2019, President Donald Trump signed the 2019 Fiscal Year Appropriations Bill which included the Rohrabacher-Farr Amendment (as defined in the AIF), which prohibits the funding of federal prosecutions with respect to medical cannabis activities that are legal under state law, extending its application until September 30, 2019. Thereafter, as part of the Congressional omnibus-spending bill, Congress renewed, through September 30, 2020, the Rohrabacher-Farr Amendment. While the Rohrabacher-Farr Amendment was temporarily renewed through the signing of a stopgap spending bill, effective through December 11, 2020, there can be no assurances that the Rohrabacher-Farr Amendment will be included in future appropriations bills or budget resolutions. Public statements made by Attorney General Merrick Garland, and the actions of the Biden DOJ to date, do not create reason to expect a departure from the position that federal resources will not be allocated toward marijuana enforcement in states that have legalized the drug. The non-enforcement policy of the Cole Memo, though technically repealed, remains the de-facto position of the federal government toward state-level medical and recreational marijuana commerce.

The Company’s objective is to capitalize on the opportunities presented as a result of the changing regulatory environment governing the cannabis industry in the United States. Accordingly, there are a number of significant risks associated with the business of the Company. Unless and until the United States Congress amends the CSA with respect to medical and/or adult-use cannabis (and as to the timing or scope of any such potential amendments there can be no assurance), there is a significant risk that federal authorities may enforce current U.S. federal law, and the business of the Company may be deemed to be producing, cultivating, extracting, or dispensing cannabis or aiding or abetting or otherwise engaging in a conspiracy to commit such acts in violation of federal law in the United States. If the U.S. federal government begins to enforce U.S. federal laws relating to cannabis in states where the sale and use of cannabis is currently legal, or if existing applicable state laws are repealed or curtailed, the Company’s business, results of operations, financial condition and prospects would be materially adversely affected.

In light of the political and regulatory uncertainty surrounding the treatment of United States cannabis related activities, on February 8, 2018, the Canadian Securities Administrators published CSA Staff Notice 51-352 – *(Revised) Issuers with U.S. Marijuana-Related Activities* (“Staff Notice 51-352”) setting out the Canadian Securities Administrator’s disclosure expectations for specific risks facing issuers with cannabis related activities in the United States. Staff Notice 51-352 includes additional disclosure expectations that apply to all issuers with United States cannabis-related activities, including those with direct and indirect involvement in the cultivation and distribution of cannabis, as well as issuers that provide goods and services to third parties involved in the United States cannabis industry.

For these reasons, the Company’s investments in the United States cannabis market may subject the Company to heightened scrutiny by regulators, stock exchanges, clearing agencies and other Canadian authorities. There are a number of risks associated with the business of the Company. See the section entitled “United States Federal Overview” and “Risk Factors”, including “Illegality of activities under United States federal and state law”, within this Prospectus and within the AIF (as defined herein).

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GENERAL MATTERS

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of the Offering and also adds to and updates certain information contained in the accompanying prospectus and the documents incorporated by reference therein. The second part is the accompanying prospectus, which gives more general information, some of which may not apply to the Offering. This prospectus supplement is deemed to be incorporated by reference into the accompanying prospectus solely for the purposes of the Offering. If the description of the Units varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement. Before investing, you should carefully read both this prospectus supplement and the accompanying prospectus together with the additional information about the Company to which we refer you in the section of this prospectus supplement entitled “Documents Incorporated by Reference”.

You should rely only on the information contained or incorporated by reference in this prospectus supplement or in the accompanying prospectus. The Company has not, and the Agent has not, authorized any other person to provide you with different, additional or inconsistent information. If anyone provides you with different, additional or inconsistent information, you should not rely on it. The Company and the Agent are not making an offer of the Units in any jurisdiction where the offer is not permitted. You should assume that the information appearing in this prospectus supplement and the accompanying prospectus is accurate only as of the date on the front of those documents and that information contained in any document incorporated by reference in this prospectus supplement and the accompanying prospectus is accurate only as of the date of that document. The Company’s business, financial condition, results of operations and prospects may have changed since those dates.

Market data and certain industry forecasts used in this prospectus supplement and the accompanying prospectus and the documents incorporated by reference herein and therein were obtained from market research, publicly available information and industry publications. The Company believes that these sources are generally reliable, but the accuracy and completeness of this information is not guaranteed. The Company has not independently verified such information, and it does not make any representation as to the accuracy of such information.

Unless the context otherwise requires, references in this prospectus supplement and the accompanying prospectus to “**New Leaf**” or the “**Company**” include New Leaf Ventures Inc. and its material subsidiaries. All capitalized terms used but not otherwise defined herein have the meanings provided in the accompanying prospectus.

PRESENTATION OF FINANCIAL INFORMATION

The Company presents its financial statements in Canadian dollars. All dollar figures in this prospectus supplement and the accompanying prospectus are in Canadian dollars, unless otherwise indicated. All of the financial data contained in this prospectus supplement and the accompanying prospectus relating to the Company have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”), as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and in the accompanying prospectus contain certain statements (“**forward-looking statements**”) about the Company’s current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward-looking information and/or forward-looking statements within the meaning of applicable securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to an issuer (collectively, “**Securities Laws**”). The words “may”, “will”, “would”, “should”, “could”, “expects”, “plans”, “intends”, “trends”, “indications”, “anticipates”, “believes”, “estimates”, “predicts”, “likely” or “potential” or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements, although not all forward-looking statements contain these words.

Discussions containing forward-looking statements include, among other places, those under “*Business of the Company*” and “*Risk Factors*”. Forward-looking statements included or incorporated by reference in this prospectus supplement include, but are not limited to, statements with respect to the Offering; the Company’s intention to list the Unit Shares and the Warrant Shares on the CSE; the Company’s intention to grow the business and its operations; expectations with respect to future production costs and capacity; the grant and impact of any license or supplemental license to conduct activities with cannabis or any amendments thereof; the Company’s competitive position and the regulatory environment in which the Company operates; the Company’s ability to obtain additional funds through the sale of equity or debt commitments; the legalization and regulatory control of cannabis for recreational use in jurisdictions outside of the State of Washington and the Company’s opportunities for expansion into such jurisdictions; and the intentions of the Board (as defined herein) with respect to executive compensation plans and corporate governance plans described herein; the Company’s expectations regarding its revenue, expenses and operational costs; the Company’s anticipated cash needs; the Company’s intention to grow the business and its operations; and the Company’s ability to successfully withstand the economic impact of the COVID-19 pandemic.

Forward-looking statements are based on certain assumptions and estimates made by us in light of the experience and perception of historical trends, current conditions, expected future developments, including projected growth in the integrative mental health industry, and other factors we believe are appropriate and reasonable in the circumstances, but there can be no assurance that such assumptions and estimates will prove to be correct. These assumptions include, but are not limited to, material assumptions, including but not limited to: (i) obtaining the necessary regulatory approvals; (ii) that regulatory requirements will be maintained; (iii) general business, economic and political conditions; (iv) the Company’s ability to successfully execute its plans and intentions; (v) the availability of financing on reasonable terms; (vi) the Company’s ability to attract and retain skilled staff; (vii) market competition; (viii) the products and technology offered by the Company’s competitors; (ix) that good relationships with service providers and other third parties will be established and maintained; (x) continued growth of the cannabis industry; (xi) positive public opinion with respect to the cannabis industry; (xii) the Company being able to complete the Offering; and (xiii) the Company being able to list the Unit Shares and the Warrant Shares on the CSE.

Although the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and the Company cannot assure that actual results will be consistent with these forward-looking statements. Further, the aforementioned assumptions may be affected by the negative disruptive effect of the COVID-19 pandemic, which has resulted in a widespread health crisis that has already affected the economies and financial markets of many countries around the world. The international response to the spread of COVID-19 has led to significant restrictions on travel; temporary business closures; quarantines; global stock market and financial market volatility; a general reduction in consumer activity; operating, supply chain and project development delays and disruptions; and declining trade and market sentiment, all of which have and could further affect commodity prices, interest rates, credit ratings and credit risk. The continuing and additional business interruptions, expenses and delays relating to COVID-19, could have a material adverse impact on the Company’s operations, financial condition and the market for its securities; however, as at the date of this prospectus, such cannot be reasonably estimated.

Many factors could cause the Company’s actual results, level of activity, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the factors, which are discussed in greater detail in the “*Risk Factors*” section of this prospectus supplement.

The purpose of the forward-looking statements is to provide the reader with a description of management’s expectations regarding the Company’s performance and may not be appropriate for other purposes. Readers should not place undue reliance on forward-looking statements made herein. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause actual results to differ materially from those anticipated in such forward-looking statements. Furthermore, unless otherwise stated, the forward-looking statements contained in this prospectus supplement are made as of the date of this prospectus supplement, and we have no intention and undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. The forward-looking statements contained in this prospectus supplement are expressly qualified by this cautionary statement.

MARKETING MATERIALS

In connection with the Offering, the Agent used the template term sheet dated September 22, 2021 (the “**Term Sheet**”) in connection with the Offering as “marketing materials” (as such terms are defined under applicable Canadian securities laws). The Term Sheet does not form part of this prospectus supplement and the accompanying prospectus to the extent that the contents of the Term Sheet have been modified or superseded by a statement contained in this prospectus supplement. Any template version of any marketing materials that has been, or will be, filed on SEDAR (www.sedar.com) before the termination of the distribution under the Offering (including any amendments to, or an amended version of, any template version of any marketing materials) is deemed to be incorporated by reference into this prospectus supplement and the accompanying prospectus solely for the purposes of the Offering.

SUMMARY

The following summary contains basic information about the Company and the Offering and is not intended to be complete. This description does not contain all of the information about the Company and its properties and business that you should consider before investing in the Units. You should carefully read the entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and in the accompanying prospectus before making an investment decision. See “Documents Incorporated by Reference” and “Additional Information”. Before deciding to invest in any securities, in addition to considering the risks outlined below, you should also carefully consider the risks contained in the section entitled “Cautionary Note Regarding Forward-Looking Statements” above, the risks outlined in the documents incorporated by reference in this prospectus, supplement and the accompanying prospectus, the risks described in the Company’s historical consolidated financial statements, the related notes thereto and the Annual Information Form (as defined below).

The Company

Corporate Matters

New Leaf Ventures Inc. was incorporated under the *Business Corporations Act* (British Columbia) (the “**BCBCA**”) on June 4, 2018 as “1166858 B.C. Ltd.” On September 18, 2019, it changed its name to “New Leaf Ventures Inc.”

The Company directly owns 100% of New Leaf USA Inc. and indirectly owns 100% of New Leaf USA Inc.’s subsidiaries (the “**New Leaf USA Inc. Subsidiaries**”): (i) New Leaf Equipment LLC (“**EquipmentCo**”); (ii) New Leaf IP LLC (“**IPCo**”); (iii) New Leaf Real Estate LLC (“**RealEstateCo**”); (iv) New Leaf Services LLC (“**ServicesCo**”); and (v) New Leaf Hemp Corporation LLC (“**HempCo**”). Each of New Leaf USA Inc. and the New Leaf USA Inc, Subsidiaries is a corporation existing under the laws of the State of Washington.

Business Matters

The Company operates through the New Leaf USA Inc. Subsidiaries as an agricultural technology, services provider and property management company; in particular, the New Leaf USA Inc. Subsidiaries provide services, real property lease, equipment and intellectual property for lease and other enhanced ancillary services to New Leaf Enterprises Inc., a Washington State Liquor and Cannabis Board (the “**WSLCB**”) producer and processor license holder (the “**License Holder**”). The Company generates returns from the following revenue sources: (i) through service contracts with the License Holder; (ii) leasing the real property, equipment and intellectual property to the License Holder. Separately, New Leaf USA Inc. entered into an option agreement with the License Holder, pursuant to which New Leaf USA Inc. may purchase 100% of the outstanding shares of the License Holder, should the WSLCB approve and the laws of Washington State change to allow non-resident owners of the licenses held by the License Holder; and (iii) producing and selling hemp-based products.

Recent Developments

On September 23, 2021, the Company announced the appointment of Brad Songhurst as Chief Operating Officer and David Tran as Chief Strategy Officer of the Company’s wholly owned subsidiary New Leaf USA Inc.

On September 8, 2021 the Company announced the signing of a commercial packaging, licensing and distribution agreement between the Company's wholly owned subsidiary, New Leaf USA Inc., and Long Play Inc., a licensor of renowned cannabis brand "WILLIE'S RESERVE". The licensing encompasses exclusive rights to source, manufacture, distribute and market Willie's Reserve and Harvest products in Washington State.

The operating services, property management, equipment, intellectual property, etc., mentioned above are provided in the United States, through the New Leaf USA Inc. Subsidiaries. The documents incorporated by reference herein, including the Annual Information Form, contain further details regarding the business of New Leaf. See "*Documents Incorporated by Reference*".

RISK FACTORS

An investment in the securities of the Company is speculative and subject to risks and uncertainties. The occurrence of any one or more of these risks or uncertainties could have a material adverse effect on the value of any investment in the Company and the business, prospects, financial position, financial condition or operating results of the Company. Additional risks and uncertainties not presently known to the Company or that the Company currently deems immaterial may also impair the Company's business operations.

Prospective purchasers should carefully consider all information contained in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein before deciding to purchase the Units.

The risks and uncertainties described or incorporated by reference in this prospectus supplement and the accompanying prospectus are not the only ones the Company may face. Additional risks and uncertainties that the Company is unaware of, or that the Company currently deems not to be material, may also become important factors that affect the Company. If any such risks actually occur, the Company's business, financial condition or results of operations could be materially adversely affected, with the result that the trading price of the Common Shares could decline and purchasers could lose all or part of their investment. Additionally, purchasers should consider the following risk factors:

Risks Related to the Offering

Loss of Entire Investment

An investment in the Units is speculative and may result in the loss of an investor's entire investment. Only potential investors who are experienced in high-risk investments and who can afford to lose their entire investment should consider an investment in the Company.

Completion of the Offering

The completion of the Offering remains subject to a number of conditions. There can be no certainty that the Offering will be completed. Failure by the Company to satisfy all of the conditions precedent to the Offering would result in the Offering not being completed. If the Offering is not completed, the Company may not be able to raise the funds required for the purposes contemplated under "Use of Proceeds" from other sources on commercially reasonable terms or at all.

Forward-looking statements may prove to be inaccurate

Investors should not place undue reliance on forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, of both general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Additional information on the risks, assumptions and uncertainties can be found in this under the heading "Forward-Looking Statements".

Future issuances or actual or potential sales of securities

The issuance by the Company of the Unit Shares, the Warrants and the Compensation Options or other securities convertible into Common Shares could result in significant dilution in the equity interest of existing shareholders and adversely affect the market price of the Common Shares. In addition, in the future, the Company may issue additional Common Shares or securities convertible into Common Shares, which may dilute existing shareholders. The Company's articles permit the issuance of an unlimited number of Common Shares, and shareholders will have no pre-emptive rights in connection with such further issuances. Further, additional Common Shares may be issued by the Company upon the exercise of stock options and upon the exercise or conversion of other securities convertible into Common Shares. The issuance of these additional equity securities may have a similar dilutive effect on then existing holders of Common Shares.

The market price of the Common Shares could decline as a result of future issuances by the Company, including issuance of shares issued in connection with strategic alliances, or sales by its existing holders of Common Shares, or the perception that these sales could occur. Sales by shareholders might also make it more difficult for the Company to sell equity securities at a time and price that it deems appropriate, which could reduce its ability to raise capital and have an adverse effect on its business.

Discretion Over the Use of Proceeds

The Company intends to use the net proceeds from the Offering as set forth under "Use of Proceeds"; however, the Company maintains broad discretion concerning the use of the net proceeds of the Offering as well as the timing of their expenditure. The Company may re-allocate the net proceeds of the Offering other than as described under the heading "Use of Proceeds" if management of the Company believes it would be in the Company's best interest to do so and in ways that a purchaser may not consider desirable. Until utilized, the net proceeds of the Offering will be held in cash balances in the Company's bank account or invested at the discretion of the Board of Directors. As a result, a purchaser will be relying on the judgment of management of the Company for the application of the net proceeds of the Offering. The results and the effectiveness of the application of the net proceeds are uncertain. If the net proceeds are not applied effectively, the Company's results of operations may suffer, which could adversely affect the price of the Common Shares on the open market.

Sales of a Significant Number of Securities

The Company cannot predict the size of future issuances of debt or equity securities or the effect, if any, that such future issuances will have on the market price of the Company's securities. Sales of a substantial number of securities in the public markets by the Company or its significant securityholders, or the perception that such sales could occur, could depress the market price of the Company's securities and impair its ability to raise capital through the sale of additional securities. The Company cannot predict the effect that future sales of securities would have on the market price of the securities. The price of the securities could be affected by possible sales of the securities by hedging or arbitrage trading activity which the Company expects to occur involving its securities. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in our earnings per security.

Additional Financing

The continued development of the Company will require additional financing. There is no guarantee that the Company will be able to achieve its business objectives. The Company intends to fund its future business activities by way of additional offerings of equity and/or debt financing as well as through anticipated positive cash flow from operations in the future. The failure to raise or procure such additional funds or the failure to achieve positive cash flow could result in the delay or indefinite postponement of current business objectives. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, will be on terms acceptable to the Company.

