

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**ITEM 1. NAME AND ADDRESS OF ISSUER**

Sproutly Canada, Inc. (the "**Company**")  
#112, 1020 Mainland Street  
Vancouver, BC V6B WT5

**ITEM 2. DATE OF MATERIAL CHANGE**

June 22, 2021

**ITEM 3. NEWS RELEASE**

Issued and distributed on June 22, 2021 through the facilities of Business Wire and a copy was filed on SEDAR.

**ITEM 4. SUMMARY OF MATERIAL CHANGE**

The Company announced that it will likely miss its filing deadline of June 28, 2021 to file audited annual financial statements and accompanying management's discussion and analysis and related CEO and CFO certificates for the financial year ended February 28, 2021, as required under applicable Canadian securities laws. Accordingly, the Company applied for a Management Cease Trade Order under National Policy 12-203 – *Management Cease Trade Orders*.

**ITEM 5.1 FULL DESCRIPTION OF MATERIAL CHANGE**

For a full description of the material change, please see the news release dated June 22, 2021, a copy of which is attached as Schedule "A" hereto.

The Company received approval for the Management Cease Trade Order from the British Columbia Securities Commission on June 29, 2021.

**ITEM 5.2 DISCLOSURE FOR RESTRUCTURING TRANSACTIONS**

Not applicable.

**ITEM 6. RELIANCE ON SUBSECTION 7.1(2) OF NATIONAL INSTRUMENT 51-102**

Not applicable.

**ITEM 7. OMITTED INFORMATION**

No information has been omitted on the basis that it is confidential information.

**ITEM 8. EXECUTIVE OFFICER**

Contact: Craig Loverock, Chief Financial Officer  
Telephone: (647)-984-1244

**ITEM 9. DATE OF REPORT**

June 30, 2021

**Schedule "A"**

**News Release Dated June 22, 2021**

(see attached)



## **Sproutly Announces Filing of Application for Management Cease Trade Order**

***NOT FOR DISSEMINATION IN THE US OR THROUGH US NEWSWIRE SERVICES***

**VANCOUVER, BC, June 22, 2021** – Sproutly Canada, Inc. (CSE: SPR) (OTCQB: SRUTF) (FSE: 38G) ("**Sproutly**" or the "**Company**") today that it will likely miss its filing deadline of June 28, 2021 to file audited annual financial statements and accompanying management's discussion and analysis and related CEO and CFO certificates for the financial year ended February 28, 2021 (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 impacted the Company's ability to complete the Annual Filings.

The Company expects to file the Annual Filings as soon as they are available, but in any event no later than July 12, 2021, 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 June 28, 2021, 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 Filings, the Company confirms that it will also file material change reports on SEDAR containing such information.

### **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](http://www.sproutly.ca).

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

Email: [investors@sproutly.ca](mailto:investors@sproutly.ca)

### **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 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 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 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.