



## **SPROUTLY ENTERS INTO NON-BINDING LETTERS OF INTENT TO ACQUIRE INFUSION BIOSCIENCES CANADA**

### ***NOT FOR DISSEMINATION IN THE US OR THROUGH US NEWSWIRE SERVICES***

**VANCOUVER, B.C., May 23, 2018** – Sproutly Inc. (“**Sproutly**” or the “**Company**”) is pleased to announce that it has entered into non-binding letters of intent (the “**Letters of Intent**”) to acquire: 1) Infusion Biosciences Canada Inc., a biotech company possessing the rights to Infusion Biosciences Inc.’s (“**Infusion Biosciences**”) APP Technology (defined below) for specific jurisdictions; and 2) SSM Partners Inc., a management company engaged in the commercialization of products and formulation services for APP Technology in specific jurisdictions, (together referred to as “**Infusion Biosciences Canada**” or the “**Proposed Acquisition**”). The transaction is expected to be completed by the end of June 2018.

Infusion Biosciences is a biotech company focused on discovering and commercializing innovative, science-based cannabis technologies. The research team at Infusion Biosciences have made a significant scientific discovery in the plant science of cannabis by identifying and recovering water soluble forms of lipids (oils), including cannabinoids and terpenes, which naturally exist in the cannabis plant.

Keith Dolo, Chief Executive Officer at Sproutly commented, “The team at Infusion Biosciences have uncovered a ground-breaking discovery within Cannabis research by recovering what we believe to be the first water soluble cannabinoids through a non-invasive recovery process. Subject to the Government of Canada’s authorization of the legal sale of cannabis edible products and concentrates, this acquisition will allow Sproutly to position itself as a leading cannabis beverage company with a competitive advantage due to Infusion Biosciences’ APP Technology. Sproutly will intend to be a provider of the world’s first naturally water soluble cannabis beverages that parallel the onset and offset times of alcohol.”

“Partnering with Sproutly allows us to enter the Canadian medicinal and soon to be recreational marketplace with a suite of unique and disruptive product offerings. Together we can position the combined companies to leverage its technologies to become a dominant player in the cannabis beverage category.” said Dr. Arup Sen, Chief Executive Officer, Infusion Biosciences.

### **Transaction Highlights**

The proposed Transaction brings together a disruptive and truly ground breaking technology in the growing cannabis beverage category and a late-stage ACMPR applicant with a strategically located cultivation facility. The two companies have a fully-aligned strategy to become a dominant player as a provider of best-in-class cannabis products creating a powerful platform as a cannabis beverage company:

- **Breakthrough Discovery and Recovery of Naturally Water Soluble Cannabinoids** – Infusion

Biosciences has discovered and been able to recover naturally water soluble cannabinoids which deliver the effects of cannabis within five minutes and dissipate within 90 minutes, paralleling the effects of smoking cannabis.

- **Positions Company to Become a Leader in Cannabis Beverages** – Access to APP Technology, and in particular, Infuz<sub>2</sub>O will position Sproutly, subject to the Government of Canada’s authorization of the legal sale of cannabis edible products and concentrates, as a leader in cannabis beverage for regulated markets as the only company with a solution to the traditional onset, offset and formulation challenges of cannabis oils in beverage and edibles.
- **Novel Low Cost and Scalable Recovery Process as an Alternative to Current Extraction Methods** – APP Technology is a patent-pending process able to recover both water soluble cannabinoids and cannabis oils in a low-cost manner which is highly scalable with non-specialized equipment and organic & GRAS certified mediums.
- **Broadens Sproutly’s Management Team** – The addition of Dr. Sen and Mr. Marcellino to Sproutly’s executive management team provides additional experience in scientific research and commercialization of disruptive technologies.
- **Exclusive License for Key Regulated Jurisdictions** – By way of its acquisition of Infusion Biosciences Canada, Sproutly will obtain the exclusive rights for APP Technology in Canada, Australia, Israel, Jamaica, Germany, and the European Union.

### **Transaction Overview and Sproutly Reverse Take Over**

Sproutly has entered into a binding definitive agreement dated February 7, 2018 with Stone Ridge Exploration Corp. (“**Stone Ridge**”) whereby Stone Ridge is to acquire a 100% interest in Sproutly, which will constitute a reverse takeover of Stone Ridge by the shareholders of Sproutly (the “**Sproutly Reverse Take Over**”) (together referred to as the “**Resulting Issuer**”). Stone Ridge trades on the Canadian Securities Exchange (“**CSE**”) under the ticker symbol CSE:SO.

Pursuant to the Letters of Intent, Infusion Biosciences Canada Inc. shareholders will receive consideration of 36.9 million common shares of the Resulting Issuer and \$5 million of cash (the “**Infusion Biosciences Canada Consideration**”) for their Infusion Biosciences Canada common shares and the ability to earn an additional 14.7 million common shares of the Resulting Issuer, subject to certain earn out provisions (the “**Earn Out Consideration**”). Pursuant to the Letters of Intent, SSM Partners Inc. shareholders will receive consideration of \$25,000 for their SSM Partners Inc. common shares with the ability to earn an additional 22.1 million common shares of the Resulting Issuer and \$5 million of cash, subject to certain earn out provisions (the “**SSM Contingent Consideration**”).

### **Overview of Infusion Biosciences Canada**

Infusion Bioscience Canada, through its licensing agreement with Infusion Biosciences, is the owner of the exclusive rights to utilize APP Technology for the recreational and medical cannabis markets in Canada, Australia, Israel, Jamaica, Germany, and the European Union.

