

Nextleaf to Launch THC-O as an Excise Tax-Free Alternative to Delta-9-THC

Nextleaf Becomes First in Canada to Legally Produce THC-O

VANCOUVER, June 23, 2022 - Nextleaf Solutions Ltd. ("**Nextleaf**" or the "**Company**") (**CSE: OILS**) (**OTCQB: OILFF**) (**FSE: LOMA**), a federally regulated manufacturer and distributor of cannabis extracts including vapes and oils, is pleased to provide an update on its Specialty Molecules division, specifically the Company's patented novel route of manufacturing Δ^9 -tetrahydrocannabinol acetate (Δ^9 -THC-OAc, **delta-9-THC-OAc**, **THC-OAc**), colloquially referred to as THC-O ("**THC-O**").

Nextleaf has recently produced THC-O under the Company's Health Canada Research Licence in anticipation of commercialization. Nextleaf has validated its manufacturing process of THC-O through third-party analytical testing.

The Company is of the understanding that THC-O is not subject to excise tax as it does not meet the definition of "Total THC" as defined under the *Excise Act 2001*, which is aligned with the definition of the same in the *Cannabis Act*.

In Canada, excise tax of a regulated cannabis extract is based on the amount of total delta-9-THC present. Excise tax is a critical issue in the industry, with some cannabis products manufactured with delta-9-THC subject to excise tax over 40% of the duty paid landed cost to provincial government distributors and medical cannabis distributors.

With THC-O, Nextleaf sees potential for market disruption by marketing its novel cannabinoid ingredient as an excise tax-free alternative to delta-9-THC. Nextleaf intends to commercialize the ingredient as a therapeutic product distributed to provincial distributors and medical cannabis sales partners under the Company's Health Canada cannabis licences.

Anecdotally, THC-O products have a more gradual onset, are longer-lasting, and have psychedelic-like effects, as compared to delta-9-THC.

"With Nextleaf's reputation for manufacturing standardized cannabinoid-based ingredients, and distributing Glacial Gold branded products through provincial government distributors, and pharmacies from Coast to Coast, we are excited to lead the way globally on the development of excise tax-free THC-O products manufactured within Health Canada's regulatory framework," said Nextleaf Co-Founder and CEO, Paul Pedersen.

Nextleaf's patented process to manufacture THC-O enables the standardization of a more potent analog of THC. The Company holds U.S. and Canadian patents, along with a U.S. patent for a less efficient method to produce THC-O.

Since the *2018 Farm Bill* was passed in the United States, unregulated hemp derived CBD is sold nationwide in the U.S., even in states that have not legalized Delta-9-THC. Because THC-O can be synthesized from hemp, the United States is seeing a surge in popularity for unregulated products marketed as hemp derived THC-O. These products are now being sold alongside the unregulated hemp derived cannabidiol (CBD) products on shelves at gas stations and corner stores throughout the United States.

Nextleaf develops cannabinoid-based vape formulations under its Health Canada Research Licence with sensory evaluation of cannabis via human testing.

CEO Paul Pedersen joined Steve Darling from Proactive to provide more insight: <https://www.youtube.com/watch?v=tTp6cyuEemw>

About Nextleaf Solutions Ltd.

Nextleaf® is a federally regulated manufacturer and distributor of cannabis vapes and oils under its award-winning prohibition-era brand, *Glacial Gold*™. The Company's multi-patented ingredient processing technology transforms cannabis and hemp biomass into high-purity distillate at an industrial scale. Nextleaf is a low-cost producer of cannabis oils, and supplier of THC and CBD ingredients to qualified wholesale partners across Canada. Nextleaf is the first publicly traded company to be issued a U.S. patent for the industrial extraction and purification of cannabinoids. The Company has been issued 18 U.S. patents, and over 95 patents globally, on cannabinoid processing including distillation and acetylation. Nextleaf develops cannabinoid-based formulations and delivery technology through its Health Canada Research Licence with sensory evaluation of cannabis via human testing. For more information visit www.nextleafsolutions.com and www.Glacial.Gold

Nextleaf trades as [OILS on the Canadian Securities Exchange](#), [OILFF on the OTCQB Market in the United States](#), and [L0MA on the Frankfurt Stock Exchange](#).

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On behalf of the Board of Directors of the Company,

Paul Pedersen, CEO

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