



Infusion Biosciences Develops Breakthrough Testing Methods To Detect Cannabinoids In Water Solutions To Meet Food And Safety Standards

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VANCOUVER, BC, September 10, 2019 – Sproutly Canada, Inc. (CSE: SPR) (OTCQB: SRUTF) (FSE: 38G) (“**Sproutly**” or the “**Company**”) announced today that Infusion Biosciences Inc. (“**Infusion**”) and BNO Holdings Inc. (“**BNO Holdings**”) have developed and verified analytical methods that detect, identify, and measure cannabinoid molecules in water-soluble (“**Infuz₂O**”) and oil preparations (“**Bio-Natural Oil**”) derived from cannabis and hemp using APP Technology (collectively, the “**Developed Analytics**”). APP Technology is a patent pending process that uses proprietary reagents to recover naturally occurring water-soluble cannabinoids as well as the cannabis oils.

The proprietary methods for the Developed Analytics were created and refined during the past year through the work of Sproutly’s Chief Science Officer and Director Dr. Arup Sen in collaboration with state certified US testing laboratories. The delivery of the Developed Analytics satisfies Sproutly’s Earn Out Milestones (defined below) in the Acquisition Agreements (defined below) dated August 1, 2018 for the purchase of Infusion Biosciences Canada Inc. and SSM Partners Inc.

The cannabis industry has faced challenges in testing and measuring cannabinoid content in water formulations fortified with marijuana ingredients. Standard analytical methods used today for the detection and quantitation of cannabinoids had been designed for isolated oils and lack the ability to reliably measure cannabinoid contents in finished edible and beverage products. Correctly and reproducibly measuring the potency of bioactive cannabinoids in recreational, health and wellness, and medicinal beverage products is critical for successful marketing of these products in compliance with applicable food safety standards.

Dr. Arup Sen and Infusion have been successful in developing a proprietary method for processing Infuz₂O preparations in order to detect tetrahydrocannabinol (“**THC**”), cannabidiol (“**CBD**”) and several other cannabinoids. The proprietary process allows for independent third-party testing laboratories to prepare the cannabis and hemp samples of Infuz₂O so that analytical methods used by these laboratories can then detect and measure the natural water-soluble cannabinoids. The results obtained in collaboration with third-party laboratories utilized for this research verify the predicted levels of cannabinoids recovered by APP Technology in Infuz₂O.

Furthermore, lab result comparisons of cannabinoid profiles of the cannabis biomass before and after each step of APP Technology have revealed no detectable change in composition of the major cannabinoids and no indication of selective separation of cannabinoids from biomass in either Infuz₂O or Bio-Natural Oil. Additional chemical tests carried out during this research further confirmed the molecular

identity of cannabinoids in Infuz₂O and Bio-Natural Oils to be the same as standard cannabinoid molecules.

Sproutly intends to provide technical guidance to qualified third-party testing laboratories in order to enable them to analyze Infuz₂O products to meet applicable regulatory authority requirements for commercial sale of Sproutly's products.

"The ability to test for cannabinoids in water formulations has been unreliable for cannabis beverages globally due to the existing testing standards and practices," said Dr. Arup Sen, Chief Science Officer and Director of Sproutly. "With ever increasing food-safety standards that need to be met for cannabis beverage and edible products, the completion of our research and the Developed Analytics are significant milestones in the commercialization of APP Technology; this is another step forward towards reliable and accurate testing for ingestible cannabis products."

Earn Out

Further to its news release dated August 1, 2018, and in accordance with the acquisition agreements whereby the Company acquired all of the issued and outstanding shares of Infusion Biosciences Canada Inc. (a wholly owned subsidiary of Infusion Biosciences Inc.) and SSM Partners Inc. (together, the "**Acquisition Agreements**"), the Earn Out Milestones (defined herein) were completed as of September 7, 2019 (the "**Payment Date**"). The earn-out milestones being the receipt of results for analysis of cannabinoids for water soluble and oil preparations derived with APP Technology, which results encompass analytical data that meet the regulatory requirements for the commercial sale of products in a Sproutly acquired jurisdiction (the "**Earn Out Milestones**"). In accordance with the provisions of the Acquisition Agreements Infusion Biosciences Inc. received 14,743,070 common shares and BNO Holdings (the former shareholder of SSM Partners Inc.) received 22,114,605 common shares of the Company (collectively, the "**Earn Out Shares**"). The Earn Out Shares are subject to the same escrow restrictions as the shares held by the Company management.

About APP Technology

APP Technology is a patent pending process that uses proprietary reagents to recover naturally occurring water-soluble cannabinoids as well as the free cannabinoid lipids in two separate products. Psychoactive effects of naturally water-soluble cannabinoids, known as 'Infuz₂O', start within approximately 5 minutes and dissipate within approximately 90 minutes; this pattern is more similar to drinking a glass of wine or a beer than consuming traditional cannabis oils. Similar to Infuz₂O, free complete spectrum cannabinoid oils called 'Bio-Natural Oil' deliver the effects of the strain of cannabis from which it is made.

About Sproutly Canada, Inc.

Sproutly is a vertically integrated cannabis products company, powered by proprietary technology and licensed to cultivate and manufacture cannabis derived products under the Cannabis Act. Utilizing the proprietary APP Technology, the Company is able to produce *Infuz₂O*, the first naturally water-soluble cannabinoids in water solutions, and *Bio-Natural Oil*, a natural strain-specific cannabis oil. Sproutly's indoor cultivation and processing facility is strategically located in Greater Toronto Area. The facility is designed to produce high-quality cannabis and house the initial APP Technology extraction operations. The Company's mission is to advance the cannabis beverage and edibles market and become a leader in the category with its breakthrough products, in-house brand portfolio and partnerships with leading established consumer product brands.

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 and cannabis products and obtaining all applicable regulatory approvals from global jurisdictions including 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.