### *APP Technology:*

Infusion Biosciences is able to gently recover both the water soluble bioactive materials as well as the plant's oil-based bioactive materials using a patent pending process, proprietary reagents and trade secrets (together "**APP Technology**"). APP Technology produces two unique finished ingredients from cannabis and hemp plants:

- **Infuz<sub>2</sub>O** – A naturally water-soluble cannabis solution; this will be formulated into beverages/drinks which deliver the effects of cannabis, fully dissolving in water with a fast onset time of less than 5 minutes, clearing (offset) within 90 minutes; and,
- **Bio Natural Oil ("BNO")** – Cannabinoid oils infused into natural edibles or transdermal delivery while retaining strain specific characteristics.

The development of Infusion Biosciences' APP technology and the creation of its Infuz<sub>2</sub>O and BNO, is based on over 12 years of R&D on the recovery of water soluble phytochemicals from medicinal plants and over 25 years in discovery and development of biotechnology and pharmaceutical drugs.

### **Overview of SSM Partners**

SSM Partners is a management consulting company engaged in research, commercialization and formulation of technologies for the cannabis industry. SSM Partners has been tasked by Infusion Biosciences Canada with certain research and management activities related to APP Technology.

### **Management Additions**

#### *Dr. Arup Sen – Proposed Chief Science Officer and Director of the Resulting Issuer*

In connection with the agreements to acquire Infusion Biosciences Canada, Dr. Arup Sen will assume the role of Chief Science Officer and join the board of directors of the Resulting Issuer upon closing of the Proposed Acquisition. Dr. Sen's business career started in the biotechnology and biopharmaceutical industry in 1982. He has managed R&D, intellectual property strategy and corporate development (negotiating and managing licenses and joint ventures) with domestic and international companies (J&J, Biomet, GCC and Tokuyama Soda of Japan, Sandoz/Novartis and others). He also has taken three companies from start-up through public trading and has served as the CEO of public and private companies. He received his Ph.D. in biochemistry from Princeton University. His nearly decade long academic career as a faculty member at the National Cancer Institute (Bethesda, Maryland) and at the Scripps Research Institute (La Jolla, California) focused on cancer research. Dr. Sen has published several dozen papers in top ranking international journals and authored a book on bone diseases. He is an inventor on a number of US patents and numerous international patents and pending patent applications in the fields of cancer therapeutics, bone repair biologics, medical therapeutic devices, and molecular diagnostics.

#### *Paul Marcellino - Proposed Business Development Officer of the Resulting Issuer*

In connection with the agreements to acquire Infusion Biosciences Canada Paul Marcellino will join Sproutly as Business Development Officer upon closing of the Proposed Acquisition. Mr. Marcellino graduated in 2005 with a degree in Chemistry and has served as CEO and Co-Founder of an award-winning nutraceutical company focused on innovative cultivation, extraction and product development.

He brings his international business experience and network to the table and has assembled a team of diverse professionals with proven track records to bring Infusion Biosciences into the forefront of the global cannabis industry. Paul has both the vision and the skill needed to create and implement a plan for growth by developing teams and processes starting at a grassroots level. He has the proven ability to see opportunity and provide leadership for strategic networking that will further the success of the company through research, planning, and execution.

### **Financial Advisors**

Novus Merchant Partners Inc. is acting as the exclusive financial advisor to Infusion Biosciences.

### **About Sproutly Inc.**

Sproutly is an emerging Canadian cannabis company that strives to meet the evolving needs of cannabis consumers across Canada. Through its wholly owned subsidiary (Toronto Herbal Remedies Inc.) Sproutly is a final-stage applicant for licensing by Health Canada to produce cannabis under the ACMPR. It currently owns and operates a 16,600 sq. ft. production facility located centrally in the GTA with an oversized level 9 vault with capacity of up to \$32 million enabling the opportunity to act as a strategic distribution hub for the Greater Toronto Area enabling same-day deliveries <sup>(1)</sup>. The Company's strategy is focused on developing and deploying novel technologies to formulate and market unique cannabis products in a rapidly evolving consumer market.

(1) *Subject to Health Canada approval.*

For more information on Sproutly please visit [www.sproutly.ca](http://www.sproutly.ca).

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## Forward-Looking Statements

Cautionary Note Regarding Forward-Looking Statements: This release includes certain statements and information that may constitute forward-looking information within the meaning of applicable Canadian securities laws or forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. All statements in this news release, other than statements of historical facts, including statements regarding future estimates, plans, objectives, timing, assumptions or expectations of future performance, including the Proposed Acquisition, the timing of completion of the Proposed Acquisition, the intention of Sproutly to become a provider of cannabis beverages, the granting of regulatory approval, and the legalization of the recreational use of marijuana in Canada are forward-looking statements and contain forward-looking information. Generally, forward-looking statements and information can be identified by the use of forward-looking terminology such as “intends” or “anticipates”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “should”, “would” or “occur”. Forward-looking statements are based on certain material assumptions and analysis made by the Company and the opinions and estimates of management as of the date of this press release, including that Sproutly will be successful in completing the Proposed Acquisition in the time expected, or at all, including obtaining Canadian Securities Exchange approval of the Proposed Acquisition, that Sproutly will be successful in the development of cannabis beverages, regulatory approval of the sale of cannabis beverages will be obtained, and the legalization of the recreational use of marijuana in Canada will occur as expected. These forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements or forward-looking information. Important factors that may cause actual results to vary, include, without limitation, Sproutly will not be successful in completing the Proposed Acquisition in the time expected or at all, Sproutly will not be successful in development a cannabis beverage, regulatory approval will not be granted as anticipated and the legalization of the recreational use of marijuana in Canada will not occur at all or as expected. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. Readers are cautioned that reliance on such information may not be appropriate for other purposes. The Company does not undertake to update any forward-looking statement, forward-looking information or financial out-look that are incorporated by reference herein, except in accordance with applicable securities laws. We seek safe harbor.