

FORM 8

NOTICE OF PROPOSED PROSPECTUS OFFERING

Please complete the following:

Name of Listed Issuer: Nextleaf Solutions Ltd. (the “**Issuer**”).

Trading Symbol: OILS

Date: December 15, 2021

Is this an updating or amending Notice: ☐ Yes ☒ No

If yes provide date(s) of prior Notices: _____.

Issued and Outstanding Securities of Issuer Prior to Proposed Prospectus Offering:
125,318,208.

Date of News Release Announcing Proposed Prospectus Offering: December 7, 2021
and December 14, 2021.

1. Prospectus Offering

1. Description of securities to be issued:

- (a) Class Units of the Issuer (“Units”) comprised of one common share in the capital of the Issuer (each, a “Common Share”) and one Common Share purchase warrant (a “Warrant”).
- (b) Number Up to 15,000,000 Units with an over-allotment option (the “Over-Allotment Option”) of Research Capital Corporation (the “Agent”) to purchase up to 2,250,000 additional Units (or the components thereof) for a total offering of up to 17,250,000 Units (the “Offering”).
- (c) Price per security \$0.20 (the “Offering Price”) .
- (d) Voting rights Each Common Share entitles the holder thereof to one vote at meetings of shareholders of the Issuer other than meetings of the holders of another class of shares.

2. Provide details of the net proceeds to the Issuer as follows:

- (a) Per security: \$0.20 per Unit.

- (b) Aggregate proceeds: Up to \$3,450,000 if the entire Over-Allotment Option is exercised.
3. Provide description of any Warrants (or options) including:
- (a) Number Up to 17,250,000 Warrants if the entire Over-Allotment Option is exercised.
- (b) Number of securities eligible to be purchased on exercise of Warrants (or options) Up to 17,250,000 Common Shares are issuable if all 17,250,000 Warrants are exercised.
- (c) Exercise price \$0.275 per Common Share .
- (d) Expiry date The Warrants expire 24 months following the first closing date of the Offering, expected to occur on or about December 21, 2021, or such other date or dates as the Issuer and the Agent may agree upon, but in any event no later than December 31, 2021 (as applicable, the “Closing Date”).
- (e) Other significant terms N/A.
4. Provide the following information if debt securities are to be issued:
- (a) Aggregate principal amount N/A.
- (b) Maturity date N/A.
- (c) Interest rate N/A.
- (d) Conversion terms N/A.
- (e) Default provisions N/A.
5. Details of currently issued and outstanding shares of each class of shares of the Issuer: The Issuer has 125,318,208 Common Shares issued and outstanding and 18,275,795 Warrants outstanding.
6. Describe any unusual particulars of the offering (i.e. tax “flow through” shares, special warrants, etc.).
- N/A.
7. Provide details of the use of the proceeds:
- If the Over-Allotment Option is exercised in full, the net proceeds to the Issuer from the Offering are expected to be \$3,252,000 after deducting the agent’s
-

fee, but before deducting the expenses of the Offering (estimated to be approximately \$200,000). The Issuer intends to use the net proceeds of the Offering for the procurement and delivery of its cannabis products to various provincial markets nationally, for the partial repayment of principal and interest on a senior secured convertible note of the Issuer, for general and administrative expenses and for working capital and general corporate purposes.

8. Provide particulars of any proceeds of the offering which are to be paid to Related Persons of the Issuer: N/A.
9. Provide details of the amounts and sources of any other funds that will be available to the Issuer prior to or concurrently with the completion of the offering: N/A.
10. 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 offering (including warrants, options, etc.):
 - (a) Details of any dealer, agent, broker, finder or other person receiving compensation in connection with the offering (name, address, beneficial ownership where applicable)

Research Capital Corporation
199 Bay Street, Suite 4500
Commerce Court West, Box 368
Toronto, ON M5L 1G2
 - (b) Cash A cash commission of 8.0% of the total gross proceeds of the Offering, including any proceeds from the exercise of the Over-Allotment Option (the "Agent's Fee"), provided that the Agent's Fee will be reduced to 2.0% of the total gross proceeds of sales of Units to persons identified by the Issuer to the Agent pursuant to a president's list (the "President's List").
 - (c) Securities Non-transferable broker warrants (the "Broker Warrants") equal to 8.0% of the total number of Units sold under the Offering (including any additional Units sold upon exercise of the Over-Allotment Option), provided that the number of Broker Warrants shall be reduced to 2.0% of the total number of Units sold under the Offering to purchasers on the President's List. Each Broker Warrant entitles the holder to purchase one Unit at an exercise price equal to the Offering Price for a period of 24 months following the Closing Date.

- (d) Other The Issuer has also agreed to pay the Agent a corporate finance fee of \$100,000 plus applicable harmonized sales tax (the “Corporate Finance Fee”). The Corporate Finance Fee shall be payable on closing of the Offering through the issuance to the Agent of 500,000 Common Shares, such number of Common Shares being equal to the amount of the Corporate Finance Fee divided by the Offering Price. The harmonized sales tax of \$13,000 will be paid in by the Issuer in cash.
- (e) Expiry date of any options, warrants etc. The Broker Warrants expire 24 months following the first Closing Date.
- (f) Exercise price of any options, warrants etc. \$0.20 per Broker Warrant.
11. State whether the sales agent, broker, dealer, finder, or other person receiving compensation in connection with the offering is a Related Person of the Issuer with details of the relationship: The Agent is not a Related Person of the Issuer.
12. Provide details of the manner in which the securities being offered are to be distributed. Include details of agency agreements and sub-agency agreements outstanding or proposed to be made including any assignments or proposed assignments of any such agreements and any rights of first refusal on future offerings: The Units are being offered pursuant to an agency agreement between the Agent and the Issuer dated December 15, 2021, pursuant to which the Agent has agreed to offer on a best-efforts basis, up to 15,000,000 Units with an Over-Allotment Option. See “Plan of Distribution” in the Prospectus Supplement for further details.
13. Attach any term sheet, engagement letter or other document setting out terms, conditions or features of the proposed offering.

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 on behalf of the Issuer.
2. As of the date hereof there 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 8 Notice of Proposed Prospectus Offering is true.

Dated December 15, 2021 .

Charles Ackerman
Name of Director or Senior
Officer

(s) "Charles Ackerman"
Signature

Chief Financial Officer
Official Capacity