



SPROUTLY ANNOUNCES FINANCIAL RESULTS FOR THE FIRST QUARTER OF 2020

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VANCOUVER, B.C., July 29, 2019 – Sproutly Canada, Inc. (CSE: SPR) (FRA: 38G) (OTCQB: SRUTF) (“**Sproutly**” or the “**Company**”) today announced the Company’s financial results for the first quarter ended May 31, 2019.

"We are off to a strong start in 2020 with the completion of our first quarter, which saw us sign the definitive agreement with Moosehead and make advancements in cultivation and R&D." said Keith Dolo, Chief Executive Officer of Sproutly. "We anticipate more growth as we begin to generate revenue from the sales of our flower and oil as we move into Q2. Preparations are advancing towards the launch of our CALIBER premium branded flower and oil, as well as beverages and edibles in line with the proposed regulations recently announced by Health Canada. We continue to execute on our plans to achieving our goal of becoming a leader in the cannabis infused product category."

Highlights for the First Quarter Ended May 31, 2019

- Cash position of \$3.85 million as at May 31, 2019.
- Toronto Herbal Remedies Inc. (“THR”), received a processing license from Health Canada (the “**Processing License**”). The Processing License allows THR to produce cannabis oil and related products and will also allow the Company to conduct certain research and development activities, including the formulation of proprietary beverage products.
- The Company entered into a definitive agreement to form a joint venture with OCC Holdings Ltd., an affiliate of Moosehead Breweries Ltd.

Subsequent Events

- THR submitted an amendment for a sales license for cannabis flower and oil. THR has successfully completed its first packaging run for both cannabis flower and oil products and has provided all supporting documents to Health Canada.
- The Company completed a voluntary debt for shares settlement agreement with an arm’s length creditor, settling an outstanding current debt of \$3,537,455 by issuing 4,716,606 common shares at a price of \$0.75 per share and improving its working capital position.
- The Company announced its first commercial sale of cannabis flower in Canada.
- The Company successfully completed the first run of the proprietary Aqueous Phytorecovery Process (“**APP**”) extraction technology licensed from Infusion Biosciences Inc. at THR.
- The Company reported total cultivation output for the three-month period ended June 30, 2019 was 298kg of dried cannabis flower, representing an overperformance of 49.9% relative to the

design of 199kg which was based on a projection of 2lbs per light. These initial dry cannabis flower yield results have been achieved cultivating the Company's cannabis strain Berry White, an indica-dominant hybrid.

Conference Call and Webcast Information

Sproutly will host a conference call on Tuesday, July 30, 2019 at 9:00 AM Pacific Time, 12:00 PM Eastern Time to answer questions about the Company's financial highlights. The dial-in numbers for the conference call are 1-800-319-4610 (Canada/USA toll free) or +1-604-638-5340 (International). Please dial in 5 – 10 min prior to the scheduled start time.

Consolidated Financial Statements and Management's Discussion and Analysis

The Company's unaudited consolidated interim financial statements and accompanying notes as at and for the quarter ended May 31, 2019, and the Company's Management's Discussion and Analysis for the three months ended May 31, 2019 are available under the Company's profile on SEDAR at www.sedar.com.

About Sproutly Canada, Inc.

Sproutly's core mission is to become the leading supplier to the cannabis beverage and edibles market. Our Toronto based, ACMPR licensed facility was built to cultivate pharmaceutical grade cannabis to supply a technological breakthrough in producing and formulating the first natural, truly water-soluble cannabis solution. Our water-soluble ingredients and our bio-natural oils will deliver revolutionary brands to international markets that are clamouring for well-defined commercial products. Sproutly's business focus is to execute on partnerships with local and globally established consumer brands to leverage their existing customer bases, further expand brand loyalty, assist with marketing, and support distribution networks to deliver this scientific breakthrough with speed and efficiency worldwide.

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 date of trading of the Sproutly Shares on the CSE and final regulatory approvals. 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 state of the economy in general and capital markets in particular, and other factors, many of which are beyond the control of Sproutly 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. 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 outlook that are incorporated by reference herein, except in accordance with applicable securities laws. We seek safe harbor.