

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

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

Sproutly Canada, Inc. (the "**Company**")  
#3318 – 1055 Dunsmuir Street  
PO Box 49247, Vancouver, BC, V7X 1L2

**ITEM 2. DATE OF MATERIAL CHANGE**

April 30, 2019

**ITEM 3. NEWS RELEASE**

Issued and distributed on April 30, 2019 through the facilities of Business Wire and a copy was filed on SEDAR.

**ITEM 4. SUMMARY OF MATERIAL CHANGE**

The Company announced that it entered into a definitive agreement (the "**Joint Venture Agreement**") with OCC Holdings Ltd., an affiliate of Moosehead Breweries Limited ("**Moosehead**"), to form a joint venture (the "**Joint Venture**" or the "**JV**") to develop, produce, and market cannabis-infused beverages initially in Canada using the Company's proprietary, naturally produced water soluble cannabinoids known as 'Infuz20.'

**ITEM 5.1 FULL DESCRIPTION OF MATERIAL CHANGE**

The Company announced that it entered into a Joint Venture Agreement with OCC Holdings Ltd., an affiliate of Moosehead, to form the Joint Venture.

Sproutly and Moosehead will each hold a 50% interest in the JV and have the right to nominate three of the six directors of the JV. Moosehead shall also have the right to appoint the Chief Executive Officer of the JV and Sproutly shall have the right appoint the Chairperson of the board of directors of the JV.

Sproutly will provide Infuz20 exclusively to the Joint Venture for the purpose of producing cannabis beverages (excluding hemp) in Canada for a period of five years, such exclusivity period being subject to a potential extension upon Joint Venture achieving certain revenue targets.

The formation of the Joint Venture is subject to the satisfaction of certain conditions, including the execution and delivery of various transaction related agreements, including a supply agreement and unanimous shareholders agreement.

**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: Keith Dolo, President and Chief Executive Officer  
Telephone: (778) 945-6868

**ITEM 9. DATE OF REPORT**

May 6, 2019

**Cautionary Note Regarding Forward-Looking Statements**

This material change report 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 the Company. Generally, forward-looking statements and information can be identified by the use of forward-looking terminology such as "expect," or "potential," or "targets" or variations of such words and phrases or statements that certain actions, events or results "will" 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 formation of the JV and the parties completing their respective obligations under the JV Agreement. 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 anticipated legalization and regulatory scheme with respect to the cannabis edible and cannabis based beverages, and other factors, many of which are beyond the control of the Company. 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. The Company seeks safe harbor.