



**INFUSION BIOSCIENCES AND TRACE RESEARCH INSTITUTE ANNOUNCE RESEARCH COLLABORATION
FOR DEVELOPING TESTING METHODS FOR CANNABIS INGREDIENTS IN EDIBLE AND BEVERAGE
PRODUCTS**

NOT FOR DISSEMINATION IN THE US OR THROUGH US NEWSWIRE SERVICES

VANCOUVER, B.C., August 14, 2018 – Sproutly Canada, Inc. (CSE: SPR) (FRA: 38G) (“**Sproutly**” or the “**Company**”) is pleased to announce that Infusion Biosciences Inc. (“**Infusion Biosciences**”), the Licensor of the APP Technology to Sproutly, has entered into a research collaboration agreement with Trace Research Institute, LLC (“**Trace**”), an independent research company that offers various testing, research, regulatory and consulting services for the cannabis industry in Washington State (US). Sproutly will benefit from the research collaboration as a licensee of the APP Technology from Infusion Biosciences as the Analytical Methods (defined below) are made available in the jurisdictions for which it holds an exclusive license from Infusion Biosciences.

“The development of Analytical Methods is not only a key milestone in the commercial implementation of the APP Technology, but also an answer to a challenge the global cannabis industry faces with accurately measuring cannabinoids when they are formulated into cannabis beverages using methods available today”, said Keith Dolo Chief Executive Officer of Sproutly.

Mr. Gordon Fagras, co-founder of both the Trace Research Institute and Trace Analytics, a certified independent cannabis analytics laboratory in Washington State said, “Over the last several years, the cannabis industry has been faced with the challenge of accurately measuring cannabinoids when they are formulated into beverages. Up to this point most of the products available on the market are usually based on emulsifications, encapsulation, or even ‘nano’ type technology which are largely problematic to analysis as they are highly diluted and likely bound to another compound. Some of these technologies are more robust than others, but the vast majority of these products tend to experience fall out and separation of the cannabis or hemp oils.”

Mr. Fagras further commented: “This is why our research collaboration with Infusion Biosciences is so unique in that the samples are naturally in water solution(s) where, we have seen not seen fallout of any manner so far, and thus we feel they are highly shelf stable. Modifying sample processing and analytical testing with these concentrated water solutions of cannabinoids (and terpenes) should provide us with a unique opportunity to develop analytical methods for cannabis beverages”.

“Phytochemicals such as cannabinoids and terpenes have so far been extracted as free oils from cannabis plants. Analytical methods developed to date for these oil molecules are not useful in measuring the potency of Infusion Biosciences’s “Infuz₂O”, the naturally water soluble forms of these molecules produced as water solutions by Infusion Biosciences’s proprietary recovery process known as the APP technology”, said Dr. Arup Sen, Chief Science Officer of Sproutly as well as Co-Founder and Director of Infusion Biosciences. “In order to develop and sell beverage products developed using Infuz₂O to deliver

the benefits and experiences of cannabis plants, sensitive and robust analytical methods need to be developed”, he added.

Under the Agreement, Infusion Biosciences will supply Trace with naturally water soluble cannabis phytochemicals (“**Infuz₂O**”) produced by Infusion Biosciences’s proprietary APP technology. The research collaboration will focus on developing and validating analytical methods for the detection and measurement of cannabis phytochemicals in water solutions (“**Analytical Methods**”). Under the Agreement Trace will be granted an exclusive right to use the intellectual property resulting from the collaboration to develop and commercialize analytical testing services used to qualify cannabis/hemp products in the legal jurisdictions in the United States. Infusion Biosciences will retain worldwide rights to the intellectual property for other uses. The companies will work together to enable testing laboratories in other legal jurisdictions in the world.

About Trace Research Institute, LLC

Trace Research Institute, LLC is engaged in collaborative research and development projects on detection and analysis of cannabis products and is affiliated with Trace Analytics Inc., a licensed laboratory that provides comprehensive analytical testing for cannabis products in the state of Washington.

About Infusion Biosciences Inc.

Infusion Biosciences Inc. is a biotech company focused on discovering and commercializing proprietary technologies by creating 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 recover (APP Technology), water soluble forms of lipids (oils), including cannabinoids and terpenes, which naturally exist in the cannabis plants.

About Sproutly Canada, Inc.

Sproutly is an ACMPR Licensed Producer of cannabis and exclusive licensee of APP Technology that strives to meet the evolving needs of cannabis consumers across Canada. Its mission is to become a vertically integrated cannabis consumer products company, bringing together best-in-class cultivation, secured distribution solutions, and advanced technologies to redefine the cannabis industry. Sproutly currently owns and operates a 16,600 sq. ft. production facility located centrally in the GTA utilizing state-of-the-art production technology and methods designed to pharma-grade standards. Sproutly’s strategy is focused on developing and deploying novel technologies to formulate and market unique cannabis products in a rapidly evolving consumer market.

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

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Forward-Looking Statements

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