

Nextleaf Solutions Granted Patent for CBD Prodrug and Prepares for Pharmaceutical Participation

VANCOUVER, January 18, 2021 - Nextleaf Solutions Ltd. ("**Nextleaf**", "**OILS**", or the "**Company**") (**CSE: OILS**) (**OTCQB: OILFF**), the world's most innovative cannabis extractor, announced today that the Canadian Intellectual Property Office has granted the Company a patent for the acetylation of cannabinoids. More specifically, the patent covers a process for acetylating cannabidiol ("CBD"), and subsequent refinement of CBD-O-Acetate using a proprietary extraction and distillation technique.

The Company owns 12 issued U.S. patents and 70 issued patents globally for the extraction, purification, and delivery of cannabinoids - representing the 2nd largest patent portfolio among all cannabis companies.

"We expect the results of the 2020 U.S. elections will have a transformational effect on the commercial value of our U.S. patent portfolio," stated Paul Pedersen, CEO of Nextleaf Solutions. "The world's largest cannabis company launching the industry's first patent infringement lawsuit against GW Pharma on December 22, 2020 demonstrates the value of patents and intellectual property in the cannabis industry."

This patented process to produce CBD-O-Acetate enables the standardization of a more potent analog of CBD through targeted drug delivery. Prodrugs utilize various physical and chemical modifications to improve features of active drugs. Maintaining the integrity of the molecule and its ability to deliver drugs to precisely targeted areas in the body may increase efficacy for desired outcomes.

The Company believes an orally consumable CBD metabolic prodrug produced under its patented process for acetylating cannabidiol will enhance the therapeutic potency of CBD.

OILS already owns U.S. patents for the acetylation of THC, and the acetylation of CBD. The Company's patent portfolio and Health Canada licenses for cannabis processing and research presents an entry point for pharmaceutical firms looking to manufacture cannabinoid prodrugs in a federally legal jurisdiction.

The Company plans to commercialize this intellectual property ("IP") through IP licensing, and the production of IP protected cannabinoid-based products as legally permitted by Health Canada.

Nextleaf has engaged Kronos Capital Partners Inc. ("Kronos") to pursue and evaluate global strategic partners and investors. Kronos is a strategic advisor and an active investor in the global cannabis and life science sectors.

About Nextleaf®

OILS is the world's most innovative cannabis extractor, having developed the 2nd largest portfolio of U.S. patents among all cannabis companies. The Company wholesales THC and CBD oils and provides extraction services through its wholly owned subsidiary Nextleaf Labs Ltd. The Company's automated closed-loop extraction plant in Metro Vancouver has a design capacity to process 600 kg per day of dried cannabis biomass into distilled oils. Nextleaf Labs holds Health Canada licenses for standard processing and research under the Cannabis Act, allowing for a number of licenced activities including sensory evaluation of cannabis via human testing. The Company owns a portfolio of 12 issued U.S. patents, and 70 issued patents globally, for the extraction, purification, and delivery of cannabinoids.

Nextleaf Solutions trades as OILS on the Canadian Securities Exchange, OILFF on the OTCQB Market in the United States, and LOMA on the Frankfurt Stock Exchange.

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On behalf of the Board of Directors of the Company,

Paul Pedersen, CEO

Certain statements contained in this press release constitute "forward-looking statements". All statements other than statements of historical fact contained in this press release, including, without limitation, those regarding the Company's ability to capitalize on its IP portfolio, the Company's strategy, plans, objectives, goals and targets, and any statements preceded by, followed by or that include the words "believe", "expect", "aim", "intend", "plan", "continue", "will", "may", "would", "anticipate", "estimate", "forecast", "predict", "project", "seek", "should" or similar expressions or the negative thereof, are forward-looking statements. These statements are not historical facts but instead represent only the Company's expectations, estimates and projections regarding future events. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to the risk factors discussed in the Company's MD&A for the most recent fiscal period. Management provides forward-looking statements because it believes they provide useful information to investors when considering their investment objectives and cautions investors not to place undue reliance on forward-looking information. Consequently, all of the forward-looking statements made in this press release are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Company. These forward-looking statements are made as of the date of this press release and the Company assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise, except as required by law. The CSE has not reviewed or approved the contents of this press release.