



Sproutly Enters into LOI with Cannabis Manufacturer's Guild Ltd.

Vancouver, BC, December 17, 2020 – Sproutly Canada, Inc. (CSE: SPR) (OTCQB: SRUTF) (FSE: 38G) (“**Sproutly**” or the “**Company**”), has executed a Letter of Intent (the “**LOI**”) to enter into a commercial relationship with Cannabis Manufacturer’s Guild Ltd. (“**CMG**”). The agreement will allow Sproutly to expand and diversify its flower and Cannabis 2.0 product offerings utilizing brands developed by CMG and its affiliates (the “**Acquired Products**”), through the Company’s wholly-owned subsidiary, Toronto Herbal Remedies Inc. (“**THR**”).

Sproutly will leverage CMG’s expertise in branding, commercialization, and distribution of cannabis products for underserved categories in the Canadian market. The agreement allows Sproutly to sell the Acquired Products and facilitate potential business-to-business sales of Sproutly’s proprietary whole plant extracts to CMG’s network of Guild members.

“As we implement our business transformation plan to focus on products, we are exploring opportunities to increase revenue from an expanded product portfolio by leveraging our 2.0 product sales license and established relationships with multiple provinces throughout Canada,” said Dr. Arup Sen, Chief Executive Officer and Director of Sproutly. “The addition of CMG’s brands improves the utilization of our THR infrastructure and provides a commercialization platform for unique products developed by other companies for the growing and diversifying Canadian cannabis market.”

“The evolution of the CMG brand portfolio has been in the works for almost a year as our team of leading experts conducted market research on new product formulations and consumer preferences,” said James Williams, President of CMG. “We’ve developed novel brands with differentiated products to give Canadians more choice and access to quality-tested, innovative cannabis products, formats, and packaging produced by CMG’s vetted manufacturing partners. We look forward to unveiling our cannabis portfolio early next year and having our first products available for purchase in select markets across Canada by the end of Q1 2021.”

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 natural water-soluble Infuz₂O and BioNatural Oils will deliver revolutionary brands to international markets that are striving to produce a diverse portfolio of 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.

Contact: Dr. Arup Sen, Chief Executive Officer and Director of Sproutly Canada, Inc.

Email: investors@sproutly.ca

About Cannabis Manufacturer’s Guild Ltd.

Cannabis Manufacturer’s Guild Ltd. is a privately held, full-service cannabis solutions consultancy that consists of a network of highly focused cannabis companies, service providers, and industry professionals

whose combined expertise and relationships offer distinct advantages navigating Canada's cannabis ecosystem. CMG works with over 150 cannabis companies offering white glove solutions including procurement & sales support, brand building, facility & licensing consultation, capital advisory, and business development. CMG works to protect the interests of its Guild members to ensure the prosperity of legal cannabis operations in Canada and around the world.

For more information on CMG, please visit: www.cannabismanufacturersguild.com.

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, statements regarding discussions of future plans, estimates and forecasts and statements as to management's expectations and intentions with respect to, among other things, timing relating to the Company's ability to complete a definitive agreement with CMG and launch additional 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's inability to launch or supply its CALIBER branded products in Canada; the Company's inability to complete a definitive agreement with CMG and launch additional products; potential negative consumer, investor or public perception of the additional product lines; 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, that the Company will launch its CALIBER branded products in Canada; that the Company's products will be positively received by consumers in Canada; and that the Company will continue to develop and launch its Cannabis 2.0 products. 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.