SPROUTLY CANADA INC.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (“MD&A”)

FOR THE NINE MONTHS ENDED NOVEMBER 30, 2018

The following is a discussion and analysis of the financial condition and results of operations of Sproutly Canada Inc. ("Sproutly" or the "Company") for the nine months ended November 30, 2018. This MD&A should be read in conjunction with the Company's unaudited interim financial statements and accompanying notes for the nine months ended November 30, 2018. All amounts in the MD&A are in Canadian dollars, except share and per share amounts or as indicated otherwise. The Company's accounting policies are in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The effective date of this MD&A is January 25, 2019.

For reporting purposes, the Company prepares consolidated financial statements in Canadian dollars. Unless otherwise indicated, all dollar (''$'') amounts in this MD&A are expressed in Canadian dollars.

All references to we, our, us and Sproutly refer to the Company.

All references to management refer to the directors, senior officers and other officers of Sproutly, unless otherwise stated.

Cautionary Statement on Forward Looking Information

This MD&A and the Company's other public disclosure contain "forward-looking information" within the meaning of applicable Canadian securities laws ("forward-looking information") concerning the Company's business plans, including, but not limited to, anticipated results and developments in the Company's operations in future periods and other matters that may occur in the future. In certain cases, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "target", "scheduled", "estimates", "forecasts", "intends", "anticipates", "determine", "continue", "projects", "potential", "proposed" or "believes", or variations or the negative of such words and phrases, or statements that certain actions, events or results "may", "could", "whether to", "would", "should", "likely", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. Forward-looking information contained in this MD&A includes, but is not limited to, statements regarding the competitive and business strategies of the Company, the Company's ongoing investment strategy, market prices, values and other economic indicators, receipt and timing of governmental approvals, including Health Canada approvals, the performance of the Company's business and operations, the intention to grow the business, operations and potential activities of the Company, the expected production capacity and revenue of the Company's projects, the competitive conditions of the industry, the anticipated changes to Canadian federal laws regarding the use of recreational cannabis and the business impacts on the Company, whether the Company will continue to be in compliance with regulatory requirements, the Company's intention to build a brand and develop cannabis products, the Company's intention to build valuable intellectual property and the anticipated benefits therefrom including accelerated sales growth and profit margins, analyses and other information based on expectations of future performance and planned products, possible events, conditions or financial performance that is based on assumptions about future economic conditions and courses of action, timing, costs and potential success of future activities on the Company's facilities and projects, future outlook and goals, permitting time lines and requirements, regulatory and legal changes and requirements for additional capital, whether the Company will have sufficient working capital and its ability to raise additional financing required in order to develop its business and continue operations, and planned expenditures and budgets and the execution thereof.

Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances, including, without limitation, assumptions about possible events, conditions or financial performance that is based on assumptions about future economic conditions and courses of action, revenue from the Company’s proposed operations, general economic, financial market, regulatory and political conditions in which the Company operates ,general demand and consumer interest in the Company’s products, competition anticipated and unanticipated costs, the future market price of medical and recreational cannabis, the ability of the Company to generate cash flow from operations and obtain necessary financing on acceptable terms, government regulation of the Company’s activities and products, including in the areas of taxation and environmental protection, the timely receipt of any required regulatory approvals, the ability of the Company to obtain qualified staff, equipment and services in a timely and cost-efficient manner, and the ability of the Company to conduct operations in a safe, efficient and effective manner.

While the Company considers these assumptions to be reasonable, the assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks and uncertainties, contingencies and other factors that could cause actual actions, events, conditions, results, performance or achievements to be materially different from those projected in the forward-looking information. Many assumptions are based on factors and events that are not within the control of the Company and there is no assurance they will prove to be correct.