If additional funds are raised by offering equity securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Common

Shares. The Company's articles permit the issuance of an unlimited number of Common Shares, and shareholders will have no pre-emptive rights in connection with such further issuance. The directors of the Company have discretion to determine the price and the terms of issue of further issuances. Any debt financing secured in the future could involve the granting of security against assets of the Company and also contain restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. The Company will require additional financing to fund its operations until positive cash flow is achieved. See "*Risk Factors – Negative Cash Flow from Operations*".

The Market Price of the Common Shares is Volatile and May Not Accurately Reflect the Long-Term Value of the Company

Securities markets have a high level of price and volume volatility, and the market price of securities of many companies has experienced substantial volatility in the past. This volatility may affect the ability of holders of Common Shares to sell their securities at an advantageous price. Market price fluctuations in the Common Shares may be due to the Company's operating results failing to meet expectations of securities analysts or investors in any period, downward revision in securities analysts' estimates, adverse changes in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Company or its competitors, along with a variety of additional factors. These broad market fluctuations may adversely affect the market price of the Common Shares.

Financial markets historically at times experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the trading price of the Common Shares may be materially adversely affected.

No Guarantee of an Active Liquid Market for Securities

There is no guarantee that an active trading market for the Unit Shares or Warrant Shares will be maintained on the CSE or the OTC PINK. Investors may not be able to sell their Unit Shares or Warrant Shares quickly, at all, or at the latest market price if trading in the securities is not active.

Warrants are speculative in nature and may not have any value

The Warrants do not confer any rights of Common Share ownership on their holders, such as voting rights or the right to receive dividends, but rather merely represent the right to acquire Warrant Shares at a fixed price for a limited period of time. Specifically, commencing on the date of issuance, holders of the Warrants may exercise their right to acquire Warrant Shares and pay an exercise price of \$0.40 per Warrant Share, prior to the date that is 24 months from the Closing Date, subject to adjustment in certain events, after which date any unexercised Warrants will expire and have no further value.

There is currently no market through which the Warrants may be resold and purchasers may not be able to resell securities purchased under the Prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. Moreover, following completion of the Offering, the market value of the Warrants, if any, is uncertain and there can be no assurance that the market value of the Warrants will equal or exceed their imputed offering price. There can be no assurance that the market price of the Warrant Shares will ever equal or exceed the exercise price of the Warrants, and consequently, whether it will ever be profitable for holders of the Warrants to exercise the Warrants.

Risks Related to the Business of the Company

Negative Cash Flow from Operations

The Company has historically had negative cash flow. To the extent that the Company has negative operating cash flow in future periods, it will need to allocate a portion of its cash (including proceeds from the Offering) to fund such negative cash flow. If the Company experiences future negative cash flow, the Company may also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that the Company will be able to generate a positive cash flow from its operations, that additional capital or other types of financing will be available when needed, or that these financings will be on terms favourable to the Company.

Minimal operating history.

As the Company has minimal operating history, it is extremely difficult to make accurate predictions and forecasts of its finances. This is compounded by the fact the Company operates in the cannabis industry, which is rapidly transforming. There is no guarantee that the Company's operations will be profitable.

Reliance on single stream of income.

The Company directly owns 100% of the shares and the business of New Leaf USA Inc. New Leaf USA Inc. is a Washington-based holding company, holding 100% interests in the New Leaf USA Inc. Subsidiaries engaging in business ancillary to cannabis and holding equipment, a real estate lease and intellectual property. These businesses have material contracts with the Washington-State cannabis License Holder. The License Holder holds a "marijuana producer" license and "marijuana processor" license both issued by the WSLCB. The New Leaf USA Inc. Subsidiaries' activities and resources have been focused on commercial activity in Washington. The Company is in a business relationship with the License Holder and will be for the foreseeable future. Adverse changes or developments affecting the License Holder, or marijuana businesses generally, could have a material and adverse effect on the Company's business, financial condition and prospects. If the License Holder was to discontinue or fundamentally change their business, the Company's business may fail and shareholders may lose their investment.

Possible loss of licenses.

Any problems associated with the business of the License Holder will have an adverse effect on the Company's business, operating results and financial condition. Washington State has a very rigid regulatory framework. Problems associated with the License Holder may include loss of WSLCB licenses to do business, delays and other problems in production, regulatory interference, including inspections and penalties for violations of the Washington Administrative Code, which may include loss of the license. The License Holder may have undertaken activities that were non-compliant and therefore there is no certainty that the License Holder will continue to hold the license for any amount of time. The WSLCB licenses to produce and process recreational and/or medical marijuana are subject to annual renewal. Renewal of the licenses is not guaranteed. Any of the above may affect the revenues and operations of the business; or cause additional unforeseen circumstances.

Possible asset seizure.

The equipment held by EquipmentCo is subject to encumbrances in the form of liens and other charges filed in respect of unpaid taxes of the License Holder. To address this, the License Holder has agreed that any amounts payable under the promissory notes issued in favour of the License Holder in exchange for the assignment of equipment to EquipmentCo and intellectual property rights to IPCo, will be first applied to satisfy and discharge all such encumbrances. However, unless and until such encumbrances are satisfied and discharged in full, there is risk that the equipment could be subject to seizure or forfeiture. Any loss of equipment could have an adverse effect on the Company's business, operating results and financial condition.

In addition, the License Holder's assets are also subject to the same liens and charges in respect of unpaid taxes of the License Holder. Unless and until such encumbrances are satisfied and discharged in full, there is risk that the License Holder's assets could be subject to seizure or forfeiture. Any loss of such assets could have an adverse effect on the

License Holder, and therefore, have an adverse effect on the Company's business, operating results and financial condition.

Probable lack of business diversification.

Because the Company is focused on developing its business ancillary to the cannabis industry, the hemp business, and potentially directly in the cannabis industry, the prospects for the Company's success are dependent upon the future performance and market acceptance of the Company's intended facilities, products, processes, and services. Unlike certain entities that have the resources to develop and explore numerous product lines, operating in multiple industries or multiple areas of a single industry, the Company does not anticipate the ability to immediately diversify or benefit from the possible spreading of risks or offsetting of losses. Again, the prospects for the Company's success may become dependent upon the development or market acceptance of a very limited number of facilities, products, processes or services.

Rapid growth and consolidation of the cannabis industry.

The cannabis industry and businesses ancillary to and directly involved with cannabis businesses are undergoing rapid growth and substantial change, which has resulted in an increase in competitors, consolidation and formation of strategic relationships. Acquisitions or other consolidating transactions could harm the Company in a number of ways, including by losing strategic partners if they are acquired by or enter into relationships with a competitor, losing customers, revenue and market share, or forcing the Company to expend greater resources to meet new or additional competitive threats, all of which could harm the Company's operating results. As competitors enter the market and become increasingly sophisticated, competition in the Company's industry may intensify and place downward pressure on retail prices for its products and services, which could negatively impact its profitability. The Company continues to sell shares for cash to fund operations, capital expansion, mergers and acquisitions that will dilute the current shareholders.

There is no guarantee that the Company will be able to achieve its business objectives. The continued development of the Company may require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or the Company going out of business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to the Company.

If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Common Shares. In addition, from time to time, the Company may enter into transactions to acquire assets or the shares of other companies. These transactions may be financed wholly or partially with debt, which may temporarily increase the Company's debt levels above industry standards. The Company will require additional financing to fund its operations to the point where it is generating positive cash flows. Negative cash flow may restrict the Company's ability to pursue its business objectives. See "*Risk Factors – Future issuances or actual or potential sales of securities*", "*Risk Factors – Additional Financing*" and "*Risk Factors – Negative Cash Flow from Operations*".

COVID-19

The outbreak of the novel coronavirus, or COVID-19, which was declared a pandemic by the World Health Organization in March 2020, has spread across the globe and is impacting economic activity worldwide. In response to the outbreak, governmental authorities in Canada and internationally have introduced various recommendations and measures to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, quarantines, self-isolations, shelters-in-place and social distancing. The COVID-19 pandemic and the response of governmental authorities to try to limit it have had, and continue to have, a significant impact on the private sector and individuals, including unprecedented business, employment and economic disruptions.

The Company expects to experience some short to medium term negative impacts from the COVID-19 outbreak; however, the extent of such impacts is currently unquantifiable, but may be significant. Such impacts include, with

respect to its operations, its suppliers' operations and its customers' operations, forced closures, mandated social distancing, isolation and/or quarantines, impacts of declared states of emergency, public health emergency and similar declarations and could include other increased government regulations, a material reduction in demand for the Company's products and services, reduced sales, higher costs for new capital, licensing delays, increased operating expenses, delayed performance of contractual obligations, and potential supply and staff shortages, all of which are expected to negatively impact the business, financial condition and results of operations of the Company and thus may impact the ability of the Company to comply with financial covenants, and its ability to satisfy its obligations to its lenders and other parties, which may in turn may adversely impact, among other things, the ability the Company to access debt or equity capital on acceptable terms or at all.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

Units

Each Unit will be comprised of one Unit Share and one-half of one Warrant. Each Warrant will entitle the holder to purchase, subject to adjustment in certain circumstances, one Warrant Share at a price of \$0.40 for a period of 24 months following the Closing Date, subject to acceleration (as described below). The Units will separate into Unit Shares and Warrants immediately upon issue.

The Company is authorized to issue an unlimited number of Common Shares without par value. Each Common Share carries the right to attend and vote at all general meetings of shareholders. As at October 27, 2021, 51,629,584 Common Shares were issued and outstanding. Holders of Common Shares are entitled to dividends, if any, as and when declared by the directors, and to one vote per Common Share at meetings of shareholders. In the event of liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, subject to prior rights of the holders of the preferred shares, if any, holders of Common Shares are entitled to receive the remaining property and assets of the Company on a pro rata basis. The Common Shares are not subject to call or assessment rights, redemption rights, rights regarding purchase for cancellation or surrender, or any pre-emptive or conversion rights.

Warrants

Each Warrant entitles the holder to acquire, subject to adjustment in certain circumstances, one Warrant Share at an exercise price of \$0.40 on or before 4:30 p.m. (Vancouver time) on the date that is 24 months following the Closing Date, after which time the Warrants will be void and of no value. If during the life of the Warrants the closing price of the Company's Common Shares as quoted on the CSE is equal to or exceeds \$0.60 per Common Share for any 10 consecutive trading days, the Company may provide notice to the holders of the Warrants by issuance of a news release that the expiry date of the Warrants will be accelerated to the 30th day after the date on which the Company issues such news release.

The Warrants will be governed by the Warrant Indenture to be entered into on or prior to the Closing Date between the Company and the Warrant Agent. The Company will designate the Warrant Agent, in its Vancouver office, as agent for the Warrants. Prior to the closing of the Offering, the Company may name any other agent with respect to the Warrants.

The following is a summary of the principal attributes of the Warrants to be issued pursuant to the Offering and certain anticipated provisions of the Warrant Indenture. The summary does not purport to be complete and is qualified in its entirety by the detailed provisions of the Warrant Indenture. Upon execution, a copy of the Warrant Indenture may be obtained on request from the Company's Corporate Secretary and will be available electronically at www.sedar.com and reference should be made to the Warrant Indenture for the full text of the attributes of the Warrants.

The Warrant Indenture will provide for adjustment in the number of Warrant Shares issuable upon the exercise of the Warrants and/or the exercise price per Warrant Share upon the occurrence of certain events, where the effect of such adjustment or adjustments would result in a change of at least 1% in the exercise price or 1/100th of the number of Warrant Shares purchasable. Events resulting in such adjustment include but are not limited to: (i) the issuance of a stock dividend on the Common Shares or other distribution of Shares or securities convertible into Common Shares; (ii) the subdivision or consolidation of the Common Shares; (ii) the issuance of rights, options or warrants to purchase

Common Shares or securities convertible into Common Shares at less than 95% of the “current market price” (as defined in the Warrant Indenture) of the Common Shares; and (iii) the distribution to all or substantially all the holders of Common Shares of shares of any other class or of rights, options or warrants (other than those referred to above) to acquire Common Shares or securities convertible into Shares or property or other assets of the Company or of evidences of indebtedness or cash, securities or any property or other assets. The Warrant Indenture will also provide for adjustment in the class and/or number of securities issuable upon the exercise of the Warrants and/or exercise price per security in the event of: (i) any reclassification, subdivision, redivision, reduction, combination, consolidation or change of the Common Shares; (ii) an amalgamation, merger, plan of arrangement or consolidation of the Company with another entity; or (iii) the transfer of all or substantially all of the assets of the Company.

The Company will also covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, it will give public notice of certain stated events at least 14 days prior to the record date or effective date, as the case may be, of such event.

The rights of the holders of Warrants will be subject to modification by “extraordinary resolution”, which will be defined in the Warrant Indenture as a resolution either passed at a meeting of the holders of Warrants by holders of not less than 66 2/3% of the Warrants represented at the meeting or adopted by instruments in writing signed by the holders of not less than 66 2/3% of all Warrants then outstanding.

The Warrants may not be exercised in the United States or by or on behalf of, or for the account or benefit of, a “U.S. person” (as such term is defined in Regulation S under the U.S. Securities Act) or a person in the United States (as such term is defined in Regulation S under the U.S. Securities Act), nor may any Warrant Shares be issued upon such exercise, unless exemptions from the registration requirements of the U.S. Securities Act are available and in compliance with all applicable U.S. state securities laws, and the holder of such Warrants has provided the Company with a written opinion of counsel or other evidence, in either case reasonably satisfactory to the Company, to such effect.

USE OF PROCEEDS

The estimated net proceeds of the Offering, after deducting the Commission, the Work Fee and the estimated expenses of the Offering, will be approximately \$1,295,000. As of September 30, 2021, the most recent month end before the date of this Prospectus, the Company’s estimated working capital deficiency was approximately \$172,707 and the Company had total estimated available funds in the amount of approximately \$189,306.

The net proceeds of the Offering are currently intended to be used for product development, improving facility production, marketing, and general and administrative expenses, as outlined below. The following table also shows the intended use of proceeds for all available funds from the Offering working capital:

Principal Use of Available Funds	Amount ⁽¹⁾
Product Development	\$225,000
Facility Production	\$300,000
Branding and Packaging	\$100,000
Marketing plan	\$425,000
General and Administration Expenses ⁽²⁾	\$245,000
Total Amount for Principal Purposes	\$1,295,000

Notes:

- (1) Notwithstanding the foregoing, there may be circumstances where, for sound business reasons, a reallocation of funds is necessary in order for the Company to achieve its objectives as set out herein.
- (2) The estimated general and administration expenses consist of (i) salaries and wages, (ii) professional and consulting fees, (iii) debt servicing, and (iv) office and miscellaneous expenses.

The key business objectives and milestones that the Company intends to achieve with the net proceeds from the Offering are summarized below:

Business Objective	Milestones that must occur for Business Objective to be Accomplished	Anticipated Timing	Estimated Cost (\$)
Increase cashflow from US operations	The Company has identified the License Holder is in need of changing fulfillment models to improve workflow, increase volume and decrease COGS in an effort to increase profitability. In order to complete, the Company will need purchase various supplies, hardware, equipment and provide additional human resources.	90 days	\$525,000
Finalize branding and packaging collateral	Complete design and ordering to ensure no supply chain issues	60 days	\$100,000

The actual amount that the Company spends in connection with each of the intended uses of proceeds may vary from the amounts specified above, and will depend on a number of factors, including those listed under the heading “Risk Factors” in, or incorporated by reference in, this prospectus supplement and the accompanying prospectus.

CONSOLIDATED CAPITALIZATION

There has not been any material change in the share and loan capital of the Company, on a consolidated basis, since June 30, 2021, being the date of the Interim Financial Statements, except as described under “Prior Sales”.

The following table sets forth the capitalization of the Corporation as at June 30, 2021, as disclosed in the Interim Financial Statements and as adjusted to give effect to the completion of the Offering. The table should be read in conjunction with the Interim Financial Statements and Interim MD&A, which are incorporated by reference in this Prospectus.

	As at June 30, 2021 before giving effect to the Offering	As at June 30, 2021 after giving effect to the Offering⁽¹⁾
Common Shares	49,109,584	54,109,584
Warrants	16,049,740	19,049,740
Options	1,975,000	1,975,000

Notes:

- (1) Calculated assuming the sale of 6,000,000 Units comprised of 6,000,000 Unit Shares and 3,000,000 Warrants.

PRIOR SALES

The table contained under the heading “Prior Sales” in the accompanying prospectus sets forth, for the 12-month period prior to the date of the accompanying prospectus, details of the price at which securities have been issued or are to be issued by the Company, the number of securities issued at that price and the date on which the securities were issued.

The following table sets out details of the securities issued by the Company after the date of the accompanying prospectus and before the date of this prospectus supplement:

Issue Date	Number of Securities	Type of Security	Issue Price per Security	Aggregate Issue Price	Nature of consideration
September 22, 2021	500,000	Stock options	\$0.28	Nil	Stock options issued
August 5, 2021	200,000	Common Shares	\$0.40	\$80,000	Cash for exercise of warrants

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is a general summary, as of the date hereof, of the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the “**Tax Act**”) generally applicable to a holder who acquires Units as beneficial owner pursuant to this Offering and who, for the purposes of the Tax Act and at all relevant times, (i) holds Unit Shares and Warrants, and will hold their Warrant Shares issued on the exercise of Warrants, as capital property, (ii) deals at arm’s length with the Company and the Agent, and (ii) is not affiliated with the Company, the Agent or any subsequent purchaser of such securities (a “**Holder**”). Unit Shares, Warrants and Warrant Shares issued on the exercise of Warrants will generally be considered to be capital property to a Holder provided the Holder does not acquire or hold such Unit Shares, Warrants or Warrant Shares in the course of carrying on a business of buying or selling securities or as part of one or more transactions considered to be an adventure or concern in the nature of trade.

