

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: Sprout AI Inc. Inc. (the “Issuer”, “Sprout”, or the “Company”).

Trading Symbol: SPRT

Number of Outstanding Listed Securities: 90,264,806

Date: October 7, 2021

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer’s ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are “material information” as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term “Issuer” includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

Sprout AI is a vertical farming technology company in the business of planning, designing, manufacturing and/or assembling sustainable and scalable AI-controlled vertical cultivation equipment for indoor vertical farming. The adaptive technology produces an environment with improved growing parameters and early detection of adverse conditions resulting in consistent and repeatable crops, with shorter cultivation cycles independent of geographic climates. The self-contained multi-level rolling rack technology increases the cubic cultivation area while mitigating the risk of outside and cross-contaminants.

2. Provide a general overview and discussion of the activities of management.

On September 7, 2021, Sprout announced the appointment of its global marketing team. MarketOne has been appointed to provide its marketing and social media expertise to support Sprout AI's marketing initiatives. The Company has signed a contract for services to be provided over a 12-month period commencing September 2021 and will pay a flat fee of C\$130,000, plus applicable taxes, during the Initial Term. MarketOne is arm's length to the Company and does not currently own any securities of the Company.

Generation IACP Inc. has been hereby appointed, subject to the receipt of approval by the Canadian Securities Exchange (CSE) and in compliance with the policies and guidelines of the CSE and other applicable legislation, that on a nonexclusive basis they will provide market-making services with the objective of maintaining a reasonable market and improving the liquidity of Sprout AI shares. Generation will not receive any common shares or options as compensation. Generation does not currently own any securities of Sprout AI; however, Generation and its clients may acquire a direct interest in the securities of the Company.

Sprout AI and Generation are unrelated and unaffiliated entities. Generation is a member of the Investment Industry Regulation Organization of Canada and a member firm of the Toronto Stock Exchange and the TSX-V, Canadian Securities Exchange and the NEO exchange. The initial term of the Generation agreement will last six months at a cost of CAD\$7,500 per month, payable per quarter and renewable at the discretion of the Company.

In addition to the above, Sprout AI has also selected the use of one of the most powerful investor relations software made for modern investor relations (IR) teams. This platform will then integrate seamlessly with Sprout AI's existing enterprise resource planning and compliance (ERPc) software, known as One

System One Solution (OS2). This platform, together with additional IR services, will cost on average US\$5,500 per month.

The total capital spend on this combined program will remain well below British Columbia Securities Commission's recommended 20% of operational costs.

On September 21, 2021, that it has been selected as the cultivation technology of choice for the purpose of cultivating controlled substances for JT Medical LLC ("JT Medical") based in Pennsylvania, USA. JT Medical, having completed its first site visit with the Drug Enforcement Administration (DEA), is moving forward with the next steps required to obtain its license to cultivate, process and distribute a multitude of controlled plants to be used for medical research and development (the "License"). Plants under the license will include psilocybin mushroom, cannabis, and peyote and their derivatives. Under the license, the primary cultivation technology to be used is the Sprout AI's proprietary cultivation habitats (the "Units"). The installation, set-up and management of the Units will be provided by TheraCann International Benchmark Corporation ("TheraCann") which has an existing managed services agreement with JT Medical.

This order forms part of a larger TheraCann project (the "Project") with an arm's length party and confirms the Company's ability to meet and exceed DEA Licensing requirements to ensure repeatability and the highest quality of plant-derived medicines. The total number of units to be delivered by the Company over the next 12 months will be based on JT Medical securing their cultivation request for domestic and/or international research and development projects. On Sept. 2, 2021, the DEA proposed a substantial increase in the amount of marijuana and psilocybin that can be legally produced for research.

TheraCann will provide further updates and place orders simultaneously to the company as the project expands. Assurance that subsequent orders will be required or fulfilled is unsecured as all orders will be subject to the project site readiness, availability of inventory, volatility in the supply chain of critical components for the Units and other risk factors inherent in the agricultural business.

Under the terms of the Order, an initial payment of 50% is required at the time of the Order to commence assembly. The remaining 50% of the Order is due at the time of shipping. All payments are non-refundable. Shipment of the Order is expected in the fourth quarter of 2021.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

N/A

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

N/A

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

See #2 above.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

N/A

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

N/A

8. Describe the acquisition of new customers or loss of customers.

See #2 above.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

N/A

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

In September Sprout AI terminated 3 personnel, 1 in administration, 1 in accounting and 1 in human resources and hired 3 personnel, 1 in administration, 1 in legal and 1 in IT security.

11. Report on any labour disputes and resolutions of those disputes if applicable.
N/A
12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.
N/A
13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.
N/A
14. Provide details of any securities issued and options or warrants granted.
N/A
15. Provide details of any loans to or by Related Persons.
N/A
16. Provide details of any changes in directors, officers or committee members.
N/A
17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.
N/A

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof, there was no new material information concerning the Issuer which had not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated October 7, 2021

Leanne E. Likness Swanson, Corporate Secretary

“Leanne E. Likness Swanson”

<i>Issuer Details</i>	For Month End	Date of Report
Sprout AI Inc.	September 2021	October 7, 2021
Issuer Address		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
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Contact Name	Contact Position	Contact Telephone No.
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