Furthermore, by their very nature, forward-looking information involves a variety of known and unknown risks, uncertainties and other factors which may cause the actual plans, intentions, events, results, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include, without limitation, those related to the industry-wide risks, fluctuations in capital markets and share prices, risks related to the ability to obtain financing needed to fund the continued development of the Company's business, the Company’s ability to manage anticipated and unanticipated costs, risks related to securing users and customers of the Company's product, risks related to securing and protecting the Company's intellectual property rights, risks related to the Company's failure to economically commercialize its product, risks related to delays or other problems in the third-party manufacturing process, risks related to the Company's failure to obtain necessary Health Canada approvals as scheduled or at all, risks related to the Company's inability to maintain or improve its competitive position, risks related to the Company's ability to establish its business internationally, risks related to the Company's ability to maintain or improve upon the medical effectiveness and usefulness of its product to intended users in the medical services industry, risks related to the Company's failure to retain key personnel and hire additional personnel needed to develop its business, risks related to the Company's failure to adequately evaluate its current business and its future prospects, risks related to the Company's business practice reputation being negatively affected by unfavourable publicity or consumer perception of the cannabis industry or the Company, the impact of any negative scientific studies on the effects of cannabis, market conditions, volatility and global economic conditions, risks associated with agreements with third parties relating to the Company's business, including agreements to manufacture and sell the Company's product and the ability to conclude such agreements on favorable terms, environmental risks, governmental regulations, restrictions imposed by the Canadian Securities Exchange and other regulatory authorities on the Company’s business, the uncertainty of profitability based upon the Company's history of losses, risks related to foreign exchange rate fluctuations, as applicable, insurance and tax risks, general risks and uncertainties related to the Company’s 's prospects and business strategy; and the risks described in the section of this MD&A entitled “Risk Factors”.

This is not an exhaustive list of the risks and factors that may affect the Company’s forward-looking information. Although the Company has attempted to identify important factors that could affect the Company and may cause actual actions, events, conditions, results, performance or achievements to differ materially from those described in the forward-looking information, there may be other factors that cause actions, events, conditions, results, performance or achievements not to be as anticipated, estimated or intended. In addition to those discussed in this MD&A, please refer to the risks described in the Company's public disclosure record.

The Company cautions that the foregoing lists of important assumptions and factors are not exhaustive. Other events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, the forward-looking information contained in this MD&A. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake any obligation to publicly update or revise any forward-looking information other than as required under applicable securities laws.

Description of Business

Sproutly was incorporated as "Stone Ridge Exploration Corp." on January 26, 2012, pursuant to the BCBCA. On July 6, 2018, the Company closed a plan of arrangement under the CBCA pursuant to which, among other things, Sproutly, Inc. completed a reverse takeover of Stone Ridge (now, "Sproutly Canada, Inc."). Pursuant to the Arrangement, Stone Ridge changed its name to "Sproutly Canada, Inc." and Sproutly, Inc. became a wholly-owned subsidiary of the Company.

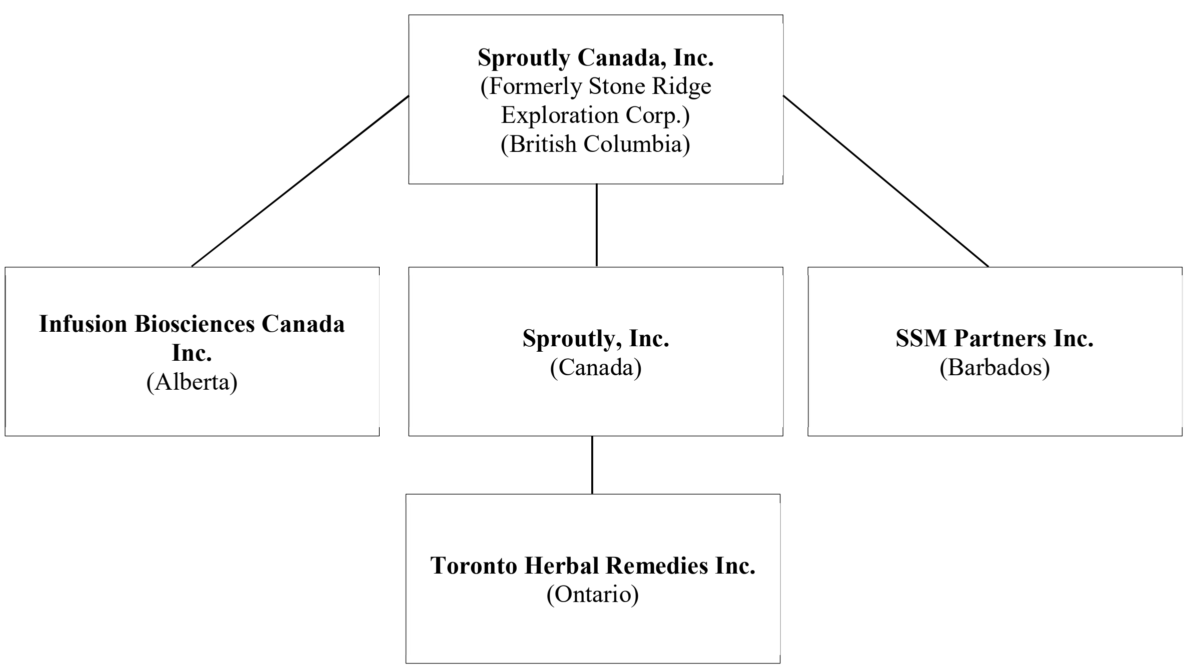
Sproutly Canada, Inc., through its wholly owned subsidiary Sproutly, Inc., is a licensed producer of medical cannabis pursuant to the Access to Cannabis for Medical Purposes Regulations (Canada) (the "ACMPR") and operates a 16,600 square foot production facility in Toronto, Ontario, Canada.