For purposes of this summary, Unit Shares and Warrant Shares are collectively referred to as “Common Shares” unless otherwise indicated.

This summary does not apply to a Holder (i) that is a “financial institution” as defined in the Tax Act for the purposes of the mark-to-market rules contained in the Tax Act; (ii) that is a “specified financial institution” as defined in the Tax Act; (iii) an interest in which would be a “tax shelter investment” as defined in the Tax Act; (iv) that makes or has made a functional currency reporting election under the Tax Act; (v) that is exempt from tax under the Tax Act; (vi) that has entered or will enter into a “derivative forward agreement” or “synthetic disposition arrangement”, as those terms are defined in the Tax Act, with respect to the Common Shares or Warrants; (vii) that is a partnership, (viii) that receives dividends on Common Shares under or as part of a “dividend rental arrangement”, as defined in the Tax Act, or (ix) that is a “foreign affiliate” as defined in the Tax Act of a taxpayer resident in Canada. Such Holders should consult their own tax advisors with respect to an investment in Units.

Additional considerations, not discussed herein, may be applicable to a Holder that is a corporation resident in Canada and is, or becomes, or does not deal at arm’s length for purposes of the Tax Act with a corporation resident in Canada that is or becomes, as part of a transaction or series of transactions or events that includes the acquisition of Units or Warrant Shares issued on the exercise of Warrants, controlled by a non-resident person or group of non-resident persons not dealing with each other at arm’s length for purposes of the “foreign affiliate dumping” rules in section 212.3 of the Tax Act. Such Holders should consult their own tax advisors with respect to the consequences of acquiring Units or Warrant Shares issued on the exercise of Warrants.

This summary is based upon the current provisions of the Tax Act in force as of the date hereof and an understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (“**CRA**”) published in writing prior the date hereof. The summary also takes into account all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Tax Proposals**”), and assumes that all such Tax Proposals will be enacted in the form proposed. No assurance can be given that the Tax Proposals will be enacted in the form proposed or at all. This summary does not otherwise take into account or anticipate any changes in law or any changes in the CRA’s administrative policies or assessing practices, whether by way of legislative, judicial or administrative action or decisions, nor does it address any provincial, territorial or foreign tax considerations, which considerations may differ significantly from the Canadian federal income tax considerations discussed in this summary.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder and no representations with respect to the income tax consequences to any particular holder are made. This summary is not exhaustive of all Canadian federal income tax considerations and does not describe the income tax considerations relating to the deductibility of interest on money borrowed to acquire Units or to exercise Warrants. Accordingly, prospective investors in Units should consult their own tax advisors with respect to their own particular circumstances.

Allocation of Cost

Holders will be required to allocate on a reasonable basis their cost of each Unit between the Unit Share and the one-half of a Warrant comprising such Unit in order to determine their respective costs for purposes of the Tax Act. For its purposes, the Company intends to allocate \$0.2398 to each Unit Share and \$0.0102 to each one half of one Warrant. Although the Company believes that its allocation is reasonable, it is not binding on the CRA or a Holder and the CRA may not agree with such allocation.

The adjusted cost base to a Holder of each Unit Share comprising a part of a Unit acquired pursuant to this Offering will be determined by averaging the cost of such Unit Share with the adjusted cost base to such Holder of all other Common Shares (if any) held by the Holder as capital property immediately prior to the acquisition.

Exercise of Warrants

The exercise of a Warrant to acquire a Warrant Share will be deemed not to constitute a disposition of property for purposes of the Tax Act and consequently no gain or loss will be realized by a Holder upon such an exercise. When a Warrant is exercised, the Holder's cost of the Warrant Share acquired thereby will be equal to the aggregate of the Holder's adjusted cost base of such Warrant and the exercise price paid for the Warrant Share. The Holder's adjusted cost base of the Warrant Share so acquired will be determined by averaging such cost with the adjusted cost base (determined immediately before the acquisition of the Warrant Share) to the Holder of all Common Shares owned by the Holder as capital property immediately prior to such acquisition.

Residents of Canada

This portion of the summary is generally applicable to a Holder who, for the purposes of the Tax Act, and at all relevant times, is, or is deemed to be, resident in Canada ("**Resident Holder**").

Certain Resident Holders whose Common Shares might not otherwise qualify as capital property may, in certain circumstances, make the irrevocable election pursuant to subsection 39(4) of the Tax Act to have their Common Shares, and every other "Canadian security", as defined in the Tax Act, owned by such Resident Holder in the taxation year of the election and in all subsequent taxation years, deemed to be capital property. Such election is not available in respect of the Warrants. Resident Holders should consult their own tax advisors for advice as to whether an election under subsection 39(4) of the Tax Act is available and advisable in their own circumstances.

Dividends on Common Shares

A Resident Holder will be required to include in computing its income for a taxation year any dividends received or deemed to be received in the year by the Resident Holder on the Common Shares.

In the case of a Resident Holder who is an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules normally applicable under the Tax Act to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit in respect of dividends designated by the Company as "eligible dividends". There may be limitations on the ability of the Company to designate dividends as "eligible dividends".

In the case of a Resident Holder that is a corporation, the amount of any such taxable dividend that is included in its income for a taxation year will generally be deductible in computing its taxable income for that taxation year. In

certain circumstances, a dividend received or deemed to be received by a Resident Holder that is a corporation may be deemed to be proceeds of disposition or a capital gain pursuant to subsection 55(2) of the Tax Act. Resident Holders should consult their own tax advisors regarding their particular circumstances.

A Resident Holder that is a “private corporation” or a “subject corporation” (each as defined in the Tax Act) will generally be liable to pay an additional tax under Part IV of the Tax Act on dividends received or deemed to be received on a Common Share in a year to the extent such dividends are deductible in computing the Resident Holder’s taxable income for the year. Such additional tax may be refundable in certain circumstances.

Disposition of a Common Share or a Warrant

Generally, on a disposition, or a deemed disposition, of a Common Share (other than to the Company unless purchased by the Company in the open market in the manner in which shares are normally purchased by a member of the public in an open market) or a Warrant (which does not include the exercise of a Warrant, and excluding a disposition arising on the expiry of a Warrant), a Resident Holder will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Common Share or the Warrant, as the case may be, to the Resident Holder immediately before the disposition or deemed disposition. Such capital gain (or capital loss) will be subject to the treatment described below under “Taxation of Capital Gains and Capital Losses”.

Expiry of Warrants

In the event of the expiry of an unexercised Warrant, a Resident Holder generally will realize a capital loss equal to the Resident Holder’s adjusted cost base of such Warrant immediately before its expiry. The tax treatment of capital gains and capital losses is discussed in greater detail below under “Taxation of Capital Gains and Capital Losses”.

Taxation of Capital Gains and Capital Losses

Generally, one-half of any capital gain (a “**taxable capital gain**”) realized by a Resident Holder for a taxation year must be included in computing the Resident Holder’s income for the year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder is required to deduct one-half of any capital loss (an “**allowable capital loss**”) realized in a taxation year against taxable capital gains realized by the Resident Holder in that taxation year. Allowable capital losses in excess of taxable capital gains for the taxation year of disposition may be carried back and deducted in any of the three preceding taxation years, or carried forward and deducted in any subsequent year against net taxable capital gains realized in such years, to the extent and under the circumstances described in the Tax Act.

If the Resident Holder is a corporation, any such capital loss realized on the sale of a Common Share may be reduced by the amount of any dividends which have been received by the Resident Holder on such Common Share to the extent and in circumstances prescribed by the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Common Shares, directly or indirectly through a partnership or a trust. Resident Holders to whom such rules may be relevant should consult their own tax advisors.

Refundable Tax

A Resident Holder that is throughout the relevant taxation year a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable to pay an additional tax (refundable in certain circumstances) on its “aggregate investment income”, which is defined in the Tax Act to include net taxable capital gains and dividends received or deemed to be received on the Common Shares to the extent that such dividends are not deductible in computing the Resident Holder’s taxable income for the taxation year. Such Resident Holders should consult their own tax advisors.

Alternative Minimum Tax

Capital gains realized and dividends received or deemed to be received by a Resident Holder that is an individual (other than certain specified trusts) may give rise to liability for alternative minimum tax as calculated under the detailed rules set out in the Tax Act. Resident Holders that are individuals should consult their own tax advisors.

Non-Residents of Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times, is not, and is not deemed to be, resident in Canada for the purposes of the Tax Act or any applicable income tax treaty or convention, and will not use or hold (and will not be deemed to use or hold) the Common Shares or Warrants in, or in the course of, carrying on a business or part of a business in Canada (a “**Non-Resident Holder**”).

Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer that carries on business in Canada and elsewhere or an “authorized foreign bank” (as defined in the Tax Act) and such Non-Resident Holders should consult their own tax advisors.

Dividends on Common Shares

Dividends paid or credited, or deemed to be paid or credited, on a Common Share to a Non-Resident Holder will generally be subject to Canadian withholding tax at the rate of 25% on the gross amount of the dividend, subject to any reduction in the rate of withholding to which that Non-Resident Holder may be entitled under an applicable income tax treaty or convention. For example, under the Canada-U.S. Tax Convention (1980), as amended (the “**Treaty**”), the rate of Canadian withholding tax on dividends paid or credited to a Non-Resident Holder who is a resident of the U.S. for purposes of the Treaty and entitled to benefits under the Treaty (a “**U.S. Holder**”) is generally reduced to 15% of the gross amount of the dividend (or 5% in the case of a U.S. Holder that is a corporation beneficially owning at least 10% of the Corporation’s voting shares). Non-Resident Holders should consult their own tax advisors in this regard.

Disposition of a Common Share or a Warrant

A Non-Resident Holder generally will not be subject to tax under the Tax Act in respect of any capital gain realized by such Non-Resident Holder on a disposition or deemed disposition of a Common Share or a Warrant nor will capital losses arising therefrom be recognized under the Tax Act, unless such Common Share or the Warrant, as the case may be, constitutes “taxable Canadian property” (as defined in the Tax Act) of the Non-Resident Holder at the time of disposition and the gain is not exempt from tax pursuant to the terms of an applicable income tax treaty or convention between Canada and the country in which the Non-Resident Holder is resident.

Provided the Common Shares are listed on a “designated stock exchange”, as defined in the Tax Act (which currently includes the CSE) at the time of disposition, the Common Shares and Warrants will generally not constitute taxable Canadian property of a Non-Resident Holder at that time unless at any time during the 60-month period immediately preceding the disposition the following two conditions are satisfied concurrently: (a) 25% or more of the issued shares of any class or series of the capital stock of the Company were owned by or belonged to any combination of (x) the Non-Resident Holder, (y) persons with whom the Non-Resident Holder did not deal at arm’s length (for the purposes of the Tax Act), and (z) partnerships in which the Non-Resident Holder or a person described in (y) holds a membership interest directly or indirectly through one or more partnerships; and (b) more than 50% of the fair market value of the Common Shares was derived directly or indirectly from one, or any combination of, real or immovable property situated in Canada, “Canadian resource property” (as defined in the Tax Act), “timber resource property” (as defined in the Tax Act) or options in respect of, interests in or for civil law rights in, any such property (whether or not such property exists). Notwithstanding the foregoing, a Common Share or Warrant may also be deemed to be “taxable Canadian property” in certain circumstances.

A Non-Resident Holder’s capital gain (or capital loss) in respect of Common Shares or Warrants that constitute or are deemed to constitute taxable Canadian property (and are not “treaty-protected property” as defined in the Tax Act)

will generally be computed in the manner described above under the subheading “Residents of Canada — Disposition of a Common Share or a Warrant”. Non-Resident Holders for whom a Common Share or a Warrant is, or may be, taxable Canadian property should consult their own tax advisors.

NON-CANADIAN INVESTORS ARE ADVISED TO CONSULT WITH THEIR OWN TAX ADVISOR REGARDING THE SPECIFIC TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF UNITS, UNITS SHARES, WARRANTS, AND WARRANT SHARES INCLUDING CANADIAN, DOMESTIC, TREATY AND OTHER TAX CONSEQUENCES OF SUCH ACQUISITION, OWNERSHIP AND DISPOSITION AND OF POTENTIAL CHANGES IN APPLICABLE TAX LAWS.

PRICE RANGE AND TRADING VOLUME

Trading Price and Volume

The outstanding Common Shares are listed on the CSE under the trading symbol “NLV” and on the OTC PINK under the trading symbol “NLVVF”. The following tables set forth information relating to the trading of the Common Shares on the CSE and OTC PINK for the dates indicated.

Month	CSE			OTC PINK		
	High C\$	Low C\$	Total Volume	High US\$	Low US\$	Total Volume
October 1-26, 2021	\$0.27	\$0.19	6,610,410	\$0.26	\$0.1453	6,042,184
September 2021	\$0.36	\$0.24	1,995,543	\$0.2885	\$0.18	4,827,584
August 2021	\$0.47	\$0.32	1,815,620	\$0.401	\$0.2475	4,462,968
July 2021	\$0.50	\$0.42	3,187,191	\$0.41	\$0.323	6,302,395
June 2021	\$0.49	\$0.42	3,151,128	\$0.42	\$0.3422	5,688,126
May 2021	\$0.52	\$0.42	1,939,347	\$0.4216	\$0.335	4,737,075
April 2021	\$0.60	\$0.44	3,410,201	\$0.4825	\$0.358	5,135,042
March 2021	\$0.66	\$0.28	3,782,236	\$0.5309	\$0.2535	6,475,522
February 2021	\$0.78	\$0.27	8,468,822	\$0.7309	\$0.1853	11,245,364
January 2021	\$0.33	\$0.25	434,259	\$0.26	\$0.1912	611,778
December 2020	\$0.40	\$0.25	794,523	\$0.30486	\$0.184	722,519
November 2020	\$0.35	\$0.22	1,028,024	\$0.29	\$0.161	893,779
October 2020	\$0.40	\$0.25	1,297,124	\$0.31	\$0.187	1,273,753

On September 29, 2021, the last trading day prior to announcement of the Offering, the closing price of the Common Shares on the CSE was \$0.32 per Common Share and on OTC PINK was US\$0.245 per Common Share.

PLAN OF DISTRIBUTION

General

Pursuant to the Agency Agreement, the Company has agreed to sell through the Agent on the Closing Date, the Units at the Offering Price, payable in cash to the Company against delivery. The obligations of the Agent under the Agency Agreement may be terminated at their discretion on the basis of restrictions on distribution of the Company’s securities, material change in respect of the Company, disaster or breach by the Company of a material term. The Offering Price was determined by arm’s length negotiation between the Company and the Agent, with reference to

the prevailing market price of the Common Shares. The Agent has reserved the right to form a selling group of appropriately registered dealers and brokers, with compensation to be negotiated between the Agent and such selling group participants, but at no additional cost to the Company.

Each Unit will consist of one Unit Share and one-half of one Warrant. Each whole Warrant will entitle the holder thereof to acquire, subject to adjustment in certain circumstances, one Warrant Share at an exercise price of \$0.40 per Warrant Share until 4:30 p.m. (Vancouver time) on the date that is 24 months from the Closing Date, subject to acceleration, after which time the Warrants will be void and of no value. If during the life of the Warrants the closing price of the Company's Common Shares as quoted on the CSE is equal to or exceeds \$0.60 per Common Share for any 10 consecutive trading days, the Company may provide notice to the holders of the Warrants by issuance of a news release that the expiry date of the Warrants will be accelerated to the 30th day after the date on which the Company issues such news release. This Prospectus qualifies the distribution of the Unit Shares and the Warrants comprising the Units.

The Warrants will be created and issued pursuant to the terms of the Warrant Indenture. The Warrant Indenture will contain provisions designed to protect holders of the Warrants against dilution upon the occurrence of certain events.

Pursuant to the Agency Agreement, the Company has agreed to issue or pay to the Agent a Work Fee of \$40,000 (plus taxes), \$21,000 of which has been paid in advance. The Company will also pay to the Agent a cash Commission equal to up to 7.0% of the aggregate gross proceeds of the Offering (excluding the gross proceeds raised through the sale of Units to President's List Subscribers), comprised of a 5.0% cash commission and a 2.0% cash agency fee.

The Company has also agreed to issue to the Agent or its selling group, an aggregate number of Compensation Options equal to up to 7.0% of the aggregate number of Units issued pursuant to the Offering (excluding the gross proceeds raised through the sale of Units to President's List Subscribers), comprised of 5% broker warrants and 2% advisory warrants. Each Compensation Option may be exercised to acquire one Compensation Unit at an exercise price of \$0.25 per Compensation Unit for a period of 24 months from the Closing Date, subject to adjustment in certain events. Each Compensation Unit consists of one Compensation Unit Share and one-half of one Compensation Warrant. Each Compensation Warrant entitles the holder to purchase one Compensation Warrant Share at an exercise price of \$0.40 per Compensation Warrant Share for a period of 24 months from the Closing Date. The Company has also agreed to reimburse the Agent for their reasonable out-of-pocket fees and expenses, including the fees and expenses of their legal counsel (up to a maximum of \$40,000 exclusive of taxes and disbursements) whether or not the Offering is completed.

The Company has applied to list the Unit Shares, the Warrant Shares, the Compensation Unit Shares and the Compensation Warrant Shares on the CSE. Listing on the CSE is subject to the Company fulfilling all of the requirements of the CSE.

