

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: Nextleaf Solutions Ltd. (the "Issuer" or "Nextleaf")

Trading Symbol: OILS

Number of Outstanding Listed Securities: 120,505,726

Date: August 5, 2020

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

Nextleaf is developing disruptive intellectual property (IP) for industrial-scale extraction, purification and formulation of cannabinoids. Nextleaf owns a portfolio of over 40 issued patents and over 60 pending patents pertaining to the production of high-purity, cannabinoid rich distillate, the key ingredient used in the manufacturing of standardized tetrahydrocannabinol (THC) and cannabidiol (CBD)

infused products. The Issuer's patented, industrial-scale extraction and purification plant in Coquitlam, B.C. has a design capacity to process 600 kg per day of dried cannabis or hemp biomass into refined THC and CBD oils. Nextleaf Solutions commercializes its patent portfolio through IP licensing, and supplying THC and CBD oils through Nextleaf Labs Ltd., a Health Canada licensed Standard Processor.

On July 6, 2020 Nextleaf announced Nextleaf Labs Ltd. ("Nextleaf Labs" or "Labs"), a Health Canada licensed standard processor of which the acquisition by OILS is pending, entered into a bulk supply agreement with a B.C.-based multi-licensed cannabis producer focused on the distribution of adult-use cannabis products through provincial markets. Pursuant to the agreement, Nextleaf Labs has agreed to supply 50 kilograms of THC distillate to the purchaser. The Issuer also announced that it has issued 68,126 shares at a price of \$0.285 per share under its Employee Equity Participation Plan implemented on April 1st in response to the COVID-19 pandemic to align the efforts and compensation of non-executive employees with the Issuer's long-term business strategy.

On July 15, 2020 Nextleaf announced the Canadian Intellectual Property Office granted the Issuer its 40th issued patent. This latest patent pertains to the acetylation of cannabinoids. More specifically, the patent describes a process for acetylating delta 9-tetrahydrocannabinol ("THC") and its subsequent refinement into THC-O-Acetate using salting-out assisted liquid-liquid extraction and distillation techniques.

On July 30, 2020 Nextleaf announced it completed the previously announced acquisition of all of the issued and outstanding shares of Nextleaf Labs (the "Acquisition"). The closing of the Acquisition represents an important milestone for the Issuer, allowing Nextleaf to continue the commercialization of its intellectual property ("IP") portfolio through the production and wholesale of THC and CBD based oils and concentrates by Labs.

As consideration for the Acquisition, Nextleaf issued 1,000,000 common shares (the "Shares") to the sole shareholder of Labs (the "Seller") at a deemed price of \$0.385 per share for aggregate consideration of \$385,000. 250,000 Shares were released to the Seller on closing, with the remaining 750,000 Shares subject to an escrow agreement providing for the release of such Shares in three equal tranches every six months. All Shares issued are subject to a four month and one day hold period in accordance with Canadian securities laws.

2. Provide a general overview and discussion of the activities of management.
See item 1 above.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.
Not applicable.
4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.
Not applicable.
5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.
See item 1 above.
6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.
Not applicable.
7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.
See item 1 above.
8. Describe the acquisition of new customers or loss of customers.
Not applicable.
9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.
See item 1 above.
10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.
Not applicable.
11. Report on any labour disputes and resolutions of those disputes if applicable.
Not applicable.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

Not applicable.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

Not applicable.

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds
Common Shares	68,126	Issued pursuant to Employee Equity Participation Program in lieu of a portion of an employee's cash compensation at a deemed price of \$0.285 per common share.	N/A
Common Shares	1,000,000	Issued for an asset acquisition at a deemed price of \$0.385	N/A

15. Provide details of any loans to or by Related Persons.

Not applicable.

16. Provide details of any changes in directors, officers or committee members.

Not applicable.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

The trends and risks which are likely to impact the Issuer are detailed in the Issuer's Quarterly Financial Statements and Management Discussion and Analysis for the six months ended March 31, 2020 under the heading "Risks and Uncertainties". The Financial Statements and Management Discussion and Analysis are available on the Issuer's SEDAR profile at www.sedar.com and on the Issuer's disclosure with the CSE at www.thecse.com.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated August 5, 2020.

Paul Pedersen
Name of Director or Senior
Officer

"Paul Pedersen"
Signature
CEO
Official Capacity

Name of Issuer: Nextleaf Solutions Ltd.	For Month End: July 2020	Date of Report: (YY/MM/DD) 20/08/05
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City/Province/Postal Code: Vancouver, BC, V6B 1A4	Issuer Fax No.: (604) 357-1030	Issuer Telephone No.: (604) 283-2301
Contact Name: Paul Pedersen	Contact Position: CEO	Contact Telephone No.: (604) 283-2301
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