On July 6, 2018, the Company, under its former name, Stone Ridge Exploration Corp. ("Stone Ridge"), completed a reverse takeover transaction (the "Arrangement") pursuant to which it acquired all of the issued and outstanding shares of Sproutly Inc. In connection with the closing of the Arrangement, the Company changed its name from "Stone Ridge Exploration Corp." to "Sproutly Canada Inc.".

Immediately prior to the completion of the Arrangement, Stone Ridge completed a consolidation of the Stone Ridge Shares on the basis of one post-Consolidation share for every two pre-Consolidation shares. Pursuant to the Arrangement, among other things, shareholders of Sproutly Inc. received approximately two (2) post-Consolidation Stone Ridge Shares in exchange for each common share of Sproutly Inc. held by such shareholder immediately prior to the effective time of the Arrangement.

The Common Shares of the Company resumed trading following the Amalgamation on the CSE on July 9, 2018 under the symbol "SPR". The Company is also quoted on the Frankfurt, Berlin and Munich exchanges under the symbol "38G", and on the OTCQB Venture Marketplace under the symbol "SRUTF"

Due to the fact that the Arrangement was considered to be a reverse takeover transaction, the comparative financial information of the Company for the nine-month period ended November 30, 2017 consists of financial information of Sproutly Inc. References to the Company in this MD&A prior to July 6, 2018 refer to Sproutly Inc. unless otherwise noted.



Recent Developments

On October 12, 2018, the Company announced that the Common Shares were upgraded and approved for trading on the OTCQB under the symbol "SRUTF". The OTCQB in the United States is similar to the CSE in Canada for early stage and developing international companies. To be eligible for the OTCQB, companies must be current in their financial reporting, pass a minimum bid price test and undergo an annual company verification and management certification process.

On October 12, 2018, the Company announced that it had been added to the Canadian Securities Exchange's CSE 25 Index (the "CSE 25 Index"). The CSE 25 Index includes the top twenty-five securities by market capitalization contained in the CSE's composite index.

On October 24, 2018, the Company closed its bought deal offering, including the partial exercise of the underwriters' over-allotment option in the form of convertible debenture special warrants of the Company (the "CD Special Warrants"). A total of 10,750 CD Special Warrants at a price per CD Special Warrant of $1,000 and 15,400,000 equity special warrants of the Company (the "Equity Special Warrants") at a price per Equity Special Warrant of $0.65 were issued for aggregate gross proceeds of approximately $20.7 million.

On November 1, 2018, the Company's wholly-owned subsidiary Toronto Herbal Remedies Inc. ("THR"), a licensed producer under the Cannabis Act and located in the Greater Toronto Area has submitted an "addition of activity" in the month of October, to its Health Canada license, in order to produce cannabis oils. The Company also provided an update that its cannabis plants are in a very healthy state as it progresses through its cultivation phase.

On November 8, 2018, the Company 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 Infuz20. 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.