Pursuant to the Agency Agreement, the Company has agreed not to offer or to announce the offering of, nor to make any agreement to issue any equity or debt securities or securities convertible or exercisable into equity or debt securities of the Company for a period commencing the date hereof and ending 60 days after the Closing Date without the prior written consent of the Agent, such consent not to be unreasonably withheld or delayed.

Subject to certain exceptions, the Company and the directors and officers of the Company have agreed in favour of the Agent that, during the period commencing on the date hereof and ending 60 days after the Closing Date, they will not directly or indirectly, offer, sell, contract to sell, lend, swap, or enter into any other agreement to transfer the economic consequences of, or otherwise dispose of or deal with, or publicly announce any intention to offer, sell, contract to sell, grant or sell any option to purchase, hypothecate, pledge, transfer, assign, purchase any option or contract to sell, lend, swap or enter into any agreement to transfer the economic consequences of, or otherwise dispose of or deal with, whether through the facilities of a stock exchange, by private placement or otherwise, securities of the Company held by them, directly or indirectly, without prior consent of the Agent, which consent will not be unreasonably withheld or delayed. The Agent's consent shall not be required in connection with (a) the exercise of previously issued options or other convertible securities, (b) transfers among a shareholder's affiliates for tax or other planning purposes, or (c) a tender or sale by a shareholder of securities of the Company in or pursuant to a take-over bid or similar transaction involving a change of control of the Company.

The Units will be offered in all the provinces of Canada other than Québec through the Agent or its affiliates who are registered to offer the Units for sale in such provinces and territories and such other registered dealers as may be designated by the Agent. Subscriptions for the Units will be received subject to rejection or allotment in whole or in part and the Agent reserve the right to close the subscription books at any time without notice. The Closing Date is expected to be on or about October 29, 2021, or such other date as may be agreed upon by the Company and the Agent. The Offering will be conducted under the book-based system. A purchaser of Units will receive only a customer confirmation from the registered dealer from or through which the Units are purchased and who is a CDS depository service participant. CDS will record the CDS participants who hold Units on behalf of owners who have purchased Units in accordance with the book-based system.

Pursuant to policies of certain Canadian securities regulatory authorities, the Agent may not, throughout the period of distribution under the Offering, bid for or purchase Common Shares for its own accounts or for accounts over which it exercises control or direction. The foregoing restriction is subject to certain exceptions, on the condition that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in or raising the price of the Common Shares. These exceptions include a bid or purchase permitted under Universal Market Integrity Rules for Canadian marketplaces administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market making activities, and a bid or purchase made for or on behalf of a customer where the order was not solicited during the period of distribution. Subject to the foregoing, the Agent may effect transactions which stabilize or maintain the market price of the Common Shares at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

These stabilizing transactions and syndicate covering transactions may have the effect of preventing or mitigating a decline in the market price of the Common Shares, and may cause the price of the Units to be higher than would otherwise exist in the open market absent such stabilizing activities. As a result, the price of the Unit Shares may be higher than the price that might otherwise exist in the open market. The Company has agreed, pursuant to the Agency Agreement, to indemnify the Agent and their respective affiliates and their respective directors, officers, employees, shareholders, partners, advisors and agents and each other person, if any, controlling the respective Agent or their respective affiliates and against certain liabilities, including liabilities under Canadian securities legislation in certain circumstances or to contribute to payments the Agent may have to make because of such liabilities.

The Agent propose to offer the Units initially at the Offering Price. After the Agent has made a reasonable effort to sell all of the Units at such price, the Offering Price may be decreased and may be further changed from time to time to an amount not greater than the Offering Price, and the compensation realized by the Agent will be decreased by the amount that the aggregate price paid by purchasers for the Units is less than the gross proceeds paid by the Agent to the Company.

Offering in the United States

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Units in the United States, or to, or for the account or benefit of, any U.S. Persons or any persons in the United States. The Units, Unit Shares, Warrants and the Warrant Shares have not been and will not be registered under the U.S. Securities Act or the applicable securities laws of any state of the United States, and may not be offered, sold or delivered in the United States, or to, or for the account or benefit of, any U.S. Persons or any persons in the United States, except in transactions exempt from registration requirements of the U.S. Securities Act and any applicable securities laws of any state of the United States.

The Agent has agreed that they will not offer or sell the Units at any time within the United States or to, or for the account or benefit of, any U.S. Persons or any persons in the United States as part of their distribution or at any time. Moreover, the Agency Agreement provides that the Agent will offer and sell the Units outside of the United States only in accordance with the exclusion from the registration requirements of the U.S. Securities Act provided by Rule 903 of Regulation S under the U.S. Securities Act.

The Units and the underlying Unit Shares and Warrants that are sold in the United States, or to, or for the account or benefit of, any U.S. Persons or any persons within the United States, and any Warrant Shares issued to U.S. holders of the Warrants, will be “restricted securities” within the meaning of Rule 144 under the U.S. Securities Act.

Accordingly, such securities will be subject to restrictions whereby they may only be offered, sold, pledged or otherwise transferred, directly or indirectly, only pursuant to certain exemptions from the registration requirements of the U.S. Securities Act and in accordance with any applicable securities laws of any state of the United States.

In addition, until 40 days after the commencement of the Offering, an offer or sale of the Units, the Unit Shares, the Warrants and the Warrant Shares within the United States, or to or for the account or benefit of a U.S. Person, by any dealer, whether or not participating in the Offering, may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an available exemption under the U.S. Securities Act.

The Warrants may not be exercised in the United States or by, or on behalf of, a U.S. Person or person in the United States and the Warrant Shares may not be delivered to an address in the United States unless the exercise of the Warrants and issuance and delivery of the Warrant Shares is registered under the U.S. Securities Act and any applicable securities laws of any state of the United States or such exercise, issuance and delivery is exempt from such registration requirements.

Terms used and not defined in this section on “Offering in the United States” shall have the meaning ascribed thereto in Regulation S under the U.S. Securities Act.

LEGAL MATTERS

Certain legal matters related to the Units offered pursuant to this prospectus supplement will be passed upon on behalf of the Company by Miller Thomson LLP with respect to Canadian legal matters and on behalf of the Agent by Vantage Law Corporation with respect to Canadian legal matters. At the date of this prospectus supplement, the designated professionals of Miller Thomson LLP as a group beneficially own less than 1% of the Company’s outstanding securities. At the date of this prospectus supplement, the designated professionals of Vantage Law Corporation as a group beneficially own less than 1% of the Company’s outstanding securities.

DOCUMENTS INCORPORATED BY REFERENCE

This prospectus supplement is deemed to be incorporated by reference into the accompanying prospectus solely for the purposes of the Offering. Other documents are also incorporated, or are deemed to be incorporated by reference, into the accompanying prospectus and reference should be made to the accompanying prospectus for full particulars thereof.

Information has been incorporated by reference in this prospectus supplement from documents filed with the securities commissions or similar regulatory authorities in each of the provinces and territories of Canada (the “Commissions”). Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of New Leaf at 1910 – 1030 W Georgia St, Vancouver, British Columbia V6E 2Y3, Telephone: (778) 930-1321 and are also available electronically on SEDAR which can be accessed electronically at www.sedar.com. Information contained or featured on the Company’s website shall not be deemed to be part of this prospectus supplement or the accompanying prospectus.

The following documents, which have been filed by the Company with the Commissions, are specifically incorporated by reference into, and form an integral part of, the accompanying prospectus, as supplemented by this prospectus supplement:

1. the Notice of Change of Auditor dated September 15, 2021 and related letter from the successor auditor, Smythe LLP, dated September 15, 2021, and letter from the former auditor, Davidson & Company, dated September 22, 2021;
2. the unaudited (reviewed) condensed interim consolidated financial statements of the Company for the three and six month periods ended June 30, 2021 and 2020 and related notes attached thereto (the “**Interim Financial Statements**”);

3. the management’s discussion and analysis of the financial condition and results of operations of the Company for the three months ended June 30, 2021 and 2020 (the “**Interim MD&A**”);
4. the audited annual consolidated financial statements of the Company for the years ended December 31, 2020 and 2019 and the auditor’s report thereon (the “**Audited Financial Statements**”);
5. management’s discussion and analysis of financial condition and results of operations of the Company for the years ended December 31, 2020 and 2019 (the “**Annual MD&A**”);
6. the annual information form of the Company dated June 29, 2021 in respect of the year ended December 31, 2020 (the “**AIF**”); and
7. the business acquisition report in respect of the acquisition of New Leaf USA Inc. dated September 8, 2020 (the “**Business Acquisition Report**”).

Any document of the type referred to in section 11.1 of Form 44-101F1 of National Instrument 44-101 – Short Form Prospectus Distributions and required to be filed by the Company with the securities commissions or similar regulatory authorities in Canada after the date of this prospectus supplement and before the termination of the distribution under the Offering shall be deemed to be incorporated by reference in this prospectus supplement for the purposes of the Offering.

Any statement contained in this prospectus supplement, the accompanying prospectus or in a document incorporated or deemed to be incorporated by reference in the accompanying prospectus shall be deemed to be modified or superseded for purposes of the Offering to the extent that a statement contained in this prospectus supplement or in any other subsequently filed document which also is or is deemed to be incorporated by reference in the accompanying prospectus modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of this prospectus supplement or the accompanying prospectus, except as so modified or superseded.

References to the Company’s website in any documents that are incorporated by reference into this prospectus supplement and the accompanying prospectus do not incorporate by reference the information on such website into this prospectus supplement or the accompanying prospectus, and the Company disclaims any such incorporation by reference.

AUDITORS

Davidson & Company LLP has performed the audit in respect of certain financial statements incorporated by reference herein. Effective September 15, 2021, Davidson & Company LLP resigned as auditors of the Company, and the directors of the Company appointed Smythe LLP as successor auditors in their place. Davidson & Company LLP, Certified Public Accountants, was independent in accordance with Code of Professional Conduct of the Chartered Professional Accountants of British Columbia and the Canadian Securities Authority up to the date of the Notice of Change of Auditor on September 15, 2021.

The external auditor of the Company is Smythe LLP at its principal office located at 1700 – 475 Howe St., Vancouver, BC V6C 2B3, V6C 1T2.

TRANSFER AGENT AND REGISTRAR

The registrar, transfer agent and warrant agent of the Company is Odyssey Trust Company at its principal office in Vancouver, BC.

ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS

Robert Colwell, Lee White and Boris Gorodnitsky, who are each current directors of the Company, reside outside of Canada. Although our current directors and officers who reside outside Canada either have an office in Canada or have appointed Miller Thomson LLP, Pacific Centre, 400 – 725 Granville Street, Vancouver, British Columbia V7Y 1G5, as their agent for service of process in Canada, it may not be possible for purchasers to enforce against such persons judgments obtained in Canadian courts.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus supplement and accompanying prospectus relating to the securities purchased by a purchaser and any amendments thereto. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revision of the price or damages if the prospectus supplement and accompanying prospectus relating to the securities purchased by a purchaser and any amendments thereto contain a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal adviser. Rights and remedies may also be available to purchasers under U.S. law; purchasers may wish to consult with a U.S. lawyer for particulars of these rights.

Original purchasers of warrants will have a contractual right of rescission against the Company in respect of the conversion, exchange or exercise of such warrant. The contractual right of rescission will entitle such original purchasers to receive, in addition to the amount paid on original purchase of the warrant, the amount paid upon conversion, exchange or exercise upon surrender of the underlying securities gained thereby, in the event that this prospectus supplement or the accompanying prospectus contains a misrepresentation, provided that: (i) the conversion, exchange or exercise takes place within 180 days of the date of the purchase of the convertible, exchangeable or exercisable security under this prospectus supplement; and (ii) the right of rescission is exercised within 180 days of the date of purchase of the convertible, exchangeable or exercisable security under this prospectus supplement. This contractual right of rescission will be consistent with the statutory right of rescission described under section 131 of the *Securities Act* (British Columbia), and is in addition to any other right or remedy available to original purchasers under section 131 of the *Securities Act* (British Columbia) or otherwise at law.

Original purchasers are further advised that in certain provinces and territories the statutory right of action for damages in connection with a prospectus misrepresentation is limited to the amount paid for the convertible, exchangeable or exercisable security that was purchased under a prospectus, and therefore a further payment at the time of conversion, exchange or exercise may not be recoverable in a statutory action for damages. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights, or consult with a legal advisor.

ELIGIBILITY FOR INVESTMENT

In the opinion of Miller Thomson LLP, counsel to the Company with respect to Canadian legal matters, based on the provisions of the Tax Act in force as of the date hereof, the Unit Shares, Warrants and Warrant Shares, if issued on the date hereof, would be "qualified investments" under the Tax Act for a trust governed by a registered retirement savings plan (a "RRSP"), a registered retirement income fund (a "RRIF"), a deferred profit sharing plan, a registered education savings plan (a "RESP"), a registered disability savings plan (a "RDSP"), and a tax-free savings account (a "TFSA") (collectively, the "Deferred Plans") provided that, at such time: (i) in the case of the Unit Shares and the Warrant Shares, the Common Shares are listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the CSE), and (ii) in the case of the Warrants: (a) the Warrants are listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the CSE); or (b) the Common Shares are listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the CSE) and neither the Company,

nor any person with whom the Company does not deal at arm's length, is an annuitant, a beneficiary, an employer or a subscriber under, or a holder of the particular Deferred Plan.

Notwithstanding that the Unit Shares, Warrants and Warrant Shares may be qualified investments for a Deferred Plan, the annuitant under an RRSP or RRIF, the holder of a TFSA or RDSP, or the subscriber of an RESP, as the case may be, will be subject to a penalty tax as set out in the Tax Act if such Unit Shares, Warrants and Warrant Shares are a "prohibited investment" (as defined in the Tax Act) for the RRSP, RRIF, RESP, RDSP or TFSA. The Unit Shares, Warrants and Warrant Shares will generally not be a prohibited investment for a particular RRSP, RRIF, RESP, RDSP or TFSA provided that the annuitant under the RRSP or RRIF, the holder of the TFSA or RDSP, or the subscriber of the RESP, as the case may be, (a) deals at arm's length with the Company for the purposes of the Tax Act, and (b) does not have a "significant interest" (as defined in the Tax Act) in the Company. In addition, the Unit Shares and Warrant Shares will not be a prohibited investment if such securities are "excluded property" (as defined in the Tax Act) for the particular RRSP, RRIF, RESP, RDSP or TFSA.

Prospective purchasers who intend to hold Unit Shares, Warrants or Warrant Shares in a Deferred Plan should consult their own tax advisors with respect to the application of these rules in their particular circumstances.

CERTIFICATE OF THE COMPANY

Dated: October 27, 2021

This short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement, as required by the securities legislation of each of the provinces and territories of Canada.

(Signed) "Michael Stier"

Michael Stier
Chief Executive Officer

(Signed) "Terence Lee"

Terence Lee
Chief Financial Officer

On behalf of the Board of Directors

(Signed) "Robert Colwell"

Robert Colwell
Director

(Signed) "Boris Gorodnitsky"

Boris Gorodnitsky
Director

CERTIFICATE OF THE AGENT

Dated: October 27, 2021

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement, as required by the securities legislation of each of the provinces and territories of Canada.

RESEARCH CAPITAL CORPORATION

(Signed) "Jovan Stupar"

Name: Jovan Stupar

Title: Managing Director, Investment Banking

This short form prospectus is a base shelf prospectus. This short form base shelf prospectus has been filed under legislation in each of the provinces and territories of Canada, that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities, except in cases where an exemption from such delivery requirements has been obtained.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form base shelf prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

The securities offered hereby 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, and may not be offered, sold or delivered, directly or indirectly, in the United States of America, its territories, possessions or the District of Columbia (the “United States”), or to a U.S. person (as such term is defined in Regulation S under the U.S. Securities Act) (a “U.S. Person”) unless exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws are available. This short form base shelf prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States or to, or for the account or benefit of, any U.S. Person. See “Plan of Distribution”.

Information contained herein is subject to completion or amendment. This short form base prospectus shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification

Information has been incorporated by reference in this short form base shelf prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the secretary of New Leaf Ventures Inc., at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia V6C 3E8, telephone (778) 930-1321, and are also available electronically at www.sedar.com.

SHORT FORM BASE SHELF PROSPECTUS

New Issue and Secondary

July 26, 2021



New Leaf Ventures Inc.

\$50,000,000

Common Shares

Debt Securities

Subscription Receipts

Warrants

Units

This form base shelf prospectus (the “**Prospectus**”) relates to the offering for sale of common shares (the “**Common Shares**”), warrants (the “**Warrants**”), subscription receipts (the “**Subscription Receipts**”), debt securities (the “**Debt Securities**”), units (the “**Units**”) or any combination of such securities (all of the foregoing, collectively, the

“Securities”) by New Leaf Ventures Inc. (the “Company” or “New Leaf”) from time to time, during the 25-month period that the Prospectus, including any amendments hereto, remains effective, in one or more series or issuances, with a total offering price of the Securities in the aggregate, of up to \$50,000,000. The Securities may be offered in amounts and at prices to be determined based on market conditions at the time of the sale and set forth in an accompanying prospectus supplement (a “Prospectus Supplement”).

In addition, Securities may be offered and issued in consideration for the acquisition of other businesses, assets or securities by the Company or a subsidiary of the Company. The consideration for any such acquisition may consist of any of the Securities separately, a combination of Securities or any combination of, among other things, Securities, cash and assumption of liabilities. One or more securityholders of the Company may also offer and sell Securities under this Prospectus.

