



SPROUTLY DEVELOPS CANNABIS AND HEMP INFUSED FUNCTIONAL BEVERAGE PORTFOLIO

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VANCOUVER, B.C., November 8, 2018 – Sproutly Canada, Inc. (CSE: SPR) (OTCQB: SRUTF) (FRA: 38G) (“**Sproutly**” or the “**Company**”) is pleased to announce that it has completed the development and formulation of an initial portfolio of functional beverages with its proprietary naturally water soluble cannabinoids (“**Infuz₂O**”).

The beverages combine recently licensed rights for the proprietary water soluble mineral platform (“**MiST Platform**”) with Infuz₂O. The initial portfolio consists of three separate cannabis / hemp infused beverages that provide the following functions: a) Focused Energy; b) Stress relief and Relaxation; and, c) Restful sleep support.

The Company is currently in the midst of medicinal and adult-use brand development, including its functional beverage line. The initial beverages are anticipated to be ready for consumers if and when Health Canada allows consumer beverage products to be legal for sale.



“The focus of the Company has been to develop products that will distinguish our functional beverages from cannabis/ hemp beverages developed by our competitors. Our competitive advantage is to leverage the suite of proprietary water soluble technologies we have acquired, and create a line of consumer products that taste great and have a functional purpose”, said Keith Dolo, Chief Executive Officer. “Our beverages not only cater to the emerging cannabis market but also to the large, functional beverage market that exists today”, he added.

The functional beverage category is increasingly becoming the popular choice among consumers who are seeking low-calorie, nutrient-dense options as a healthy alternative to traditional beverages. The global functional beverage market is expected to grow at a CAGR of 6.1% to US\$93.68 billion by 2019, according to a new study by Grand View Research, Inc. Cannabis in its own right has a long history of being used as a way for users to address wellness and lifestyle needs. Sproutly's functional beverage formulations address major and growing consumer health and wellness needs for the modern lifestyle.

Sproutly's strategy is founded on its proven ability to acquire proprietary technologies related to water soluble ingredients. Sproutly is among the first in Canada to address the functional beverage market with cannabis/ hemp ingredients that are recovered from the plants in their naturally water soluble form and, therefore, can be stably combined with other water soluble micronutrients (vitamins, minerals, antioxidants, and other natural plant chemicals). These beverages are fully transparent because all the selected ingredients are truly dissolved in water and, like typical consumer beverages, can be packaged in clear glass bottles and refrigerated if desired for a refreshing taste.

Beverage Formulations & Product

The functional beverage formulations have been developed using two proprietary technologies:

1. ***MiST (Minerals in Solution Technology)*** – 10+ years of research and development into the creation and formulation of water soluble minerals and phytochemicals; and,
2. ***Infuz₂O*** – naturally water soluble cannabinoids with onset of less than 5 minutes and offset within 90 minutes.

Sproutly's functional beverage formulations address a number of lifestyle verticals including: mood & energy, relaxation & sleep as well as stress relief. Its functional beverage formulations utilize MiST and Infuz₂O to produce enhanced water, beverages, and nutritional micronutrient supplements that include cannabis or hemp strains strategically selected to provide a synergistic experience for the recreational and medicinal markets.

The Company's functional beverage products are expected to be its first line of cannabis/ hemp beverage as these have been taken through initial evaluations as consumer beverages by scientists from Infusion Biosciences Inc. and Micronutrient Technologies Inc. These completed evaluations include:

- blending and ratio proportions of ingredients selected based on independent scientific reports on their benefits;
- stability testing at room temperature and in refrigerator;
- formulation with natural flavors; and,
- process development for large scale manufacturing.

The current functional beverage product portfolio (which is expected to launch under a portfolio of brands to be identified at a later date) consists of:

Focused Energy Drink – Formulated to deliver mood uplifting & focused energy without the use for caffeine or stimulants. Containing a blend of minerals, vitamins, natural plant chemicals, natural flavors, and Infuz₂O derived from one or more strains of cannabis to complement the experience.

Relaxation Drink – Formulated to deliver relaxation and stress relief. Containing a blend of minerals, natural plant chemicals, natural flavors, and Infuz2O derived from one or more targeted strains of cannabis to complement the experience.

Sleep and Anxiety Relief Drink – Formulated to reduce anxiety and assist restful sleep. Containing a blend of minerals, plant and other natural chemicals, natural flavors, and Infuz2O derived from a targeted variety of hemp to complement the experience.

Marketing of these beverage products will follow additional testing and will be subject to necessary approvals and licenses to be granted by Health Canada and regulatory authorities in other territories.

About Sproutly Canada, Inc.

Sproutly is an ACMPR Licensed Producer of cannabis and an exclusive licensee of APP Technology that strives to meet the evolving needs of cannabis consumers in regulated global jurisdictions, including Canada, Australia, Israel, Jamaica and the European Union. Its mission is to become a consumer products company, bringing together best-in-class cultivation, secured distribution solutions, and advanced technologies to redefine the cannabis industry.

Sproutly owns and operates a licensed cannabis cultivation facility located centrally in the Greater Toronto Area utilizing state-of-the-art production technology and methods designed to pharma-grade standards. Sproutly is the exclusive licensee in Canada, Australia, Israel, Jamaica and the European Union of APP Technology which is able to produce Infuz₂O, the world's first naturally water-soluble cannabinoids, and Bio-Natural Oil. 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

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. Forward-looking statements relate to future events or future performance and reflect the expectations or beliefs regarding future events of management of Sproutly Canada. 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". This information and these statements, referred to herein as "forward-looking statements", are not historical facts, are made as of the date of this news release and include without limitation, statements regarding discussions of future plans, estimates and forecasts and statements as to management's expectations and intentions with respect to, among other things, the expected launch of the Company's first line of beverage products. These forward-looking statements involve numerous risks and uncertainties and actual results might differ materially from results suggested in any forward-looking statements. These assumptions,

risks and uncertainties include, among other things, the Company successfully completing the development and production of its first line of beverage products and obtaining all applicable regulatory approvals including from Health Canada. 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, such as the Company's inability to successfully develop and produce its first line of beverage products or the Company's inability to obtain any necessary regulatory approvals. 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.