



Sproutly Announces Filing of Application for Management Cease Trade Order

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VANCOUVER, BC, August 4, 2020 – Sproutly Canada, Inc. (CSE: SPR) (OTCQB: SRUTF) (FSE: 38G) (“**Sproutly**” or the “**Company**”) will likely miss its filing deadline of August 12, 2020 to file annual consolidated financial statements and accompanying management's discussion and analysis and related CEO and CFO certificates for the financial period ended February 29, 2020 (collectively, the “**Annual Filings**”), as required under applicable Canadian securities laws.

In connection with the Company's inability to file the Annual Filings on time, the Company has applied for a Management Cease Trade Order (“**MCTO**”) under National Policy 12-203 – Management Cease Trade Orders (“**NP 12-203**”) and is waiting for the British Columbia Securities Commission approval.

The Company is applying for a MCTO as a result of complexities caused by COVID-19 pandemic, which has impacted the Company's ability to complete its audit.

The Company expects to file the Annual Filings as soon as they are available, but in any event no later than August 28, 2020 and will issue a news release once the Annual Filings have been filed. Until the Company files the Annual Filings, it will comply with the alternative information guidelines set out in NP 12-203. The guidelines, among other things, require the Company to issue bi-weekly default status reports, in the form of news releases, for so long as the Annual Filings have not been filed.

During the MCTO, the general investing public will continue to be able to trade in the Company's common shares listed on the Canadian Securities Exchange. However, the Company's Chief Executive Officer and Chief Financial Officer and such other directors, officers and persons as determined by the applicable regulatory authorities will not be able to trade in the Company's shares, nor will the Company be able to, directly or indirectly, issue securities to or acquire securities from an insider or employee of the Company except in accordance with legally binding obligations to do so existing as of August 12, 2020, being the date of the Company's anticipated continuous disclosure default.

The Company is not currently subject to any insolvency proceedings. If the Company provides any information to any of its creditors during the period in which it is in default of filing the Annual Financial Statements, the Company confirms that it will also file material change reports on SEDAR containing such information.

First Quarter Fiscal 2021 Financial Results

The Company also provided an update on the status of the filing of its fiscal 2021 first quarter financial results and accompanying management's discussion and analysis for the period ended May 30, 2020

(collectively, the "**Q1 Disclosure Documents**"), which were initially required to be filed by July 30, 2020 under NI 51-102.

As a result of the COVID-19 pandemic, the Company will be relying on the coordinated relief provided by the securities regulators which consists of a 45-day extension for certain periodic filings, as announced by the Canadian Securities Administrators ("**CSA**") on May 20, 2020. The Company will rely on the exemption granted under BC Instrument 51-515 – *Temporary Exemption from Certain Corporate Finance Requirements with respect to the Q1 Disclosure Documents*.

At this time, the Company expects to file its Q1 Disclosure Documents by September 14, 2020.

There have been no material business developments since the filing of the Company's third quarter financial statements and associated management's discussion and analysis for the nine months ended November 30, 2019 that have not been otherwise disclosed by the Company by way of news release.

Additionally, the Company advises that management and other insiders of the Company are subject to a trading black-out policy as described, in principle, in section 9 of National Policy 11-207, Failure to-File Cease Trade Orders and Revocations in Multiple Jurisdictions.

About Sproutly Canada, Inc.

Sproutly's core objective is to become the leading supplier of unique ingredients and customized formulations to the cannabis beverage and edibles market. Our water-soluble Infuz₂O and BioNatural Oils will deliver revolutionary brands to international markets that are striving to produce differentiated consumer 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. Forward-looking statements relate to future events or future performance and reflect the expectations or beliefs of management of the Company regarding future events. 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, management expectations that it will miss the filing deadline for the Annual Filings

and the ability of the Company to file the Annual Filings and Q1 Disclosure Documents within the time period described herein.

These forward-looking statements involve numerous risks and uncertainties and actual results might differ materially from results suggested in any forward-looking statements. These risks and uncertainties include, among other things: the Company being unable to file the Annual Filings and Q1 Disclosure Documents in the proposed timeframe; recent market volatility; and the state of the financial markets for the Company's securities.

In making the forward looking statements in this news release, the Company has applied several material assumptions, including without limitation, that: the Company will be able to file the Annual Filings and Q1 Disclosure Documents in the proposed time frame.

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.