The issued and outstanding Common Shares are listed and posted for trading on the CSE under the trading symbol “NLV”, and on the OTC PINK of the OTC Markets in the U.S. (the “OTCPINK”) under the symbol “NLVVF”. On July 23, 2021, the last trading day prior to the date of this Prospectus, the closing price per Common Share on the CSE was \$0.45 on the OTCPINK was US\$0.35. **Unless otherwise specified in the applicable Prospectus Supplement, the Debt Securities, Subscription Receipts, Warrants, and Units will not be listed on any securities exchange. There is no market through which these Securities may be sold and purchasers may not be able to resell such Securities purchased under this Prospectus. This may affect the pricing of the Securities in the secondary market, the transparency and availability of trading prices, the liquidity of the Securities, and the extent of issuer regulation. Unless otherwise specified in an applicable Prospectus Supplement, the Debt Securities, Subscription Receipts, Units and Warrants will not be listed on any securities or stock exchange or on any automated dealer quotation system.**

Acquiring the Securities may subject prospective investors to tax consequences both in Canada and the United States. This Prospectus or any applicable Prospectus Supplement may not describe these tax consequences fully. Prospective investors should read the tax discussion in any applicable Prospectus Supplement with respect to any particular offering and consult your own tax advisor with respect to your own particular circumstances.

No underwriter has been involved in the preparation of this Prospectus or performed any review of the contents of this Prospectus.

The Company is not making and will not make an offer of these Securities in any jurisdiction where the offer or sale is not permitted. This Prospectus constitutes a public offering of the Securities only in those jurisdictions where they may be lawfully offered for sale and only by persons permitted to sell the Securities in such jurisdiction.

All applicable information permitted under securities legislation to be omitted from this Prospectus that has been so omitted will be contained in one or more Prospectus Supplements that will, except in respect of any sales pursuant to an “at-the-market” distribution as contemplated by National Instrument 44-102 – *Shelf Distributions* (“NI 44-102”), be delivered to purchasers together with this Prospectus. Each Prospectus Supplement will be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement and only for the purposes of the distribution of the securities to which the Prospectus Supplement pertains. You should read this prospectus and any applicable Prospectus Supplement carefully before you invest in any securities issued pursuant to this Prospectus. The Securities may be sold pursuant to this Prospectus through underwriters or dealers directly or through agents designated from time to time at amounts and prices and other terms determined by us.

This Prospectus may qualify an “at-the-market” distribution (as such term is defined in NI 44-102).

The Securities may be sold, from time to time in one or more transactions at a fixed price or prices which may be changed or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices, including sales in transactions that are deemed to be “at-the-market distributions” as defined in National Instrument 44-102 — *Shelf Distributions* (“NI 44-102”), including sales made directly on the Canadian Securities Exchange (the “CSE”) or other existing trading markets for the Securities, and as set forth in an accompanying Prospectus Supplement. See “Plan of Distribution”.

Investment in the Securities being offered is highly speculative and involves significant risks that Prospective investors should consider before purchasing such Securities. Prospective investors should carefully review the

risks outlined in this Prospectus (including any Prospectus Supplement) and in the documents incorporated by reference as well as the information under the heading “*Cautionary Note Regarding Forward-Looking and Other Statements*” and consider such risks and information in connection with an investment in the Securities. See “*Risk Factors*” for a more complete discussion of these risks.

The specific terms of any offering of Securities will be set forth in the applicable Prospectus Supplement and may include, without limitation, where applicable: (i) in the case of Common Shares, the number of Common Shares being offered, the offering price, whether the Common Shares are being offered for cash, and any other terms specific to the Common Shares being offered; (ii) in the case of Debt Securities, the specific designation, aggregate principal amount, the currency or the currency unit for which the Debt Securities may be purchased, maturity, interest provisions, authorized denominations, offering price, whether the Debt Securities are being offered for cash, the covenants, the events of default, any terms for redemption or retraction, any exchange or conversion rights attached to the Debt Securities, and any other terms specific to the Debt Securities being offered; (iii) in the case of Subscription Receipts, the number of Subscription Receipts being offered, the offering price, whether the Subscription Receipts are being offered for cash, the terms, conditions and procedures for the exchange of the Subscription Receipts into or for Common Shares and/or other securities of the Company and any other terms specific to the Subscription Receipts being offered; (iv) in the case of Warrants the number of such Warrants, the offering price, the designation, number and terms of the Common Shares issuable upon exercise of the Warrants, any procedures that will result in the adjustment of these numbers, the exercise price, dates and periods of exercise any other specific terms; and (v) in the case of Units, the number of Units being offered, the offering price, the terms of the Common Shares, Debt Securities, Subscription Receipts and/or Warrants underlying the Units, and any other specific terms.

In addition, the Debt Securities that may be offered may be guaranteed by certain direct and indirect subsidiaries of New Leaf with respect to the payment of the principal, premium, if any, and interest on the Debt Securities. The Company expects that any guarantee provided in respect of senior Debt Securities would constitute a senior and unsecured obligation of the applicable guarantor. For a more detailed description of the Debt Securities that may be offered, see “*Description of the Securities.*” All shelf information permitted under applicable securities legislation to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus, except in cases where an exemption from such delivery requirements has been obtained. Each Prospectus Supplement will be incorporated by reference into this Prospectus as of the date of such Prospectus Supplement and only for the purposes of the distribution of the Securities covered by that Prospectus Supplement. The offerings are subject to approval of certain legal matters on behalf of the Company by Cassels Brock & Blackwell LLP.

The Company may sell the Securities, separately or together: (i) to one or more underwriters or dealers; (ii) through one or more agents; or (iii) directly to one or more purchasers. The Prospectus Supplement relating to a particular offering of Securities will describe the terms of such offering of Securities, including: (i) the terms of the Securities to which the Prospectus Supplement relates, including the type of Security being offered, and the method of distribution; (ii) the name or names of any underwriters, dealers, agents or selling securityholders involved in such offering of Securities; (iii) the purchase price of the Securities offered thereby and the proceeds to, if any, and the expenses borne by, if any, the Company from the sale of such Securities; (iv) any commission, underwriting discounts and other items constituting compensation payable to underwriters, dealers or agents; and (v) any discounts or concessions allowed or re-allowed or paid to underwriters, dealers or agents. See “*Plan of Distribution*”.

The Company’s head office is located at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia V6C 3E8 and the Company’s registered office is located at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia V6C 3E8.

This Prospectus qualifies the distribution of securities of an entity that currently directly derives all of its revenues from the cannabis industry in the State of California, which industry is illegal under U.S. Federal Law. As of the date hereof, 100% of the Company's operations are in the United States. The Company provides ancillary services (through subsidiaries) in both the adult-use and medical cannabis industry in the State of Washington, as permitted within such state under applicable state law, which has regulated such industries.

The cultivation, manufacturing, sale, distribution, possession and use of cannabis is illegal under United States federal law pursuant to the U.S. Controlled Substance Act of 1970 (the "CSA"), which places controlled substances, including cannabis, in a schedule. Other than industrial hemp, cannabis is considered marijuana, is classified as a Schedule I controlled substance, and is illegal under United States federal law. Under United States federal law, a Schedule I controlled substance has a high potential for abuse, no accepted medical use in the United States, and a lack of accepted safety for the use of the drug under medical supervision. Under the CSA, the policies and regulations of the United States Federal Government and its agencies are that cannabis has no medical benefit and a range of activities including cultivation and the personal use of cannabis is prohibited. The United States Food and Drug Administration (the "U.S. FDA") has not approved marijuana as a safe and effective drug for any indication.

Despite the current state of the United States federal law, the States of Arizona, California, Nevada, Massachusetts, Maine, Michigan, Washington, Oregon, Colorado, Vermont, Illinois, New Jersey, New York, South Dakota, Montana and Alaska, and the District of Columbia, have legalized cannabis for adult or "recreational" use of cannabis; although the commercial recreational operations are not permitted in the District of Columbia because of a prohibition on using funds for regulation within a federal appropriations amendment to local District spending powers. In addition, over half of the U.S. states have enacted legislation to legalize and regulate the sale and use of medical cannabis, with some imposing limits on the levels of tetrahydrocannabinol ("THC").

However, there is no guarantee that state laws legalizing and regulating the sale and use of cannabis will not be repealed or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions.

Additionally, state laws that permit and regulate the production, distribution and use of cannabis for adult use or medical purposes are in direct conflict with the CSA. Although certain states authorize medical or adult-use cannabis production and distribution by licensed or registered entities, under United States federal law, the possession, use, cultivation, and transfer of cannabis and any related drug paraphernalia is illegal and any such acts are criminal acts. The Supremacy Clause of the United States Constitution establishes that the United States Constitution and federal laws made pursuant to it are paramount and in case of conflict between federal and state law, the federal law shall apply.

On January 4, 2018, former U.S. Attorney General Jeff Sessions issued a memorandum to U.S. district attorneys which rescinded previous guidance from the U.S. Department of Justice ("DOJ") specific to cannabis enforcement in the United States, including the Cole Memorandum (as defined herein). With the Cole Memorandum rescinded, U.S. federal prosecutors have been given discretion in determining whether to prosecute cannabis related violations of U.S. federal law. Mr. Sessions resigned on November 7, 2018 and was succeeded by William Barr on February 14, 2019. The DOJ under Mr. Barr has not taken a formal position on federal enforcement of laws relating to cannabis. Mr. Barr has stated publicly that his preference would be to have a uniform federal rule against cannabis, but, absent such a uniform rule, his preference would be to permit the existing federal approach of leaving it up to the states to make their own decisions. Attorney General Barr's statements are not official declarations of the DOJ policy, are not binding on the DOJ, on any U.S. Attorney, or on the federal courts. Attorney General Barr may clarify, retract, or contradict these statements. There is no guarantee that the position of the DOJ will not change. Although Attorney General Barr has not provided a clear policy directive for the United States as it pertains to state legal marijuana-related activities, and despite his previous statements, in June 2020 Congress investigated reports that Barr directed the DOJ to apply additional scrutiny to proposed cannabis mergers. If the DOJ policy was to aggressively pursue financiers or equity owners of cannabis-related business, and United States Attorneys followed such DOJ policies through pursuing prosecutions, then the Company could face (i) seizure of its cash and other assets used to support or derived from its

cannabis subsidiaries, and (ii) the arrest of its employees, directors, officers, managers and investors, who could face charges of ancillary criminal violations of the CSA for aiding and abetting and conspiring to violate the CSA by virtue of providing financial support to state-licensed or permitted cultivators, processors, distributors, and/or retailers of cannabis. Additionally, as has been affirmed by U.S. Customs and Border Protection (“CBP”), employees, directors, officers, managers and investors of the Company who are not U.S. citizens face the risk of being barred from entry into the United States for life.

On February 15, 2019, President Donald Trump signed the 2019 Fiscal Year Appropriations Bill which included the Rohrabacher-Farr Amendment (as defined in the AIF), which prohibits the funding of federal prosecutions with respect to medical cannabis activities that are legal under state law, extending its application until September 30, 2019. Thereafter, as part of the Congressional omnibus-spending bill, Congress renewed, through September 30, 2020, the Rohrabacher-Farr Amendment. While the Rohrabacher-Farr Amendment was temporarily renewed through the signing of a stopgap spending bill, effective through December 11, 2020, there can be no assurances that the Rohrabacher-Farr Amendment will be included in future appropriations bills or budget resolutions. See the section entitled “United States Federal Overview” within this Prospectus for additional information.

The Company’s objective is to capitalize on the opportunities presented as a result of the changing regulatory environment governing the cannabis industry in the United States. Accordingly, there are a number of significant risks associated with the business of the Company. Unless and until the United States Congress amends the CSA with respect to medical and/or adult-use cannabis (and as to the timing or scope of any such potential amendments there can be no assurance), there is a significant risk that federal authorities may enforce current U.S. federal law, and the business of the Company may be deemed to be producing, cultivating, extracting, or dispensing cannabis or aiding or abetting or otherwise engaging in a conspiracy to commit such acts in violation of federal law in the United States. If the U.S. federal government begins to enforce U.S. federal laws relating to cannabis in states where the sale and use of cannabis is currently legal, or if existing applicable state laws are repealed or curtailed, the Company’s business, results of operations, financial condition and prospects would be materially adversely affected.

In light of the political and regulatory uncertainty surrounding the treatment of United States cannabis related activities, on February 8, 2018, the Canadian Securities Administrators published CSA Staff Notice 51-352 – *(Revised) Issuers with U.S. Marijuana-Related Activities* (“Staff Notice 51-352”) setting out the Canadian Securities Administrator’s disclosure expectations for specific risks facing issuers with cannabis related activities in the United States. Staff Notice 51-352 includes additional disclosure expectations that apply to all issuers with United States cannabis-related activities, including those with direct and indirect involvement in the cultivation and distribution of cannabis, as well as issuers that provide goods and services to third parties involved in the United States cannabis industry.

For these reasons, the Company’s investments in the United States cannabis market may subject the Company to heightened scrutiny by regulators, stock exchanges, clearing agencies and other Canadian authorities. There are a number of risks associated with the business of the Company. See the section entitled “United States Federal Overview” and “Risk Factors”, including “Illegality of activities under United States federal and state law”, within this Prospectus and within the AIF (as defined herein).

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ABOUT THIS SHORT FORM BASE SHELF PROSPECTUS

An investor should rely only on the information contained in this Prospectus (including the documents incorporated by reference herein) and is not entitled to rely on parts of the information contained in this Prospectus (including the documents incorporated by reference herein) to the exclusion of others. The Company has not authorized anyone to provide investors with additional or different information. The Company takes no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give readers of this Prospectus. Information contained on, or otherwise accessed through, the Company's website shall not be deemed to be a part of this Prospectus and such information is not incorporated by reference herein.

The Company is not offering to sell the Securities in any jurisdictions where the offer or sale of the Securities is not permitted. The information contained in this Prospectus (including the documents incorporated by reference herein) is accurate only as of the date of this Prospectus or as of the date as otherwise set out herein (or as of the date of the document incorporated by reference herein or as of the date as otherwise set out in the document incorporated by reference herein, as applicable), regardless of the time of delivery of this Prospectus or any sale of the Common Shares, Debt Securities, Subscription Receipts, Warrants and/or Units. The business, financial condition, capital, results of operations and prospects of the Company may have changed since those dates. The Company does not undertake to update the information contained or incorporated by reference herein, except as required by applicable Canadian securities laws.

This Prospectus shall not be used by anyone for any purpose other than in connection with an offering of Securities as described in one or more Prospectus Supplements.

The documents incorporated or deemed to be incorporated by reference herein contain meaningful and material information relating to the Company and readers of this Prospectus should review all information contained in this Prospectus, the applicable Prospectus Supplement and the documents incorporated or deemed to be incorporated by reference herein and therein.

MEANING OF CERTAIN REFERENCES AND CURRENCY PRESENTATION

References to dollars or "\$" are to Canadian currency unless otherwise indicated.

Unless the context otherwise requires, all references in this Prospectus to the "Company" refer to the Company and its subsidiary entities on a consolidated basis.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus contains "forward-looking statements" or "forward-looking information" within the meaning of applicable Canadian securities legislation (collectively, "**forward-looking statements**"), based on current expectations, estimates, forecasts, projections, beliefs and assumptions made by management of the Company including about the industry in which it operates. Forward-looking statements are not guarantees of future performance and involve assumptions and risks and uncertainties that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed, implied or forecast in such forward-looking statements. The Company does not intend, and disclaims any obligation, to update any forward-looking statements after it files this Prospectus, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Forward-looking statements are made as of the date of this Prospectus.

In some cases, forward-looking statements can be identified by words or phrases such as "may", "might", "will", "expect", "anticipate", "estimate", "intend", "plan", "indicate", "seek", "believe", "predict" or "likely", or the negative of these terms, or other similar expressions (or variations of such words or phrases). The Company has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes might affect its financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, among other things, statements relating to:

- the Company's expectations regarding its revenue, expenses and operations;
- the Company's anticipated cash needs and its needs for additional financing;

- the Company's intention to grow the business and its operations;
- expectations with respect to future production costs and capacity;
- the grant and impact of any license or supplemental license to conduct activities with cannabis or any amendments thereof;
- the Company's competitive position and the regulatory environment in which the Company operates;
- the Company's expectation that revenues derived from its operations will be sufficient to cover its expenses during 2021 and over the next twelve months;
- the Company's ability to obtain additional funds through the sale of equity or debt commitments;
- the legalization and regulatory control of cannabis for recreational use in jurisdictions outside of the State of Washington and the Company's opportunities for expansion into such jurisdictions; and
- the intentions of the Board (as defined herein) with respect to executive compensation plans and corporate governance plans described herein.

Certain of the forward-looking statements and other information contained in this Prospectus concerning our industry and the markets in which we will operate, including our general expectations and market position, market opportunities and market share, are based on estimates prepared by the Company using data from publicly available governmental sources, as well as from market research and industry analyses, and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. While the Company is not aware of any misstatement regarding any industry or government data presented herein, it is noted that the cannabis industry involves risks and uncertainties that are subject to change based on various factors and the Company has not independently verified such third-party information.