On November 13, 2018, the Company entered into a letter of intent with Global Canna Labs Limited ("Global Canna Labs"), the Caribbean's largest medical cannabis producer, to establish a joint venture for the purpose of developing, producing, distributing, marketing and selling cannabis infused beverages, edibles and topical products derived from Sproutly's fully licensed, APP Technology (the "LOI").

On November 27, 2018, Aman Bains resigned from the board of directors of the Company (the "Board") and the Company announced that the Board had appointed Michael Bellas to fill the casual vacancy left by Mr. Bains. Mr. Bellas is the founder, Chairman and CEO of Beverage Marketing Corporation and has over 45 years of experience in the beverage industry.

On November 29, 2018, the Company announce the appointment of Constantine Constandis to its Advisory Board. Mr. Constandis is global C-level executive with over 34 years of experience in the wine and spirits industry in Canada, USA, Europe and Asia.

On December 4, 2018, the Company announced the appointment of Melise Panetta as Vice President of Sales and Marketing to focus on the Company's branding, marketing and sales objectives of becoming a leading cannabis formulations company focused on beverages once legalized.

On December 6, 2018, the Company also announced that Keith Dolo stepped down from his role as President of Sproutly, and the Board appointed Bryan Semkuley as President to focus on the execution of the Company's strategic objectives, development of its operational plan, and tying in the different vertical divisions of sales, marketing, product innovation, operations and branding. Mr. Dolo continues to act as the Chief Executive Officer of the Company.

Outlook

The Company's objective is to capitalize on the growing medicinal and legal recreational cannabis markets in Canada, as well as in other global jurisdictions that are legally regulated for cannabis sales both medically and recreationally by legislation similar to the *Cannabis Act* (Canada), the *Cannabis Regulations* and other applicable law. The Company's vision is to become a leader in the production of cannabis and cannabis-based products specifically in the beverage and consumables markets by utilizing the "Aqueous Phytorecovery Process" cannabis extraction technology (the "**APP Technology**") acquired in the Company's acquisition of Infusion Biosciences Canada Inc. ("**Infusion Biosciences Canada**"). The Company intends to work with partners to formulate, brand and distribute cannabis-infused beverages and other consumer packaged goods products to the market as well as developing a proprietary line of consumable products.

Once the Company has obtained its licence to sell cannabis from Health Canada, the Company intends to distribute its products through other licensed producers who have obtained a dealer's licence and to distribute its product through the distribution channels permitted in the recreational cannabis market.

Results of Operations

Financial Results for the three months ended November 30, 2018

During the three months ended November 30, 2018, the Company reported a net loss of $2,810,548 and a loss per share of $0.02, as compared to a net loss of $473,405 and a loss per share of $0.02 for the period ended November 30, 2017. The net loss for November 30, 2018 primarily consist of professional services for filing and compliance requirements, general and administrative expenses, marketing, share-based compensation and interest expense that was previously capitalized as borrowing costs prior to the completion of the THR facility on September 12, 2018.

G&A expenses were $1,128,077 for the three months ended November 30, 2018, compared to $317,562 for the same period in 2017. The year over year increase is due to the increase in size and scale of the company, resulting in an increase in wages of $439,549, professional fees of $199,531, and general administrative expenses of $171,435.

The increases in the year over year loss was also due to an increase in financing expenses of $444,487, which was equally due to an increase in interest and accretion expenses.
Share based payments were $604,000 for the three months ended November 30, 2018, compared to $88,697 for the three months ended November 30, 2017.

Financial Results for the nine months ended November 30, 2018

During the nine months ended November 30, 2018, the Company reported a net loss of $9,556,619 and a loss per share of $0.08, as compared to a net loss of $993,350 and a net loss per share of $0.05 for the period ended November 30, 2017.

The net loss for November 30, 2018 is primarily related to general and administration costs of $3,663,870 consisting of wages, office expenses and professional services related to the reverse takeover transaction, the acquisitions of Infusion Biosciences Canada and SSM, and regulatory compliance. In addition, the company incurred a listing expense of $3,818,459 and recorded share-based compensation of $1,178,906. These expenses were partially offset by a gain of $1,251,983 related to extinguishment of interest and loans.

