

## FORM 10

### **NOTICE OF PROPOSED SIGNIFICANT TRANSACTION (not involving an issuance or potential issuance of a listed security)<sup>1</sup>**

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

Trading Symbol: OILS

Issued and Outstanding Securities of the Issuer Prior to Transaction: 108,123,044

Date of News Release Fully Disclosing the Transaction: December 17, 2019

#### **1. Transaction**

1. Provide details of the transaction including the date, description and location of assets, if applicable, parties to and type of agreement (eg: sale, option, license, contract for Investor Relations Activities etc.) and relationship to the Issuer. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material: The Issuer, through its wholly-owned subsidiary Nextleaf Innovations Ltd. ("Nextleaf Innovations"), entered into a Licence and Distribution Royalty Agreement (the "Agreement") effective December 16, 2019. The Licensee was granted a non-exclusive, revocable, worldwide, royalty bearing licence to commercialize and distribute certain intellectual property, specifically, three issued and pending patents related to post-extraction processing equipment ("IP") developed by Nextleaf Innovations. Nextleaf Innovations will receive a royalty equal to 20% of the Licensee's gross revenue from all sources in exchange for, among other consideration, the licensed IP. Nextleaf Innovations will provide the Licensee with initial working capital and strategic support during the indefinite term of the Agreement. Should the Agreement be terminated within five years of the effective date, for any reason, the Licensee and the Licensee Shareholder will be responsible to repay the cash contribution to Nextleaf Innovations within 30 days of termination. The Agreement may be terminated by Nextleaf Innovations if the Licensee does not meet certain annual sales targets.
2. Provide the following information in relation to the total consideration for the transaction (including details of all cash, non-convertible debt securities or other consideration) and any required work commitments:

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<sup>1</sup> If the transaction involved the issuance of securities, other than debt securities that are not convertible into listed securities, use Form 9.

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- (a) Total aggregate consideration in Canadian dollars: \$200,000 .
- (b) Cash: \$200,000 cash contribution within 60 days following the effective date to be used by the Licensee for general working capital.
- (c) Other: N/A .
- (d) Work commitments: N/A .
3. State how the purchase or sale price and the terms of any agreement were determined (e.g. arm's-length negotiation, independent committee of the Board, third party valuation etc). Arm's length negotiation.
4. Provide details of any appraisal or valuation of the subject of the transaction known to management of the Issuer: N/A  
\_\_\_\_\_ .
5. If the transaction is an acquisition, details of the steps taken by the Issuer to ensure that the vendor has good title to the assets being acquired: N/A  
\_\_\_\_\_ .
6. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the transaction (including warrants, options, etc.): N/A
- (a) Details of any dealer, agent, broker or other person receiving compensation in connection with the transaction (name, address. If a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer): \_\_\_\_\_ .
- (b) Cash \_\_\_\_\_ .
- (c) Other \_\_\_\_\_ .
7. State whether the vendor, sales agent, broker or other person receiving compensation in connection with the transaction is a Related Person or has any other relationship with the Issuer and provide details of the relationship. N/A  
\_\_\_\_\_ .

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SIGNIFICANT TRANSACTION**

8. If applicable, indicate whether the transaction is the acquisition of an interest in property contiguous to or otherwise related to any other asset acquired in the last 12 months. N/A
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**2. Development N/A**

Provide details of the development. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material: \_\_\_\_\_

**3. 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. To the knowledge of the Issuer, at the time an agreement in principle was reached, no party to the transaction had knowledge of any undisclosed material information relating to the Issuer, other than in relation to the transaction.
3. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
4. 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).
5. All of the information in this Form 10 Notice of Proposed Significant Transaction is true.

Dated December 19, 2019.

Charles Ackerman \_\_\_\_\_  
Name of Director or Senior  
Officer

*“Charles Ackerman”* \_\_\_\_\_  
Signature

CFO \_\_\_\_\_  
Official Capacity