Forward-looking statements are based on certain assumptions and analyses made by the Company in light of the experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate and are subject to risks and uncertainties. In making the forward-looking statements included in this Prospectus, the Company has made various material assumptions, including but not limited to: (i) obtaining the necessary regulatory approvals; (ii) that regulatory requirements will be maintained; (iii) general business, economic and political conditions; (iv) the Company's ability to successfully execute its plans and intentions; (v) the availability of financing on reasonable terms; (vi) the Company's ability to attract and retain skilled staff; (vii) market competition; (viii) the products and technology offered by the Company's competitors; (ix) that good relationships with service providers and other third parties will be established and maintained; (x) continued growth of the cannabis industry; and (xi) positive public opinion with respect to the cannabis industry. Although the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and the Company cannot assure that actual results will be consistent with these forward-looking statements. Further, the aforementioned assumptions may be affected by the negative disruptive effect of the COVID-19 (as defined below) pandemic, which has resulted in a widespread health crisis that has already affected the economies and financial markets of many countries around the world. The international response to the spread of COVID-19 has led to significant restrictions on travel; temporary business closures; quarantines; global stock market and financial market volatility; a general reduction in consumer activity; operating, supply chain and project development delays and disruptions; and declining trade and market sentiment, all of which have and could further affect commodity prices, interest rates, credit ratings and credit risk. The continuing and additional business interruptions, expenses and delays relating to COVID-19, could have a material adverse impact on the Company's operations, financial condition and the market for its securities; however, as at the date of this Annual Information Form, such cannot be reasonably estimated.

Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those listed under "*Risk Factors*".

Some of the important risks and factors that could affect forward-looking statements are discussed in the section entitled “*Risk Factors*” in the AIF, which is incorporated by reference in this Prospectus. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

These forward-looking statements are based on the beliefs of the Company’s management as well as on assumptions, which such management believes to be reasonable based on information currently available at the time such statements were made. Although the Company believes its expectations are based upon reasonable assumptions and have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended.

Investors are cautioned not to put undue reliance on forward-looking statements. The forward looking-statements contained herein are made as of the date of this Prospectus and, accordingly, are subject to change after such date. The Company disclaims any intent or obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of assumptions or factors, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. Investors are urged to read the Company’s filings with Canadian securities regulatory agencies, which can be viewed online under the Company’s profile on SEDAR at www.sedar.com.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with the securities commissions or similar regulatory authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the secretary of the Company, at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia V6C 3E8, telephone (604) 687-7130, and are also available electronically at www.sedar.com.

As of the date hereof, the following documents (or the sections or sub-sections thereof set out below), filed with the various securities commissions or similar authorities in each of the provinces and territories of Canada, are specifically incorporated by reference into and form an integral part of this Prospectus:

1. the annual information form of the Company dated June 29, 2021 in respect of the year ended December 31, 2020 (the “**AIF**”);
2. the audited annual consolidated financial statements of the Company for the years ended December 31, 2020 and 2019 and the auditor’s report thereon (the “**Audited Financial Statements**”);
3. management’s discussion and analysis of financial condition and results of operations of the Company for the years ended December 31, 2020 and 2019 (the “**Annual MD&A**”);
4. the unaudited (reviewed) amended and restated condensed interim consolidated financial statements of the Company for the three months ended March 31, 2021 and 2020 and related notes attached hereto as Schedule “A” (the “**Interim Financial Statements**”);
5. the amended and restated management’s discussion and analysis of the financial condition and results of operations of the Company for the three months ended March 31, 2021 and 2020 (the “**Interim MD&A**”);
6. the business acquisition report in respect of the acquisition of New Leaf USA Inc. dated September 8, 2020 (the “**Business Acquisition Report**”).

Any document of the type required by National Instrument 44-101 — *Short Form Prospectus Distributions* to be incorporated by reference into a short form prospectus (except confidential material change reports) of the Company filed by the Company with securities commissions or similar authorities in Canada after the date of this Prospectus and prior to the completion or withdrawal of any offering under this Prospectus shall be deemed to be incorporated by reference into this Prospectus.

Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this Prospectus, to the extent that a statement contained herein or in any other subsequently filed document incorporated or deemed to be incorporated by reference herein modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes.

The making of a modifying or superseding statement shall not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall thereafter neither constitute, nor be deemed to constitute, a part of this Prospectus, except as so modified or superseded.

Upon a new annual information form and related annual financial statements of the Company being filed with, and where required, accepted by the applicable securities regulatory authorities during the currency of this Prospectus, the following documents shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder: (i) the previous annual information form, if any; (ii) material change reports filed by the Company prior to the end of the financial year in respect of which the new annual information form is filed; (iii) business acquisition reports filed by the Company for acquisitions completed prior to the beginning of the financial year in respect of which the new annual information form is filed; and (iv) any information circular of the Company filed by the Company prior to the beginning of the financial year in respect of which the new annual information form is filed. Upon a new information circular of the Company prepared in connection with an annual general meeting of the Company being filed with the applicable securities regulatory authorities during the currency of this Prospectus, the Statement of Executive Compensation and any previous information circular of the Company, if prepared in connection with solely an annual general meeting of the Company, shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder.

A Prospectus Supplement to this Prospectus containing the specific variable terms in respect of an offering of the Securities will be delivered to purchasers of such Securities together with this Prospectus, unless an exemption from the prospectus delivery requirements has been granted or is otherwise available, and will be deemed to be incorporated by reference into this Prospectus as of the date of such Prospectus Supplement only for the purposes of the offering of the Securities covered by such Prospectus Supplement.

Any template version of any “marketing materials” (as such term is defined in National Instrument 41-101 – General Prospectus Requirements) filed after the date of a Prospectus Supplement and before the termination of the distribution of the Securities offered pursuant to such Prospectus Supplement (together with this Prospectus) is deemed to be incorporated by reference in such Prospectus Supplement.

ABOUT THE COMPANY

The following description of the Company is, in some instances, derived from selected information about the Company contained in the documents incorporated by reference into this Prospectus. This description does not contain all of the information about the Company and its business that Prospective investors should consider before investing in any Securities. Prospective investors should carefully read the entire Prospectus and the applicable Prospectus Supplement, including under the heading “Risk Factors”, as well as the documents incorporated by reference into this Prospectus and the applicable Prospectus Supplement, before making an investment decision.

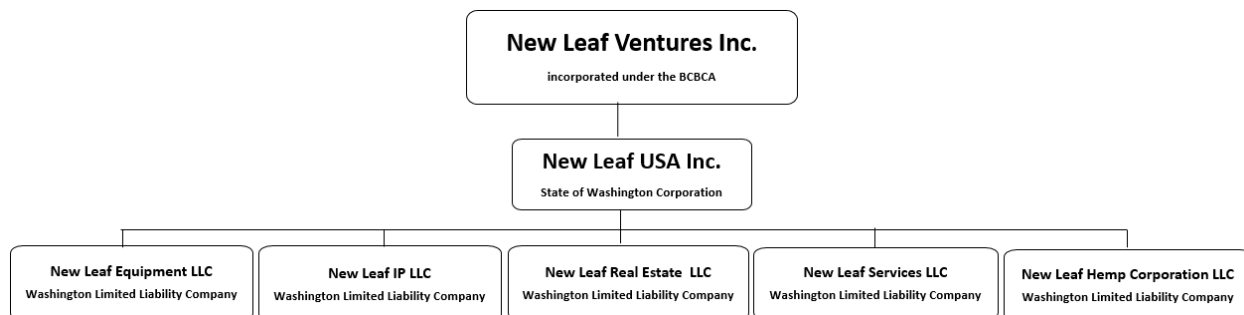
General

New Leaf Ventures Inc. was incorporated under the *Business Corporations Act* (British Columbia) (the “**BCBCA**”) on June 4, 2018 as “1166858 B.C. Ltd.” On September 18, 2019, it changed its name to “New Leaf Ventures Inc.” The Company’s registered and records office is located at Suite 2200 – 885 West Georgia Street, Vancouver, British Columbia V6C 3E8.

The Company’s head office is located at 1910 – 1030 W Georgia St, Vancouver, British Columbia V6E 2Y3 and the Company’s registered office is located at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia V6C 3E8.

Corporate Structure

The following diagram illustrates the intercorporate relationships among the Company and its subsidiary, as well as the jurisdiction of incorporation of each entity.



Summary Description of the Business

The Company operates through the New Leaf USA Inc. Subsidiaries as an agricultural technology, services provider and property management company; in particular, the New Leaf USA Inc. Subsidiaries provide services, real property lease, equipment and intellectual property for lease and other enhanced ancillary services to New Leaf Enterprises Inc., a Washington State Liquor and Cannabis Board producer and processor license holder (the “**License Holder**”). The Company generates returns from the following revenue sources: (i) through service contracts with the License Holder; (ii) leasing the real property, equipment and intellectual property to the License Holder. Separately, New Leaf USA Inc. entered into an option agreement with the License Holder, pursuant to which New Leaf USA Inc. may purchase 100% of the outstanding shares of New Leaf Enterprises, Inc. should the WSLCB approve and the laws of Washington State change to allow non-resident owners of the licenses held by New Leaf Enterprises; and (iii) producing and selling hemp-based products.

On June 29, 2021, the Company entered into a letter on intent to obtain exclusive licensing rights within Washington and Colorado based GCH Inc., developers of renowned cannabis brand “WILLIE’S RESERVE”. The letter of intent encompasses exclusive rights to source, manufacture, distribute and market the entire lineup of Willie’s reserve and Harvest products in Washington State.

The operating services, property management, equipment, intellectual property, etc., mentioned above are provided in the United States, through the New Leaf USA Inc. Subsidiaries. New Leaf USA Inc. directly owns 100% of: New Leaf Equipment LLC; New Leaf IP LLC; New Leaf Real Estate LLC; New Leaf Services LLC; and New Leaf Hemp Corporation LLC (collectively, the “**New Leaf USA Inc. Subsidiaries**”).

More detailed information regarding the business of the Company as well as its operations, assets, and properties can be found in the AIF and other documents incorporated by reference herein, as supplemented by the disclosure herein. See “Documents Incorporated by Reference”.

Use of Proceeds from 2020 Offering

The long form prospectus dated February 10, 2020 contemplated gross proceeds of \$5,000,000. The Company completed two tranches of the initial public offering for gross proceeds of \$1,939,817.

A summary of the actual use of proceeds from April 2020 to June 29, 2021 against disclosed anticipated uses is set forth in the table below.

	Total Planned Spend	Total Spend to June 29, 2021
Payments under IP Promissory Note	\$783,504	\$734,765
Payments under Equipment Promissory Note	\$463,998	\$592,786
Facility Expansion	\$815,000	\$194,518
National hemp roll-out	\$350,000	\$67,075
Marketing plan	\$230,000	\$0
General and administrative costs	\$250,000	\$350,673
Unallocated working capital	\$1,275,998	\$0
	\$4,168,500	\$1,939,817

DESCRIPTION OF SECURITIES

Common Shares

The Company's authorized capital stock consists of an unlimited number of Common Shares with no nominal or par value, of which 51,429,584 Common Shares are issued and outstanding as of July 20, 2021, and an unlimited number of class B non-voting preferred shares in the capital of the Company (the "**Preferred Shares**"), of which 0 Preferred Shares are issued and outstanding as of July 20, 2021. The following is a summary of the principal attributes of the Common Shares:

Voting Rights

Holders of Common Shares are entitled to vote on all matters that are to be voted on at any shareholder meeting. Each Common Share represents one vote. There are no cumulative voting rights.

Dividends and Profits

Holders of Common Shares are entitled to share pro rata in any profits of the Company to the extent that such profits are distributed either through the declaration of dividends by the Company's Board or otherwise distributed to shareholders. There are no indentures or agreements limiting the payment of dividends.

Rights on Dissolution

In the event of the liquidation, dissolution or winding up of the Company, the holders of Common Shares will be entitled to receive, on a pro rata basis, all of the Company's assets remaining after payment of all of the Company's liabilities.

Rank

There are currently no other series or class of shares which rank senior, in priority to, or pari passu with the Common Shares.

Pre-Emptive, Conversion and Other Rights

The Common Shares do not carry pre-emptive, redemption, purchase or conversion rights, and the Common Shares, when fully paid, will not be liable to further call or assessment. No other class of shares may be created without the approval of the holders of the Common Shares. There are no provisions discriminating against any existing or prospective holder of Common Shares as a result of such shareholder owning a substantial number of Common Shares. In addition, non-residents of Canada who hold Common Shares have the same rights as shareholders who are residents of Canada.

Debt Securities

The following sets forth certain general terms and provisions of the Debt Securities. The particular terms and provisions of the Debt Securities offered pursuant to this Prospectus will be set forth in the applicable Prospectus Supplement, which particular terms and provisions of such Debt Securities may differ from the general terms and provisions described below in some or all respects.

The Debt Securities will be issued in series under one or more trust indentures to be entered into between the Company and a financial institution to which the *Trust and Loan Companies Act* (Canada) applies or a financial institution organized under the laws of any province of Canada and authorized to carry on business as a trustee. Each such trust indenture, as supplemented or amended from time to time, will set out the terms of the applicable series of Debt Securities. The statements in this Prospectus relating to any trust indenture and the Debt Securities to be issued under it are summaries of anticipated provisions of an applicable trust indenture and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of such trust indenture, as applicable.

Each trust indenture may provide that Debt Securities may be issued thereunder up to the aggregate principal amount which may be authorized from time to time by the Company. Any Prospectus Supplement for Debt Securities will contain the terms and other information with respect to the Debt Securities being offered, including (i) the designation, aggregate principal amount and authorized denominations of such Debt Securities, (ii) the currency for which the Debt Securities may be purchased and the currency in which the principal and any interest is payable (in either case, if other than Canadian dollars), (iii) the percentage of the principal amount at which such Debt Securities will be issued, (iv) the date or dates on which such Debt Securities will mature, (v) the rate or rates at which such Debt Securities will bear interest (if any), or the method of determination of such rates (if any), (vi) the dates on which any such interest will be payable and the record dates for such payments, (vii) any redemption term or terms under which such Debt Securities may be defeased, (viii) any exchange or conversion terms (including, as applicable, the terms in respect of any convertibility to Common Shares), and (ix) any other specific terms.

Each series of Debt Securities may be issued at various times with different maturity dates, may bear interest at different rates and may otherwise vary.

The Debt Securities will be direct obligations of the Company. The Debt Securities will be senior or subordinated indebtedness of the Company as described in the relevant Prospectus Supplement.

Subscription Receipts

The following sets forth certain general terms and provisions of the Subscription Receipts. The particular terms and provisions of the Subscription Receipts offered pursuant to this Prospectus will be set forth in the applicable Prospectus Supplement, which particular terms and provisions of such Subscription Receipts may differ from the general terms and provisions described below in some or all respects.

The Company may issue Subscription Receipts that may be exchanged by the holders thereof for Common Shares and/or other Securities of the Company upon the satisfaction of certain conditions. The Company may offer Subscription Receipts separately or together with Common Shares, Debt Securities, Warrants or Units, as the case may be. The Company will issue Subscription Receipts under one or more subscription receipt agreements. Under each subscription receipt agreement, a purchaser of Subscription Receipts will have a contractual right of rescission following the issuance of the Common Shares and/or other Securities of the Company, as the case may be, to such purchaser upon exchange of Subscription Receipts, entitling the purchaser to receive the amount paid for the Subscription Receipts upon surrender of the Common Shares and/or other Securities of the Company, as the case may be, if this Prospectus, the relevant Prospectus Supplement, and any amendment thereto, contains a misrepresentation, provided such remedy for rescission is exercised within 180 days of the date the Subscription Receipts are issued.

Any Prospectus Supplement will contain the terms and conditions and other information relating to the Subscription Receipts being offered including:

- the number of Subscription Receipts;
- the price at which the Subscription Receipts will be offered and whether the price is payable in instalment;
- the currency at which the Subscription Receipts will be offered and whether the price is payable in installments;
- any conditions to the exchange of Subscription Receipts into Common Shares and/or other Securities of the Company, as the case may be, and the consequences of such conditions not being satisfied;
- the procedures for the exchange of the Subscription Receipts into Common Shares and/or other Securities of the Company, as the case may be;
- the number of Common Shares and/or other Securities of the Company, as the case may be, that may be exchanged upon exercise of each Subscription Receipt;
- the designation and terms of any other Securities with which the Subscription Receipts will be offered, if any, and the number of Subscription Receipts that will be offered with each Security;
- conditions to the conversion or exchange of Subscription Receipts into other Securities and the consequences of such conditions not being satisfied;
- the dates or periods during which the Subscription Receipts may be exchanged into Common Shares and/or other Securities of the Company;
- whether such Subscription Receipts will be listed on any securities exchange;
- any other rights, privileges, restrictions and conditions attaching to the Subscription Receipts; and
- any other specific terms.

Prior to the exchange of their Subscription Receipts, holders of Subscription Receipts will not have any of the rights of holders of the securities issuable on the exchange of the Subscription Receipts.

Warrants

The following sets forth certain general terms and provisions of the Warrants. The particular terms and provisions of the Warrants offered pursuant to this Prospectus will be set forth in the applicable Prospectus Supplement, which particular terms and provisions of such Warrants may differ from the general terms and provisions described below in some or all respects.

The Company may issue Warrants for the purchase of Common Shares and/or other Securities of the Company. Warrants may be issued independently or together with Common Shares, Debt Securities and Subscription Receipts offered by any Prospectus Supplement and may be attached to, or separate from, any such offered Securities. Warrants will be issued under one or more warrant agreements entered into between the Company and a warrant agent named in the applicable Prospectus Supplement.