During the nine months ended November 30, 2018, the Company's operating spending has been focused on the reverse takeover of Stone Ridge, the acquisitions of Infusion Biosciences Canada and SSM, the completion of the THR production facility and commencing production at the facility.

The following table sets forth the statement of comprehensive loss for the nine months ended November 30, 2018 and 2017:

	2018 **$**	**2017** **$**
Expenses		
Production costs	15,826	-
Unrealized loss on changes in fair value of biological assets	28,198	-
Listing expense	3,818,459	-
Salaries and wages	1,315,268	303,481
Stock based compensation	1,178,906	243,088
Office expenses	667,641	158,217
Marketing	737,162	-
Professional fees	1,680,961	220,472
Interest and bank charges	286,689	1,342
Accretion expense	563,555	-
Financing fees	231,846	66,750
Depreciation and amortization	106,464	-
Foreign exchange	1,021	-
Loss on extinguishment of contingent payment to related party	24,064	-
Gain on extinguishment of interest and loans	(1,251,983)	-
Deferred tax expense	51,895	-
Other	100,647	-
Net loss and comprehensive loss	**9,556,619**	**993,350**

Revenue

The Company has no revenue to report as it is not yet earning revenues from its principal operations.

Operating expenses

Total operating expenses for the nine months ended November 30, 2018 was $5,730,426. These expenses include product costs, an unrealized loss on changes in fair value of biological assets, professional services related to the reverse takeover transaction, the acquisitions of Infusion Biosciences Canada and SSM and compliance, marketing, general and administrative expenses, and share-based compensation.

Salaries and wages consist of salaries for seven management staff, four management contractors, and nine employees. Stock based compensation relates to the stock option expense for 10,756,249 options granted to employees, consultants and Board members during the period. As of November 30, 2018, 2,027,168 have been vested. Office expenses relate to the lease of office space as well as general administrative expenses. Professional fees consist of legal and accounting fees related to the public listing transaction, acquisitions and compliance. Marketing expenses consist of investor relations and brand awareness. Other expenses include travel and other miscellaneous costs.

There was no income tax expense during the period.

Net loss

The net loss for the nine months ended November 30, 2018 was $9,556,619.

Summary of Quarterly Results

	Nov 30, 2018 $	**Aug 31, 2018 $**	**May 31 2018 $**	**Feb 28 2018 $**	**Nov 30 2017 $**	**Aug 31 2017 $**	**May 31 2017 $**	**Feb 28 2017 $**
Revenue	--	--	--	--	--	--	--	--
Net loss (i)	2,810,548	5,273,358	1,472,713	1,677,043	473,614	333,173	186,773	--
Net loss per share (ii)(iii)	0.02	0.04	0.02	0.05	0.02	0.02	0.01	0.00

(i) Net loss for the quarter ended November 30, 2018 reflects production costs of $15,826, unrealized loss on changes in fair value of biological assets of $28,198, depreciation and amortization of $98,998, share-based compensation of $604,000, accretion of $258,017 related to loans and borrowings as well as contingent consideration payable related to the acquisition of Infusion Biosciences Canada and SSM and loss from extinguishment of contingent cash payment to related party of $24,064. Net loss for the quarter ended August 31, 2018 reflects depreciation of $6,001, share-based compensation of $452,255, listing expense of $3,818,459 related to the reverse acquisition, accretion of $67,869 related to loans and borrowings and gain on extinguishment of debt of $766,928. Net loss for the quarter ended May 31, 2018 reflects amortization of $1,464, share-based compensation of $166,357, financing fees of $231,846, accretion of $237,669 related to loans and borrowings and gain on extinguishment of debt and interest of $485,055. Net loss for the quarter ended February 28, 2018 reflects bad debt of $984,461, share-based compensation of $87,007, accretion of $13,566 related to loans and borrowings, financing fees of $4,449 and deferred tax recovery of $28,648. Net loss for the quarter ended November 30, 2017 reflects share-based compensation of $88,697 and financing fees of $66,750. August 31, 2017 reflects share-based compensation of $89,672. Net loss for the quarter ended May 31, 2017 reflects share-based compensation of $64,719.

