



SPROUTLY CLOSES ACQUISITION OF INFUSION BIOSCIENCES CANADA AND SSM

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VANCOUVER, B.C., August 1, 2018 – Sproutly Canada, Inc. (CSE: SPR) (FRA: 38G) (“**Sproutly**” or the “**Company**”) is pleased to announce that it has completed the acquisition of all of the issued and outstanding shares of Infusion Biosciences Canada Inc. (“**Infusion Biosciences Canada**”) and SSM Partners Inc. (“**SSM**”) (collectively, the “**Acquisition**”).

“We are extremely excited to finalize this Acquisition, enabling Sproutly to commercialize the APP Technology in major regulated markets around the world with innovative cannabis products that target the \$50+ billion bottled water and functional beverage market with naturally water soluble molecules from cannabis and hemp”, commented Keith Dolo, Chief Executive Officer of Sproutly. Mr. Dolo added, “APP Technology is a low-cost, gentle method to produce Infuz₂O, a ground-breaking discovery that delivers the total effects of the strain of cannabis from which it is made; on-set effects start within approximately 5 minutes and dissipate within approximately 90 minutes.”

“Combining with Sproutly allows Infusion Biosciences to produce and sell innovative consumer products in several countries where cannabis use is legal. Together, we are positioned to leverage our APP Technology to become a leader in the beverage industry and broaden the consumer base with products that will deliver controlled doses that meet expectations for cannabis experiences”, said Dr. Arup Sen, Chief Executive Officer of Infusion Biosciences Inc. (“**Infusion Biosciences**”). “As a natural water solution, Infuz₂O is the best means to deliver the medicinal benefits of cannabis to patients suffering from symptoms associated with major chronic diseases like cancer and pain”, added Dr. Sen.

Acquisition Highlights

The Acquisition brings together a strategically located premium cultivation facility and a key technologic innovation in the cannabis industry. Some key Acquisition highlights are:

- **Significant Discovery and Recovery of Naturally Water Soluble Cannabinoids** – Infusion Biosciences has discovered and produced naturally water soluble bioactive molecules that deliver the full experience of cannabis paralleling the onset and offset profiles of smoking but, avoids the undesirable features that have kept a vast majority of consumers away.
- **Broadens Sproutly’s Management Team** – The addition of Dr. Sen and Mr. Marcellino to Sproutly’s executive management team provides decades of experience in biopharmaceutical research, development, and technology commercialization. Dr. Arup Sen will also be joining the Board of Directors.

- **Positions Sproutly to Become a Leader in Beverages, Edibles and Tinctures** –Sproutly is now positioned to fulfill its mission as a vertically integrated cannabis consumer products company focused on redefining the cannabis industry with a clear focus on beverage and additional consumer products by solving the technologic limitations associated with blending oils extracted by traditional means into water.
- **Exclusive License for Key Regulated Recreational and Medicinal Jurisdictions** –Sproutly gains the exclusive rights for APP Technology in Canada, the European Union, Australia, Israel, and Jamaica.
- **Low Cost, Scalable, Gentle Process to Produce Bioactive Molecules as an Alternative to Current Oil Extraction Methods** – APP Technology is a patent-pending process that uses proprietary combinations of common dietary ingredients to gently recover naturally water-soluble cannabinoids and also the free cannabis oils in natural oils. APP Technology recovers between 85% - 90% of the total bioactive cannabinoids in the plant, distributed between Infuz₂O and Bio-Natural Oil.

Pursuant to the share purchase agreement dated July 31, 2018 (the “**Infusion SPA**”) among Sproutly, Infusion Biosciences Canada, and Infusion Biosciences and the share purchase agreement dated July 31, 2018 (the “**SSM SPA**”) among Sproutly, SSM Partners, and BNO Holdings Inc. (“**BNO**”), each of Infusion Biosciences and BNO have received, or are entitled to receive, the following consideration:

- a) Infusion Biosciences:
 - i. 36,857,676 common shares of Sproutly (“**Sproutly Shares**”);
 - ii. C\$4,525,000 cash payment, due within 12 months from closing of the Acquisition and subject to adjustments as set forth in the Infusion SPA; and
 - iii. an earn-out of up to an additional 14,743,070 Sproutly Shares upon Sproutly achieving certain milestones as set forth in the Infusion SPA;
- b) BNO:
 - i. CAD\$4,975,000 cash payment due within 12 months from closing of the Acquisition or convertible into common shares, subject to adjustments and SSM achieving certain milestones as set forth in the SSM SPA; and
 - ii. an earn-out of up to 22,114,605 Sproutly Shares upon Sproutly achieving certain milestones as set forth in the SSM SPA.

Overview of Infusion Biosciences Canada and SSM

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

Infusion Biosciences is a biotechnology company focused on the discovery and commercialization of proprietary technologies that provide innovative means to deliver the experience and benefits of cannabis and hemp. Scientists at Infusion Biosciences have discovered the presence of, and developed methods to directly recover (APP Technology), water soluble forms of lipids (oils), including cannabinoids and terpenes, which naturally exist in cannabis plants. Infusion Bioscience Canada is a wholly owned subsidiary of Infusion Bioscience.

APP Technology comprises a patent pending process that uses proprietary reagents to produce two unique ready-to-consume ingredients with the full spectrum features of bioactive molecules from cannabis and hemp plants:

- **Infuz₂O** – Bioactive molecules in their naturally water soluble state recovered in water; and
- **Bio Natural Oil** – Natural oils from cannabis plants infused into natural carrier oils for edible products and transdermal delivery.

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

Management Additions

Dr. Arup Sen – Proposed Chief Science Officer and Director of Sproutly

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 Sproutly

In connection with the Acquisition, Paul Marcellino will join Sproutly as the proposed Business Development Officer. Mr. Marcellino holds a degree in Chemistry and has served as CEO of an award-winning nutraceutical company focused on innovative cultivation, extraction and product development. Mr. Marcellino brings the ability to not only see opportunity, but also provide strategic operations leadership and networking internationally through research, planning, and execution.

Financial Advisor

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

Listing on Frankfurt Stock Exchange

The Company is also pleased to announce that it is now listed on the Frankfurt Stock Exchange, trading under the symbol 38G.

About Sproutly Canada, Inc.

Sproutly is an ACMPR Licensed Producer of cannabis that strives to meet the evolving needs of cannabis consumers across Canada and Europe. Its mission is to become a vertically integrated cannabis consumer products company, bringing together best-in-class cultivation, secure distribution solutions, and advanced technologies to redefine the cannabis industry. Sproutly, through its wholly owned subsidiary, owns and operates a 16,600 sq. ft. production facility located centrally in the Greater Toronto Area utilizing state-of-the-art cultivation technologies and processing methods that meet the standards for producing pharmaceutical grade products. Sproutly's strategy is focused on developing and deploying novel technologies to formulate and market unique cannabis products in the rapidly evolving consumer market.

For more information on Sproutly please visit www.sproutly.ca.

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