Selected provisions of the Warrants and the warrant agreements are summarized below. This summary is not complete. The statements made in this Prospectus relating to any warrant agreement and Warrants to be issued thereunder are summaries of certain anticipated provisions thereof and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable warrant agreement.

Any Prospectus Supplement will contain the terms and other information relating to the Warrants being offered including:

- the exercise price of the Warrants;
- the designation of the Warrants;
- the aggregate number of Warrants offered and the offering price;
- the designation, number and terms of the Common Shares and/or other Securities of the Company purchasable upon exercise of the Warrants, and procedures that will result in the adjustment of those numbers;
- the dates or periods during which the Warrants are exercisable;
- the designation and terms of any securities with which the Warrants are issued;
- if the Warrants are issued as a unit with another security, the date on and after which the Warrants and the other security will be separately transferable;
- the currency or currency unit in which the exercise price is denominated;
- any minimum or maximum amount of Warrants that may be exercised at any one time;
- whether such Warrants will be listed on any securities exchange;
- any terms, procedures and limitations relating to the transferability, exchange or exercise of the Warrants;
- any rights, privileges, restrictions and conditions attaching to the Warrants; and
- any other specific terms.

Prior to the exercise of their Warrants, holders of Warrants will not have any of the rights of holders of the Securities subject to the Warrants.

Units

Units are a security comprised of more than one of the other Securities described in this Prospectus offered together as a “Unit”. A Unit is typically issued so the holder thereof is also the holder of each Security included in the Unit. As a result, the holder of a Unit will have the rights and obligations of a holder of each Security comprising the Unit. The agreement, if any, under which a Unit is issued may provide that the Securities comprising the Unit may not be held or transferred separately at any time or at any time before a specified date.

The particular terms and provisions of the Units offered pursuant to this Prospectus will be set forth in the applicable Prospectus Supplement, which particular terms and provisions of such Units may differ from the general terms and provisions described below in some or all respects. This description will include, where applicable: (i) the designation and terms of the Units and of the Securities comprising the Units, including whether and under what circumstances those Securities may be held or transferred separately; (ii) any provisions for the issuance, payment, settlement, transfer or exchange of the Units or of the Securities comprising the Units; (iii) whether the Units will be issued in registered or global form; and (iv) any other material terms and conditions of the Units.

We may issue or grant options in connection with acquisitions, merger transactions, or to directors, officers employees or consultants, as applicable.

PLAN OF DISTRIBUTION

The Company and/or any selling securityholders may sell the Securities, separately or together: (i) to one or more underwriters or dealers; (ii) through one or more agents; or (iii) directly to one or more purchasers. The Prospectus Supplement relating to a particular offering of Securities will describe the terms of such offering of Securities, including: (i) the terms of the Securities to which the Prospectus Supplement relates, including the type of Security

being offered, and the method of distribution; (ii) the name or names of any underwriters, dealers, agents or selling securityholders involved in such offering of Securities; (iii) the purchase price of the Securities offered thereby and the proceeds to, if any, and the expenses borne by, if any, the Company from the sale of such Securities; (iv) any commission, underwriting discounts and other items constituting compensation payable to underwriters, dealers or agents; and (v) any discounts or concessions allowed or re-allowed or paid to underwriters, dealers or agents.

The Securities may be sold, from time to time in one or more transactions at a fixed price or prices which may be changed or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices, including sales in transactions that are deemed to be “at-the-market distributions” as defined in NI 44-102, including sales made directly on the CSE or other existing trading markets for the Securities, and as set forth in an accompanying Prospectus Supplement. The prices at which the Securities may be offered may vary as between purchasers and during the period of distribution. If, in connection with the offering of Securities at a fixed price or prices, the underwriters have made a bona fide effort to sell all of the Securities at the initial offering price fixed in the applicable Prospectus Supplement, the public offering price may be decreased and thereafter further changed, from time to time, to an amount not greater than the initial public offering price fixed in such Prospectus Supplement, in which case the compensation realized by the underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Securities is less than the gross proceeds paid by the underwriters to the Company and/or any selling securityholders.

Only underwriters, dealers or agents so named in the Prospectus Supplement are deemed to be underwriters, dealers or agents in connection with the Securities offered thereby. If underwriters are used in an offering, the Securities offered thereby will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The obligations of the underwriters to purchase Securities will be subject to the conditions precedent agreed upon by the parties and the underwriters will be obligated to purchase all Securities under that offering if any are purchased. If agents are used in an offering, unless otherwise indicated in the applicable Prospectus Supplement, such agents will be acting on a “best efforts” basis for the period of their appointment. Any public offering price and any discounts or concessions allowed or re-allowed or paid to underwriters, dealers or agents may be changed from time to time.

Underwriters, dealers and agents who participate in the distribution of Securities may be entitled under agreements to be entered into with the Company and/or any selling securityholders to indemnification by the Company and/or such selling securityholders against certain liabilities, including liabilities under securities legislation, or to contribution with respect to payments which such underwriters, dealers or agents may be required to make in respect thereof. Such underwriters, dealers and agents may be customers of, engage in transactions with, or perform services for, the Company and/or any selling securityholders in the ordinary course of business.

Any offering of Debt Securities, Subscription Receipts, Warrants, or Units will be a new issue of securities with no established trading market. Unless otherwise specified in the applicable Prospectus Supplement, the Debt Securities, Subscription Receipts, Warrants, or Units will not be listed on any securities exchange. Unless otherwise specified in the applicable Prospectus Supplement, there is no market through which the Debt Securities, Subscription Receipts, Warrants, or Units may be sold and purchasers may not be able to resell Debt Securities, Subscription Receipts, Warrants, or Units purchased under this Prospectus or any Prospectus Supplement. This may affect the pricing of the Debt Securities, Subscription Receipts, Warrants, or Units in the secondary market, the transparency and availability of trading prices, the liquidity of the Securities, and the extent of issuer regulation. Subject to applicable laws, certain dealers may make a market in these Securities, but will not be obligated to do so and may discontinue any market making at any time without notice. No assurance can be given that any dealer will make a market in these Securities or as to the liquidity of the trading market, if any, for these Securities.

In connection with any offering of the Securities, subject to applicable laws and other than an “at-the-market distribution”, the underwriters or agents may over-allot or effect transactions that stabilize or maintain the market price of the offered Securities at a level above that which might otherwise prevail on the open market. Such transactions, if commenced, may be interrupted or discontinued at any time.

No underwriter or dealer involved in an “at-the-market distribution” under this Prospectus, no affiliate of such an underwriter or dealer and no person or company acting jointly or in concert with such an underwriter or dealer will over-allot securities in connection with such distribution or effect any other transactions that are intended to stabilize or maintain the market price of the offered Securities.

The Securities have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state in the United States and, subject to certain exceptions, may not be offered, sold, exercised, transferred or otherwise disposed of in the United States or to or for the account of U.S. Persons absent registration under the U.S. Securities Act and applicable state securities laws or pursuant to an applicable exemption therefrom. In addition, until 40 days after closing of an offering of Securities, an offer or sale of the Securities within the United States by any dealer (whether or not participating in such offering) may violate the registration requirement of the U.S. Securities Act if such offer or sale is made other than in accordance with an exemption under the U.S. Securities Act.

USE OF PROCEEDS

Information regarding the use of the net proceeds from each offering of the Securities will be set forth in the Prospectus Supplement relating to the offering of the Securities. This information will include the net proceeds to the Company from the sale of the Securities, the use of those proceeds and the specific business objectives that the Company expects to accomplish with such proceeds.

All expenses relating to an offering of Securities and any compensation paid to underwriters, dealers or agents, as the case may be, will be paid out of our general funds, unless otherwise stated in the applicable Prospectus Supplement.

During the financial year ended December 31, 2020, the Company had a negative cash flow from operating activities. Although the Company anticipates it will be able to generate positive cash flows from operating activities in the future, the Company cannot guarantee it will have positive cash flow.

EARNINGS COVERAGE RATIO

The applicable Prospectus Supplement will provide, as required by applicable Canadian securities laws, the earnings coverage ratios with respect to the issuance of Securities pursuant to such Prospectus Supplement.

CONSOLIDATED CAPITALIZATION

The authorized share capital of the Company consists of an unlimited number of common shares without par value, of which 51,429,584 were issued and outstanding as at the date of this Prospectus. There have been no material changes in the share and loan capital of the Company, on a consolidated basis, since the date of the Annual Financial Statements, which are incorporated by reference in this Prospectus, other than the following:

Debt Settlements

The applicable Prospectus Supplement will describe any material change in, and the effect of such material change on, the share and loan capitalization of the Company that will result from the issuance of Securities pursuant to such Prospectus Supplement.

PRIOR SALES

The Company issued the following Common Shares and securities convertible into Common Shares of the Company in the 12-month period before the date of this Prospectus:

Security	Date of Issue	Aggregate Number Issued	Issue / Exercise Price
Common Shares	April 30, 2020	4,768,871 ⁽¹⁾	\$0.25
Common share purchase warrants	April 30, 2020	2,384,435 ⁽¹⁾	\$0.40
Common Shares	April 30, 2020	9,000,000 ⁽²⁾	\$0.25
Common Shares	April 30, 2020	3,658,676 ⁽²⁾	\$0.50
Common share purchase warrants	April 30, 2020	4,000,000 ⁽³⁾	\$0.02
Agent Warrants	April 30, 2020	136,280 ⁽⁴⁾	\$0.25

Common Shares	June 2, 2020	2,990,400 ⁽¹⁾	\$0.25
Common share purchase warrants	June 2, 2020	1,495,200 ⁽¹⁾	\$0.40
Agent Warrants	June 2, 2020	76,000 ⁽⁴⁾	\$0.25
Common share purchase warrants	June 19, 2020	12,000,000 ⁽⁵⁾	\$0.40
Common shares	July 23, 2020	55,000 ⁽⁸⁾	\$0.40
Common shares	July 23, 2020	799,500 ⁽⁹⁾	\$0.25
Common shares	August 6, 2020	1,000,000 ⁽⁹⁾	\$0.25
Common shares	August 7, 2020	400,000 ⁽⁹⁾	\$0.25
Common shares	August 11, 2020	964,000 ⁽⁹⁾	\$0.25
Common shares	August 18, 2020	360,500 ⁽⁹⁾	\$0.25
Common shares	August 19, 2020	50,000 ⁽⁸⁾	\$0.40
Common shares	August 21, 2020	50,000 ⁽⁸⁾	\$0.40
Common shares	August 24, 2020	60,000 ⁽⁹⁾	\$0.25
Common shares	August 25, 2020	210,000 ⁽⁹⁾	\$0.25
Common shares	September 10, 2020	200,000 ⁽⁹⁾	\$0.25
Common share purchase warrants	September 14, 2020	10,110 ⁽⁶⁾	\$0.40
Common shares	September 14, 2020	20,220 ⁽⁶⁾	\$0.25
Common share purchase warrants	September 21, 2020	4,500 ⁽⁶⁾	\$0.40
Common shares	September 21, 2020	9,000 ⁽⁶⁾	\$0.25
Common shares	September 24, 2020	480,000	\$0.25
Common share options	November 10, 2020	1,225,000 ⁽⁷⁾	\$0.34
Common shares	December 4, 2020	1,376,000 ⁽⁹⁾	\$0.25
Common shares	January 8, 2021	1,200,000 ⁽⁹⁾	\$0.25
Common share options	January 15, 2021	875,000 ⁽⁷⁾	\$0.28
Common shares	February 10, 2021	400,000 ⁽⁹⁾	\$0.25
Common shares	February 10, 2021	80,000 ⁽⁸⁾	\$0.40
Common shares	February 11, 2021	520,110 ⁽⁸⁾	\$0.40
Common shares	February 11, 2021	312,500 ⁽¹⁰⁾	\$0.25 - \$0.28
Common shares	February 12, 2021	1,000,000 ⁽⁹⁾	\$0.25
Common shares	February 12, 2021	442,000 ⁽⁸⁾	\$0.40
Common shares	February 16, 2021	3,150,000 ⁽⁹⁾	\$0.25
Common shares	February 17, 2021	250,000 ⁽⁸⁾	\$0.40
Common shares	February 18, 2021	3,000 ⁽⁶⁾	\$0.25
Common share purchase warrants	February 18, 2021	1,500 ⁽⁶⁾	\$0.40
Common shares	February 18, 2021	270,000 ⁽⁸⁾	\$0.40
Common shares	February 19, 2021	1,000 ⁽⁸⁾	\$0.40
Common shares	February 23, 2021	120,000 ⁽⁸⁾	\$0.40

Common shares	February 24, 2021	10,740 ⁽⁶⁾	\$0.25
Common share purchase warrants	February 24, 2021	5,370 ⁽⁶⁾	\$0.40
Common shares	February 24, 2021	400,000 ⁽⁹⁾	\$0.25
Common shares	February 26, 2021	15,000 ⁽⁶⁾	\$0.25
Common share purchase warrants	February 26, 2021	7,500 ⁽⁶⁾	\$0.40
Common shares	March 01, 2021	104,580 ⁽⁶⁾	\$0.25
Common share purchase warrants	March 01, 2021	52,290 ⁽⁶⁾	\$0.40
Common shares	March 01, 2021	187,500 ⁽¹¹⁾	\$0.25
Common shares	March 09, 2021	500,000 ⁽⁸⁾	\$0.40
Common shares	March 11, 2021	52,290 ⁽⁸⁾	\$0.40
Common shares	March 12, 2021	1,500 ⁽⁸⁾	\$0.40
Common shares	March 16, 2021	4,500 ⁽⁸⁾	\$0.40
Common shares	March 24, 2021	82,159 ⁽⁸⁾	\$0.40
Common shares	March 25, 2021	20,000 ⁽⁸⁾	\$0.40
Common shares	March 29, 2021	70,230 ⁽⁸⁾	\$0.40
Common shares	March 30, 2021	103,000 ⁽⁸⁾	\$0.40
Common shares	March 31, 2021	587,308 ⁽⁸⁾	\$0.40
Common shares	June 8, 2021	125,000 ⁽¹¹⁾	\$0.28
Common shares	July 7, 2021	1,160,000 ⁽⁸⁾	\$0.40
Common shares	July 16, 2021	1,160,000 ⁽⁸⁾	\$0.40

Notes:

- (1) The Company issued 4,768,871 Units, each Unit comprised of one common share and one-half share purchase warrant, in tranche one of its initial public offering. Subsequently, the Company issued an additional 2,990,400 Units, each Unit comprised of one common share and one-half share purchase warrant, in tranche two of its initial public offering.
- (2) 9,000,000 common shares were issued as consideration for the Acquisition Transaction with New Leaf USA. A further 3,658,676 common shares were issued as a signing bonus to two executives of New Leaf USA (1,829,338 common shares to each executive) in connection with the Acquisition.
- (3) As additional consideration on the Acquisition of New Leaf USA, the Company issued 4,000,000 Performance Warrants subject to future contingent vesting conditions
- (4) The Company issued 136,280 and 76,000 Agent Warrants in connection with tranche one and two of the Company's initial public offering; the Agent Warrants are exercisable into Units of the Company; each Unit comprised of one-common share and one-half share purchase warrant
- (5) The Company issued 12,000,000 warrants as compensation to investors from 2019 due to an amendment to the exercise price of outstanding share purchase warrants originally issued in 2019
- (6) Common shares and share purchase warrants issued on exercise of Agent Warrants
- (7) Common share options granted to employees of New Leaf USA and a director of the Company
- (8) Common shares issued from exercise of 2020 investor warrants
- (9) Common shares issued from exercise of 2019 investor warrants
- (10) Common shares issued from exercise of employee stock options; 187,500 exercised at \$0.25 and 125,000 exercised at \$0.28
- (11) Common shares issued from exercise of employee stock options

TRADING PRICE AND VOLUME

The Company's Common Shares were listed on the CSE on May 1, 2020 under the symbol "NLV". On July 23, 2020, the Company received approval for its US-based OTC Markets listing under the symbol "NLVVF" from the DTC to make the Company's common shares eligible to be electronically cleared and settled through DTC. The following tables sets forth trading information for the Common Shares on the CSE on a monthly basis since June 1, 2020.⁽¹⁾

Month	Price Range		CSE
	High C\$	Low C\$	Monthly Trading Volume
June 2020	\$0.45	\$0.26	262,990
July 2020	\$0.60	\$0.40	340,592
August 2020	\$0.62	\$0.45	3,694,757
September 2020	\$0.54	\$0.38	1,675,422
October 2020	\$0.40	\$0.25	1,296,674
November 2020	\$0.35	\$0.22	1,028,024
December 2020	\$0.40	\$0.25	794,273
January 2021	\$0.33	\$0.25	434,259
February 2021	\$0.78	\$0.27	8,399,574
March 2021	\$0.66	\$0.28	3,673,115
April 2021	\$0.60	\$0.44	3,407,201
May 2021	\$0.52	\$0.42	1,939,288
June 2021	\$0.42	\$0.35	244,500
July 2021	\$0.50	\$0.42	2,720,739

Notes:

- (1) Information captured as of the date of this Prospectus.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The applicable Prospectus Supplement may describe certain Canadian federal income tax considerations generally applicable to investors described therein of purchasing, holding and disposing of the applicable Securities, including, in the case of an investor who is not a resident of Canada, Canadian non-resident withholding tax considerations.