(ii) Net loss per share fluctuates from period to period and is impacted by the amount of loss incurred and the number of weighted average number of common shares outstanding.

(iii) On July 6, 2018, the Company completed a reverse takeover transaction with Sproutly Inc. For the period in which a reverse acquisition occurs, the weighted-average number of common shares outstanding is calculated as the weighted average of:

- for the period from the beginning of the reporting period to the RTO date: the weighted average number of common shares of Sproutly Inc. (accounting acquirer) outstanding during that period multiplied by the exchange ratio established in the acquisition agreement (1:2), and

- for the period from the RTO date to the end of the reporting period: the actual number of common shares of Sproutly Canada Inc. (legal acquirer) outstanding during that period.

Financial Condition, Liquidity and Capital Resources

		November 30, 2018		February 28, 2018
Cash	$	11,488,163	$	741,385
Other current assets		1,499,882		395,670
Non-current assets		75,964,945		18,322,674
Current liabilities		8,798,560		9,581,057
Non-current liabilities		10,974,370		3,666,510
Current working capital		4,189,485		(8,444,002)

As at November 30, 2018, the Company had cash available of $11,488,163. The Company used $6,447,405 in operating activities during the nine months ended November 30, 2018. The Company has incurred losses to date. The Company expects to generate revenue commencing in the first quarter of fiscal 2020 and will incur losses until revenues reach a level where operations become profitable. The Company's ability to reach profitability is dependent on successful implementation of its business strategy. While Management is confident in the success and profitability of the business, there can be no assurance that Sproutly will gain adequate market acceptance for its products or be able to generate sufficient gross margins to reach profitability.

Cash from Financing Activities

During the nine month period ended November 30, 2018, Sproutly received $2,659,000 from convertible debentures, $9,657,428 from CD Special Warrant units, $8,842,487 from Equity Special Warrant units, $10,000 from option exercises and $408,100 from warrant exercises. The Company also paid $103,552 in demand loans.

The Company entered into convertible debentures with various third parties with $815,000 received as of February 28, 2018, and a further $2,659,000 received as of May 31, 2018. These convertible debentures bear non-compounding interest rate of 10% per annum and repayable in full on April 10, 2019. The conversion feature value has been determined to be $157,855 for the $815,000 tranche for the period ended February 28, 2018, and $474,899 for the $2,659,000 tranche for the period ended May 31, 2018. The borrowing amount represents the debt element of the loan, without the conversion option, recorded at its amortized costs at using effective interest rate of 21%.

On June 18, 2018, holders exercised the rights of conversion and converted all of the principal amount outstanding including accumulating interest of $79,658 into 10,870,452 pre-reverse acquisition common shares. On the date of the reverse acquisition, the conversion of shares was equivalent to 22,060,219 common shares.

On October 24, 2018, the Company completed a Special Warrants Bought Deal financing for gross proceeds of $20,760,000. $10,750,000 of gross proceeds were derived from issuance of 10,750 CD Special Warrant units at a price of $1,000 per unit or $9,657,428 after deduction of transaction costs. The loan's embedded conversion feature was determined to meet the definition of a compound financial instrument required to assign a fair value to the debt with any residual amount recorded as equity. In addition, the Company has issued Broker CD Warrants which requires allocation of value to equity. As a result, $6,596,153 was recognized as the liability portion for the convertible loan and the remainder $3,061,275 as equity. The borrowing amount represents the debt element of the loan, without the conversion option, recorded at its amortized costs at using effective interest rate of 24.26%.

The remaining gross proceeds of $10,010,000 were derived from the issuance of 15,400,000 Special Equity Warrant units at a price of $0.65 per unit or $8,842,487, net of transaction costs.

Cash from Investing Activities

During the nine month period ended November 30, 2018, Sproutly paid $4,525,000 of contingent payment to a related party for the acquisition of Infusion Biosciences Canada, received $561,124 from the reverse takeover of Stone Ridge, and used $315,404 for plant and equipment.

Capital Resources

To date and for the foreseeable future, the Company expects to finance its operations through the issuance of common shares until the point at which its operations are profitable and self- funding. The Company periodically evaluates the opportunity to raise additional funds through either the public or private placement of equity capital to strengthen its financial position and to provide sufficient cash reserves for growth and development of the business.

