

Nextleaf Announces Initial Entry into Branded Consumer Products

VANCOUVER, May 13, 2021 - Nextleaf Solutions Ltd. (CSE: OILS) (OTCQB: OILFF) (FSE: LOMA) ("Nextleaf", "OILS", or the "Company"), the world's most innovative cannabis extractor, is pleased to announce its initial entry into branded consumer products, with the acquisition of all rights associated with the award-winning, prohibition-era brand, "Glacial Gold", a previous category leader in speciality concentrates and extracts, with market validated formulations.

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"In alignment with our B2B extraction and processing business, this launch into B2C branded products allows us to fulfill the value of our IP through commercialization, diversify revenue streams, and utilize the cannabis plant to its full potential," said Nextleaf CEO Paul Pedersen. "Our established advantage in processing efficiency, and low-cost, high purity cannabinoid ingredients translates easily into manufacturing Glacial Gold products at scale."

About Glacial Gold

Best known for its award-winning cannabis concentrates (2017 Karma Cup, 2016 Canadian Cannabis Awards), Glacial Gold built traction around a portfolio of accessibly priced extracts and specialty concentrates, formulated with quality at the forefront. The brand earned deep loyalty with consumers for providing unparalleled value and gained recognition through distribution on a national scale.

Glacial Gold pioneered many processing techniques as part of its product development, such as triple-distilled, cold extraction that helped differentiate Glacial Gold from its competitors.

"Our entire team is motivated to see a legacy brand with deep roots in our BC backyard, make the successful leap into the recreational market and legal-era," said Nextleaf CTO Ryan Ko.



Commercialization Strategy

Nextleaf and Glacial Gold have signed a copyright release which will include rights for Nextleaf to use the “Glacial Gold” brand identity on any products and formulations at the Company’s discretion, in addition to an existing online presence and audience base across multiple channels. The Company plans to refresh the brand as part of its launch strategy, while still retaining the brand’s fun, engaging, authentic identity.

Following receipt of its Sales Amendment in April 2021, Nextleaf, through its wholly-owned subsidiary Nextleaf Labs Ltd. (“Nextleaf Labs” or “Labs”), filed initial applications with the provincial distribution boards for British Columbia and Alberta as part of the preliminary listing process, prior to entry into retail. Additional expansion across Canada is targeted for later this year.

“Our initial launch will include a broadly appealing, market-validated product assortment featuring distillate produced through Nextleaf Labs,” said Nextleaf Director of Marketing Emma Andrews. “We have our sights set on additional product formats that consumers have come to know and love from Glacial Gold, as well as innovation that will welcome in the next generation of consumers. This is a brand everyone can enjoy.”

OILS also plans to leverage the Human Trials Amendment to its Research Licence during formulation and product development, as well as during retail roll-out to engage and educate buyers and decision-makers. “We can offer unparalleled value and access through our unique combination of IP and licenses,” said Andrews. “We’ve been building towards this gold-rush and we’re ready to shake things up.”

Extension of Early Warrant Exercise Incentive Program

Nextleaf is also pleased to announce it has extended its warrant exercise incentive program designed to encourage exercise of up to 10,400,000 of its outstanding share purchase warrants (the “**Warrants**”) through July 15, 2021 and has amended the expiry date of the Warrants from May 15, 2021 to July 15, 2021. As previously announced, the Company amended the exercise price of the Warrants to \$0.265 per common share of the Company (each, a “**Share**”).

Under the incentive program, the Company is offering an inducement to each holder of Warrants (each, a “**Warrantholder**”) who exercises their Warrants prior to July 15, 2021. All Warrantholders who exercise their Warrants prior to July 15, 2021 will receive one additional share purchase warrant (each, an “**Incentive Warrant**”) for each Warrant exercised. Each Incentive Warrant will entitle the holder to purchase one additional Share at \$0.35 per Share until July 15, 2022 (the “**Term**”), subject to acceleration. If, for any ten consecutive trading days during the Term, the closing price of the Shares on the Canadian Securities Exchange (the “**CSE**”) exceeds \$0.44 then, upon the Company sending to the holders of the Incentive Warrants notice of acceleration of the expiry date by way of a news release, the Incentive Warrants will only be exercisable for a period of 30 days following the date of such news release. Any Shares issued upon exercise of the Incentive Warrants will be subject to a statutory four-month and one day hold period from the date of issuance of the Incentive Warrants.

If, for any 10 consecutive trading days during the unexpired term of the Warrants the closing price of the Shares on the CSE exceeds \$0.33, then, upon the Company sending to the Warrantholders notice of acceleration of the expiry date by way of a news release, the Warrants will only be exercisable for a period of 30 days following the date of such news release.

Nextleaf Issues Shares

As part of the acquisition of Glacial Gold rights and associated material, the Company issued 440,000 common shares at a deemed price of \$0.25 per share.

Nextleaf has issued an aggregate of 427,500 common shares at a deemed price of \$0.25 per share to consultants of the Company, as compensation for services provided.

About Nextleaf®

Nextleaf is an innovative cannabis processor that owns one of the largest portfolios of US patents for the extraction, distillation, and delivery of cannabinoids. Through its wholly-owned subsidiary Nextleaf Labs Ltd, a licensed processor, the Company is a low-cost producer of cannabis distillate and private label THC & CBD oils. Nextleaf’s proprietary closed-loop automated extraction plant in Metro Vancouver has a design capacity to process 600 kilos of dried cannabis into oil per day. The Company owns 13 US patents and has been issued over 70 patents globally. Nextleaf is developing delivery technology

through its Health Canada Research Licence with sensory evaluation of cannabis via human testing. The Company's proprietary RAPID Emulsion Technology by OILS™ powers differentiated ingestible cannabis products.

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](#).

Follow OILS across social media platforms: [Twitter](#), [LinkedIn](#), [Facebook](#), and [Instagram](#).

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On behalf of the Board of Directors of the Company,
Paul Pedersen, CEO

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