

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: OILS

Number of Outstanding Listed Securities: 107,775,095

Date: July 8, 2019

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 an extraction technology company that has developed a portfolio of issued and pending patents pertaining to the Issuer's unique, industrial-scale process of producing purified cannabinoid distillate, a tasteless, odourless cannabis concentrate best suited for infusing premium value-added products. Nextleaf has completed construction of its dedicated extraction and processing

facility in Greater Vancouver, British Columbia. The Issuer's facility is awaiting final Health Canada inspection. The Issuer is actively developing a protecting intellectual property pertaining to the extraction, refinement, and purification of cannabinoids.

On June 24, 2019 the Issuer announced that it entered into an agreement to acquire a U.S. patent pending hydrocarbon extraction process and award-winning formulation for a cannabis concentrate, also known as "shatter", a popular concentrate product set to become legal across Canada on October 17, 2019. This unique patent pending butane hash oil, or "BHO", extraction process and formulation produces a broad spectrum cannabis concentrate with a rich terpene profile, unlike any product currently available on the Canadian legal cannabis market. The chemical selectivity of the proprietary solvent mixture, coupled with the specific processing techniques and operating parameters, efficiently extracts terpenes and cannabinoids from cannabis flower to produce a full-flavour concentrate void of undesirable waxes and pigments. On June 14, 2019 Health Canada released updated regulations for the production and sale of a variety of THC and CBD based concentrates and derivatives. These consumer products will start to be available for sale to medical patients and adult-use consumers across Canada by December 2019. Nextleaf will acquire the process and formulation from an arms' length third party, pursuant to an asset purchase agreement. As consideration, Nextleaf issued 444,444 common shares at a deemed price of \$0.45 per share. The shares issued are subject to a four (4) month hold period pursuant to applicable securities laws. The acquisition of the BHO extraction process and shatter formulation follows Nextleaf recently being issued multiple patents for extraction technology the Issuer had previously acquired. The United States Patent and Trademark Office issued a patent to Nextleaf pertaining to the Issuer's proprietary process of extraction, refinement, and distillation of cannabinoids from cannabis biomass. Nextleaf's portfolio of three (3) issued and 24 pending patents - including the newly acquired patent pending BHO process - are part of its overall strategy to develop and protect IP pertaining to the production of innovative cannabinoid-based products geared towards both medical cannabis patients and adult-use consumers. With concentrates legal in Canada later this year, Nextleaf plans to commercialize its IP portfolio by providing B2B processing services to licensed cultivators and supplying cannabis oils and concentrates to qualified Canadian and international partners under the client's own brands.

Licensing Update

The site evidence package has been filmed at Nextleaf's built-out extraction and processing facility in Greater Vancouver, British Columbia. The recent changes by Health Canada to its licensing process now require a submission of a site evidence package as a final step to licensing. Health Canada has indicated a service standard goal for response time within 60 days from submission of a completed site evidence package.

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.

Not applicable.

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.

Not applicable.

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	100,000	Exercise of Stock Options	General Working Capital
Common Shares	444,444	444,444 common shares issued through an asset acquisition at a deemed price of \$0.45	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.

Not applicable.

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: July 8, 2019

Charles Ackerman
Name of Director or Senior
Officer

"Charles Ackerman"
Signature

CFO
Official Capacity

Issuer Details

Name of Issuer: Nextleaf Solutions Ltd.	For Month End: June 2019	Date of Report: (YY/MM/DD) 19/07/08
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Contact Name: Paul Pedersen	Contact Position: CEO	Contact Telephone No.: (604) 283-2301
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