Outstanding Share Data

The following table summarizes the maximum number of common shares potentially outstanding as at November 30, 2018 and as of the date of this MD&A if all outstanding options and warrants were converted to common shares:

	As of November 30, 2018	**As of the date of this MD&A**
Common shares	162,171,133	164,936,775
Contingent equity considerations	36,857,657	36,857,657
Options	13,904,307	13,904,307
Warrants	12,508,625	9,742,983
CD Special Warrant units	22,003,833	--
Equity Special Warrant units	23,100,000	--
Convertible Debenture units	--	22,003,833
Equity units	--	23,100,000
Broker CD Warrant units	1,182,500	--
Broker Equity Special Warrant units	1,617,000	--
Broker Convertible Debenture units	--	1,182,500
Broker Equity Warrant units	--	1,617,000
Fully diluted	273,345,055	273,345,055

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Related Party Transactions and Balances

(a) Compensation of key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers.

The remuneration of key management personnel during the quarter ended was as follows:

		Three months ended November 30,		**Nine months ended November 30,**	
		2018	**2017**	**2018**	**2017**
		$	$	$	$
Management compensation	(i)	352,961	70,083	738,860	194,786
Share-based compensation	(ii)	440,132	86,483	917,150	237,590
		793,093	156,566	1,656,010	432,376

(i) November 30, 2018, the Company owes $108,921 to key management personnel.

(ii) Share-based payments are the fair value of options granted and vested to key management personnel and directors of the Company under the Company's stock option plan.

(b) Loans from related parties

The Company has received loans from Bray Limited Partnership (Shareholder), 1023409 B.C. Ltd. (Shareholder) and on demand loan related to a Director of the Company.

	November 30, 2018	**February 28, 2018**
	$	$
On-demand loan – Director	-	100,000
Loan payable – 1023409 B.C. Ltd.	45,448	49,000
Due to related parties – Bray Limited Partnership	-	1,581,887
	45,448	1,730,887

(c) Due to related party

The Company settled a contingent consideration cash payment to a related party on October 25, 2018 of $4,525,000 as part of the acquisition of Infusion Biosciences Canada. For the period ended November 30, 2018, the Company recognized an accretion expense of $21,178 and a loss on extinguishment of contingent cash payment to related party of $24,064.

Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions about the carry amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Significant judgments, estimates and assumptions that have the most significant effect on the amounts recognized in the financial statements are described in Note 2(e) to the Company's interim financial statements.

Recent Accounting Pronouncements Adopted

For details please refer to Note 2(f) of the November 30, 2018 financial statements.

Financial Instruments and Other Instruments

For details please refer to Note 13, Note 14 and Note 20 of the November 30, 2018 financial statements.

Commitments

On August 1, 2017 the Company entered into a two year office lease agreement at 1050 – 1095 West Pender St, Vancouver, British Columbia for monthly payments of $16,317 until the end of the 2018 calendar year and $16,801 until the lease expires on July 31, 2019.

Future lease payments of the remaining lease are $133,924.

	$
2019	49,919
2020	84,005
	133,924

Disclosure Controls and Procedures

The Company has disclosure controls and procedures in place to provide reasonable assurance that any information required to be disclosed by the Company under securities legislation is recorded, processed, summarized and reported within the applicable time periods and that required information is gathered and communicated to the Company's management so that decisions can be made about the timely disclosure of that information.

The Company's management is responsible for establishing and maintaining adequate internal controls over financial reporting. Any system of internal controls over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

The Company's management, including Chief Executive Officer and Chief Financial Officer, believe that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, the Company's management cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company has been prevented or detected. These inherent limitations include the realities that judgments in decisionmaking can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any control system is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Risks and Uncertainties

Details of the risks and uncertainties related to the Company's business are set out in the Annual Information Form of Sproutly Canada Inc. dated November 1, 2018 under the heading "Risk Factors".

CORPORATE DIRECTORY

Trading Symbol – SPR
Exchange - CSE

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Craig Loverock – CFO and Corporate Secretary
Michael Bellas – Director
Gregg Orr – Director
Justin Kates – Director
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