



Sproutly Provides Update Regarding Management Cease Trade Order

NOT FOR DISSEMINATION IN THE US OR THROUGH US NEWSWIRE SERVICES

VANCOUVER, BC, August 2, 2022 – Sproutly Canada, Inc. (CSE: SPR) (OTCQB: SRUTF) (FSE: 38G) ("**Sproutly**" or the "**Company**") is providing this update on the status of a management cease trade order ("MCTO") granted on June 29, 2022 by the BCSC, in connection with the delay by the Company in filing its annual financial statements, management's discussion and analysis and related officer certifications for the financial year ended February 28, 2022 (collectively, the "Annual Filings").

The Company continues to work closely with its auditor and expects to file the Annual Filings as soon as possible, but the completion of such Annual Filings was delayed as a result of complexities arising from the *Companies' Creditors Arrangement Act* (Canada) ("**CCAA**") filing of the Company's subsidiaries, Toronto Herbal Remedies Inc. ("**THR**") and Sproutly Inc. ("**Holdco**"), which impacted the Company's ability to complete the Annual Filings. Pursuant to the Company's news release dated June 27, 2022, THR and Holdco filed a petition with the Ontario Superior Court of Justice for protection under the CCAA in order to restructure their business and financial affairs. The Company and its other subsidiaries are not parties to the CCAA filing.

During the MCTO, the general investing public will continue to be able to trade in the Company's listed common shares. However, the Company's chief executive officer and interim chief financial officer will not be able to trade in the Company's shares.

The Company is providing this status update in accordance with National Policy 12-203 – Management Cease Trade Orders ("NP 12-203"). The Company will continue to follow the provisions of the Alternative Information Guidelines set out in NP 12-203, including the issuance of bi-weekly default status reports in the form of news releases, for as long as the Company remains in default. The Company confirms as of the date of this news release that there has been no material change in the information contained in the default announcement issued June 27, 2022, and there is no other material information concerning the affairs of the Company that has not been generally disclosed. The Company anticipates filing the Annual Filings and remedying its default on or before August 28, 2022.

About Sproutly Canada, Inc.

Sproutly is the exclusive licensee of APP technology (www.infusionbiosciences.com) to produce proprietary natural water-soluble Infuz2O and BioNatural Oils. Beverage and edible products produced using the whole plant extracts will deliver true to strain whole plant experiences to new consumers and cannabis connoisseurs alike, ushering in the Cannabis 3.0 revolution. Sproutly intends to enter into partnerships with established companies and consumer brands to market unique products that deliver

cannabis and hemp whole plant experience and health and wellness benefits, in major commercial territories around the world.

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 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 outlook that are incorporated by reference herein, except in accordance with applicable securities laws. We seek safe harbor.