



Sproutly Secures \$1 Million Loan

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VANCOUVER, BC, January 28, 2020 – Sproutly Canada, Inc. (CSE: SPR) (OTCQB: SRUTF) (FSE: 38G) (“**Sproutly**” or the “**Company**”) is pleased to announce it has secured a private loan (the “**Loan**”) of \$1 million from Infusion Biosciences Inc., a related party of the Company (the “**Lender**”). The Loan carries an interest rate of 10% per annum accruing and compounding monthly, payable on maturity on or before October 24, 2020 (the “**Maturity Date**”). The Company anticipates using the proceeds of the Loan to support the Company’s general working capital.

The Loan is evidenced by a secured convertible debenture (the “**Convertible Debenture**”) that provides the Lender with the right to convert the principal of the Loan into units of the Company (the “**Units**”) at a conversion price of \$0.19 per Unit, subject to adjustment in accordance with the terms of the Convertible Debenture (the “**Conversion Price**”). Each Unit will consist of one common share in the capital of the Company (a “**Common Share**”) and one Common Share purchase warrant (a “**Warrant**”), with each Warrant entitling the Lender to acquire one Common Share at an exercise price equal to \$0.20 for a period of two years from date of issuance.

Sproutly has the right at any time prior to the Maturity Date to pre-pay the amount outstanding under the Convertible Debenture. In the event of pre-payment of the Convertible Debenture, the Lender will be entitled to receive such number of Warrants equal to the number that the Lender would have been issued if the Convertible Debenture was converted at the Conversion Price.

The Convertible Debenture and the securities issuable upon conversion of the Convertible Debenture are subject to a minimum four-month hold period and restrictions on transfer under Canadian securities law.

About Sproutly Canada, Inc.

Sproutly’s core mission is to become the leading supplier to the cannabis beverage and edibles market. The Company’s Toronto based facility, licensed under the Cannabis Act, 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. 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, management’s intended use of the Loan proceeds.

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, changes in consumer preferences and product trends; and political, legal and regulatory uncertainty relating to cannabis products generally.

In making the forward looking statements in this news release, the Company has applied several material assumptions, including without limitation, management’s expectations relating to working capital budgets. 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 out-look that are incorporated by reference herein, except in accordance with applicable securities laws. We seek safe harbor.