CERTAIN INCOME TAX CONSIDERATIONS

Owning any of the Securities may subject holders to tax consequences. The applicable Prospectus Supplement may describe certain Canadian federal income tax consequences to an initial investor who is a resident of Canada or a nonresident of Canada of acquiring, owning and disposing of any of the Securities offered thereunder. The applicable Prospectus Supplement may also describe certain United States federal income tax consequences of the acquisition, ownership and disposition of any of the Securities offered thereunder by an initial investor who is a U.S. Person (within the meaning of the U.S. Internal Revenue Code of 1986, as amended). Prospective investors should consult their own tax advisers prior to deciding to purchase any of the Securities.

EXEMPTIONS

Pursuant to a decision of the Autorité des marchés financiers dated July 20, 2021, the Company was granted a permanent exemption from the requirement to translate into French this Prospectus as well as the documents incorporated by reference herein and any Prospectus Supplement to be filed in relation to an "at-the-market" distribution. This exemption is granted on the condition that this Prospectus and any Prospectus Supplement (other than in relation to an "at-the-market" distribution) be translated into French if the Company offers Securities to Québec purchasers in connection with an offering other than in relation to an "at-the-market" distribution.

RISK FACTORS

Before making an investment decision, prospective purchasers of Securities should carefully consider the information and risk factors described in the AIF and incorporated by reference in this Prospectus and the other documents incorporated by reference herein (including subsequently filed documents incorporated by

reference herein), including the applicable Prospectus Supplement, all of which may be accessed on the Corporation's issuer profile on SEDAR at www.sedar.com. Additional risk factors relating to a specific offering of Securities may be described in the applicable Prospectus Supplement. Some of the risk factors described in the AIF and incorporated by reference in this Prospectus and in the other documents incorporated by reference herein (including subsequently filed documents incorporated by reference herein), including the applicable Prospectus Supplement are interrelated and, consequently, investors should treat such risk factors as a whole. If any event arising from these risks occurs, the Company's business, prospects, financial condition, results of operations and cash flows, and an investment in the Securities, could be materially adversely affected. Additional risks and uncertainties of which the Company is currently unaware or that are unknown or that the Company currently deems to be immaterial could have a material adverse effect on the Company's business, prospects, financial condition, results of operations and cash flows. The Company cannot provide any assurances that it will successfully address any or all of these risks.

Negative cash flow from operations

During the fiscal year ended December 31, 2020, and the three-month period ended March 31, 2021, the Company had negative cash flow from operating activities. As at December 31, 2020 and March 31, 2021 the Company had a working capital deficiency of \$1,276,856 and working capital of \$197,324 respectively. Although the Company anticipates it will have positive cash flow from operating activities in future periods, to the extent that the Company has negative cash flow in any future period, certain of the net proceeds from an offering of Securities may be used to fund such negative cash flow from operating activities. If the Company experiences future negative cash flow, the Company may also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that the Company will be able to generate positive cash flow from its operations, that additional capital or other types of financing will be available when needed, or that these financings will be on terms favourable to the Company. In addition, the Company expects to achieve positive cash flow from operating activities in future periods. However, this is based on certain assumptions and subject to significant risks.

Going concern uncertainty

The Company's Interim Financial Statements were prepared on a going concern basis. The application of "going concern" depends upon the Company's ability to identify, evaluate and negotiate the acquisition of, participation in or interest in new assets or business opportunities, and its ability to attain profitable operations and generate funds therefrom, and raise equity capital or obtain the necessary financing sufficient to meet current and future obligations. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Although the Company has been successful at raising funds in the past through the issuance of securities, it is uncertain whether it will be successful in doing so in the future. The Company had total cash of \$1,849,930, working capital of \$197,324, and negative cash flow from operating activities of \$392,694 for the three months ended March 31, 2021. During the three months ended March 31, 2021, the Company collected \$2,763,477 and \$128,751 in gross proceeds from the exercise of share purchase warrants and share options respectively. Whether and when the Company can attain profitability and positive cash flows is uncertain. These uncertainties cast significant doubt upon the Company's ability to continue as a going concern. Such adjustments could be material. While the Company has been successful in obtaining financing to date, and believes it will be able to obtain sufficient funds in the future and ultimately achieve profitability and positive cash flows from operations, the Company's ability to raise capital may be adversely impacted by: market conditions that have resulted in a lack of normally available financing in the cannabis industry; increased competition across the industry; the industry's inability to quickly eliminate Canada's large illicit cannabis market and overall negative investor sentiment in light of the ongoing COVID-19 pandemic. Accordingly, there can be no assurance that the Company will achieve profitability, or secure financing on terms favourable to the Company or at all. If any of such events were to happen, holders of Securities could lose all or part of their investment. The Company's financial statements do not include any adjustments to the Company's recorded assets or liabilities that might be necessary if the Company becomes unable to continue as a going concern.

A positive return on Securities is not guaranteed

There is no guarantee that the Securities will earn any positive return in the short term or long term. A holding of Securities is speculative and involves a high degree of risk and should be undertaken only by holders whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. A holding of Securities is appropriate only for holders who have the capacity to absorb a loss of some or all of their holdings.

There is no assurance of a sufficient liquid trading market for the Common Shares in the future

Shareholders of the Company may be unable to sell significant quantities of Common Shares into the public trading markets without a significant reduction in the price of their Common Shares, or at all. There can be no assurance that there will be sufficient liquidity of the Company's Common Shares on the trading market, and that the Company will continue to meet the listing requirements of the CSE, the OTC PINK, or achieve listing on any other public listing exchange.

There is no existing trading market for the Warrants, Options, Subscription Receipts, Debt Securities or Units.

There is no existing trading market for the Warrants, Subscription Receipts, Debt Securities or Units. As a result, there can be no assurance that a liquid market will develop or be maintained for those Securities, or that a purchaser will be able to sell any of those Securities at a particular time (if at all). We may not list the Warrants, Options, Subscription Receipts, Debt Securities or Units on any Canadian or U.S. securities exchange.

Minimal operating history.

As the Company has minimal operating history, it is extremely difficult to make accurate predictions and forecasts of its finances. This is compounded by the fact the Company operates in the cannabis industry, which is rapidly transforming. There is no guarantee that the Company's operations will be profitable.

Reliance on single stream of income.

The Company directly owns 100% of the shares and the business of New Leaf USA Inc. New Leaf USA Inc. is a Washington holding company, holding 100% interests in New Leaf USA Inc. Subsidiaries engaging in business ancillary to cannabis and holding equipment, a real estate lease and intellectual property. These businesses have material contracts with the Washington-State cannabis License Holder. The License Holder holds a "marijuana producer" license and "marijuana processor" license both issued by the WSLCB. The New Leaf USA Inc. Subsidiaries' activities and resources have been focused on Washington. The Company is in a business relationship with the License Holder for the foreseeable future. Adverse changes or developments affecting the License Holder, or marijuana businesses generally, could have a material and adverse effect on the Company's business, financial condition and prospects. If the License Holder was to discontinue or fundamentally change their business, the Company's business may fail and shareholders may lose their investment.

Possible licenses jeopardy.

Any problems associated with the business of the License Holder will have an adverse effect on the Company's business, operating results and financial condition. Washington State has a very rigid regulatory framework. Problems associated with the License Holder may include loss of WSLCB licenses to do business, delays and other problems in production, regulatory interference, including inspections and penalties for violations of the Washington Administrative Code, which may include loss of the license. The License Holder may have undertaken activities that were non-compliant and therefore there is no certainty that the License Holder will continue to hold the license for any amount of time. The WSLCB licenses to produce and process recreational and/or medical marijuana are subject to annual renewal. Renewal of the licenses is not guaranteed. Any of the above may affect the revenues and operations of the business; or cause additional unforeseen circumstances.

Possible asset seizure.

The equipment held by New Leaf Equipment LLC is subject to encumbrances in the form of liens and other charges filed in respect of unpaid taxes of the License Holder. To address this, the License Holder has agreed that any amounts payable under the Equipment Promissory Note and the IP Promissory Note, pursuant to the terms of the Equipment Escrow Agreement and IP Escrow Agreement (as each is defined in the AIF), will be first applied to satisfy and discharge all such encumbrances. However, unless and until such encumbrances are satisfied and discharged in full, there is risk that the Equipment could be subject to seizure or forfeiture. Any loss of equipment could have an adverse effect on the Company's business, operating results and financial condition.

In addition, the License Holder's assets are also subject to the same liens and charges in respect of unpaid taxes of the License Holder. Unless and until such encumbrances are satisfied and discharged in full, there is risk that the License Holder's assets could be subject to seizure or forfeiture. Any loss of such assets could have an adverse effect on the

License Holder, and therefore, have an adverse effect on the Company's business, operating results and financial condition.

Probable lack of business diversification.

Because the Company is focused on developing its business ancillary to the cannabis industry, the hemp business, and potentially directly in the cannabis industry, the prospects for the Company's success are dependent upon the future performance and market acceptance of the Company's intended facilities, products, processes, and services. Unlike certain entities that have the resources to develop and explore numerous product lines, operating in multiple industries or multiple areas of a single industry, the Company does not anticipate the ability to immediately diversify or benefit from the possible spreading of risks or offsetting of losses. Again, the prospects for the Company's success may become dependent upon the development or market acceptance of a very limited number of facilities, products, processes or services.

Rapid growth and consolidation of the cannabis industry.

The cannabis industry and businesses ancillary to and directly involved with cannabis businesses are undergoing rapid growth and substantial change, which has resulted in an increase in competitors, consolidation and formation of strategic relationships. Acquisitions or other consolidating transactions could harm the Company in a number of ways, including by losing strategic partners if they are acquired by or enter into relationships with a competitor, losing customers, revenue and market share, or forcing the Company to expend greater resources to meet new or additional competitive threats, all of which could harm the Company's operating results. As competitors enter the market and become increasingly sophisticated, competition in the Company's industry may intensify and place downward pressure on retail prices for its products and services, which could negatively impact its profitability. The Company continues to sell shares for cash to fund operations, capital expansion, mergers and acquisitions that will dilute the current shareholders.

There is no guarantee that the Company will be able to achieve its business objectives. The continued development of the Company may require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or the Company going out of business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to the Company.

If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Common Shares. The Company's articles permit the issuance of an unlimited number of Common Shares, and shareholders will have no pre-emptive rights in connection with such further issuance. The directors of the Company have discretion to determine the price and the terms of issue of further issuances. Moreover, additional Common Shares will be issued by the Company in connection with awards granted under the Equity Incentive Plan (as defined in the AIF) and upon the exercise of outstanding warrants. In addition, from time to time, the Company may enter into transactions to acquire assets or the shares of other companies. These transactions may be financed wholly or partially with debt, which may temporarily increase the Company's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. The Company may require additional financing to fund its operations to the point where it is generating positive cash flows. Negative cash flow may restrict the Company's ability to pursue its business objectives.

COVID-19

The outbreak of the novel coronavirus, or COVID-19, which was declared a pandemic by the World Health Organization in March 2020, has spread across the globe and is impacting economic activity worldwide. In response to the outbreak, governmental authorities in Canada and internationally have introduced various recommendations and measures to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, quarantines, self-isolations, shelters-in-place and social distancing. The COVID-19 pandemic and the response of governmental authorities to try to limit it have had, and continue to have, a significant impact on the private sector and individuals, including unprecedented business, employment and economic disruptions.

The Company expects to experience some short to medium term negative impacts from the COVID-19 outbreak; however, the extent of such impacts is currently unquantifiable, but may be significant. Such impacts include, with

respect to its operations, its suppliers' operations and its customers' operations, forced closures, mandated social distancing, isolation and/or quarantines, impacts of declared states of emergency, public health emergency and similar declarations and could include other increased government regulations, a material reduction in demand for the Company's products and services, reduced sales, higher costs for new capital, licensing delays, increased operating expenses, delayed performance of contractual obligations, and potential supply and staff shortages, all of which are expected to negatively impact the business, financial condition and results of operations of the Company and thus may impact the ability of the Company to comply with financial covenants, and its ability to satisfy its obligations to its lenders and other parties, which may in turn may adversely impact, among other things, the ability the Company to access debt or equity capital on acceptable terms or at all.

LEGAL MATTERS AND INTEREST OF EXPERTS

Certain legal matters relating to an offering and sale of Securities will be passed upon on behalf of the Company by Cassels Brock & Blackwell LLP with respect to matters of Canadian law. In addition, certain legal matters in connection with an offering and sale of Securities will be passed upon for any underwriters, dealers or agents by counsel to be designated at the time of such offering and sale by such underwriters, dealers or agents with respect to matters of Canadian and, if applicable, United States or other foreign law. As at the date hereof, the partners and associates of Cassels Brock & Blackwell LLP, as a group, own less than 1% of the outstanding Securities of the Company.

Davidson & Company LLP, as auditors of the Company as of and for the periods ended December 31, 2020 and 2019, has confirmed to the Company that it is independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

PROMOTER

Mike Stier, the CEO and President of the Company, is considered to be a promoter of the Company. As of the date of this Prospectus, Mike Stier holds, directly and indirectly 575,000 Common Shares and 125,000 stock options to purchase Common Shares, representing 1.43% of the Common Shares outstanding.

Robert Colwell, a director of the Company, is considered to be a promoter of two subsidiaries of the Company, New Leaf Enterprises Inc. and New Leaf USA Inc. Mr. Colwell holds, directly and indirectly 6,329,338 Common Shares and 125,000 stock options to purchase Common Shares, representing 13.14% of the Common Shares outstanding.

Boris Gorodnitsky, a director of the Company, is considered to be a promoter of two subsidiaries of the Company, New Leaf Enterprises Inc. and New Leaf USA Inc. Mr. Gorodnitsky holds, directly and indirectly 6,329,338 Common Shares and 125,000 stock options to purchase Common Shares, representing 13.14% of the Common Shares outstanding.

No Promoter of the Company is, as at the date of this Prospectus, or has been within the 10 years prior to the date of this Prospectus, a director or executive officer of any person or company that, while the promoter was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its asset.

No promoter of the Company has, within the 10 years prior to the date of this Prospectus, become bankrupt, made a proposal under any legislation relation to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the promoter.

AUDITORS, TRANSFER AGENT AND REGISTRAR

Davidson & Company LLP, Certified Public Accountants, is independent of the Company in accordance with Code of Professional Conduct of the Chartered Professional Accountants of British Columbia and the Canadian Securities Authority. **Davidson & Company LLP** has performed the audit in respect of certain financial statements incorporated by reference herein or attached hereto. As of the date hereof, **Davidson & Company LLP**, and its partners and associates, beneficially own, directly or indirectly, in their respective groups, less than 1% of any class of outstanding

securities of the Company. The transfer agent and registrar for the Common Shares is Odyssey Trust Company at its principal offices in Vancouver, British Columbia.

ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS

Robert Colwell, Lee White and Boris Gorodnitsky, who are each current directors of the Company, reside outside of Canada. Although our current directors and officers who reside outside Canada either have an office in Canada or have appointed Cassels, Brock & Blackwell LLP, Suite 2200, HSBC Building, 885 West Georgia Street, Vancouver, BC V6C 3E8, as their agent for service of process in Canada, it may not be possible for purchasers to enforce against such persons judgments obtained in Canadian courts.

STATUTORY AND CONTRACTUAL RIGHTS OF WITHDRAWAL AND RESCISSION

Unless provided otherwise in a Prospectus Supplement, the following is a description of a purchaser's statutory rights. Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal advisor.

In an offering of Securities which are convertible, exchangeable or exercisable for other securities of the Company, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in this Prospectus is limited, in certain provincial and territorial securities legislation, to the price at which the Securities which are convertible, exchangeable or exercisable for other securities of the Company are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces and territories, if the purchaser pays additional amounts upon the conversion, exchange or exercise of the Security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces and territories. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of this right of action for damages or consult with a legal advisor.

Original purchasers of Securities which are convertible, exchangeable or exercisable for other securities of the Company (unless the Securities are reasonably regarded by the Company as incidental to the applicable offering as a whole) will have a contractual right of rescission against the Company in respect of the conversion, exchange or exercise of such Securities. The contractual right of rescission will be further described in any applicable Prospectus Supplement, but will, in general, entitle such original purchasers to receive, upon surrender of the underlying securities, the original amount paid for the applicable convertible, exchangeable or exercisable Securities and any additional amount paid upon conversion, exchange or exercise thereof, in the event that this Prospectus, the relevant Prospectus Supplement or an amendment thereto contains a misrepresentation, provided that: (i) the conversion, exchange or exercise takes place within 180 days of the date of the purchase of such Securities under this Prospectus and the applicable Prospectus Supplement; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of such Securities under this Prospectus and the applicable Prospectus Supplement.

CERTIFICATE OF THE COMPANY

Dated July 26, 2021

This short form base shelf prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this short form base shelf prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this short form base shelf prospectus and the supplement(s) as required by the securities legislation of each of the provinces and territories of Canada.

(Signed) MIKE STIER
Chief Executive Officer

(Signed) TERENCE LEE
Chief Financial Officer

On behalf of the Board of Directors

(Signed) ROBERT COLWELL
Director

(Signed) BORIS GORODNITSKY
Director

CERTIFICATE OF THE PROMOTERS

Dated July 26, 2021

This short form base shelf prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this short form base shelf prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this short form base shelf prospectus and the supplement(s) as required by the securities legislation of each of the provinces and territories of Canada.

(Signed) MIKE STIER
Chief Executive Officer

(Signed) ROBERT COLWELL
Director

(Signed) BORIS GORODNITSKY
Director