



SPROUTLY ANNOUNCES FINANCIAL RESULTS FOR THE SECOND QUARTER OF 2021

NOT FOR DISSEMINATION IN THE US OR THROUGH US NEWSWIRE SERVICES

VANCOUVER, B.C., October 30, 2020 – Sproutly Canada, Inc. (CSE: SPR) (OTCQB: SRUTF) (FRA: 38G) (“**Sproutly**” or the “**Company**”) today announced the Company’s financial results for the second quarter ended August 31, 2020.

"While we saw an increase in our flower revenue in this quarter as compared to Q1, the big news came subsequent to the end of the quarter when we received our Cannabis 2.0 sales license." said Dr. Arup Sen, Chief Executive Officer of Sproutly. "This is the milestone we needed to achieve in order to sell differentiated cannabis and hemp products that use the natural water soluble and oil ingredients produced by our APP technology in Canada."

Highlights for the Second Quarter Ended August 31, 2020

- THR entered into a cannabis supply agreement with the province of British Columbia through the British Columbia Liquor Distribution Branch as well as completing initial sales into the province. This is the 5th province in Canada to carry the Company’s CALIBER branded indoor-grown dried flower products.
- The Company reorganized their Board of Directors. Michael Bellas, Gregg Orr and Justin Kates departed, with Craig Loverock and Paul Marcellino joining the Board. In addition, Con Constandis was named Chair of the Audit Committee with Dr. Arup Sen taking over as Board Chairman.
- The Company amended the interest clause on its previously issued convertible debentures such that the Company can now settle the interest owing through the issuance of common shares or cash, subject to the prior written approval of Debenture holders holding more than 20% of the outstanding Debentures.
- The Company secured a private loan of \$855,000 from Infusion Biosciences Inc., a related party of the Company. The Loan carries an interest rate of 15% per annum accruing and compounding monthly, payable on maturity on or before October 24, 2020.
- The Company completed a non-brokered private placement of 1,500,000 units of the Company at a price of \$0.07 per Equity Unit to raise gross proceeds of \$105,000. Each Equity Unit consists of one Common Share and one Warrant, with each Warrant entitling the holder to acquire one Warrant Share at an exercise price equal to \$0.08 for a period of two years from date of issuance.
- The Company completed a settlement of outstanding current debt of the Company in the amount of \$180,000 with an arm’s length creditor. In settlement of the Debt, the Company has

issued 1,800,000 Common Shares (the "Settlement Shares") at a price of \$0.10 per Settlement Share.

Subsequent Events

- The Company's wholly-owned subsidiary, Toronto Herbal Remedies Inc., ("THR"), a licensed producer and processor under the Cannabis Act, has received its cannabis extract sales license from Health Canada (the "Sales License"). THR is now authorized to manufacture and sell Cannabis 2.0 products directly to provincial distributors and other authorized Canadian retail supply channels. THR's ability to sell Cannabis 2.0 products allows it to utilize its licensed APP technology and offer the Company's strain specific cannabis extracts, edible and beverage products in Canada through its existing provincial sales relationships.
- The Company amended maturity date of its previously issued convertible debentures from October 24, 2020 to April 24, 2021 and reduced the conversion price from \$0.105 to \$0.06 per share.
- The Company and Infusion Biosciences Inc. ("Infusion") extended the maturity dates of both the \$1 million private loan issued by Infusion to the Company on January 28, 2020 and the \$855,000 private loan issued by Infusion to the Company on August 27, 2020 by six months to April 24, 2021.
- The Company settled an aggregate of \$182,340 of payroll indebtedness owed to certain current and former employees for past services rendered through the issuance of 2,604,867 common shares at a deemed issuance price of \$0.07 per share.
- The Company settled an aggregate of approximately \$69,300 of indebtedness owed to one arms-length creditor for past services rendered through the issuance of 1,386,000 common shares at a deemed issuance price of \$0.05 per share.

Consolidated Financial Statements and Management's Discussion and Analysis

The Company's unaudited consolidated interim financial statements and accompanying notes at and for the period ended August 31, 2020, and the Company's Management's Discussion and Analysis for the period ended August 31, 2020 are available under the Company's profile on SEDAR at www.sedar.com.

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 unique 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 companies to leverage their existing customer bases, further expand brand loyalty, assist with marketing, and support distribution networks to deliver the benefits of the APP technology 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.