

## FORM 8

### NOTICE OF PROPOSED PROSPECTUS OFFERING

Please complete the following:

Name of Listed Issuer: Inner Spirit Holdings Ltd. (the "**Issuer**").

Trading Symbol: ISH

Date: March 30, 2021

Is this an updating or amending Notice:  Yes  No

If yes provide date(s) of prior Notices: February 22, 2021.

Issued and Outstanding Securities of Issuer Prior to Proposed Prospectus Offering: 242,233,427 common shares in the capital of the Issuer ("**Common Shares**").

Date of News Release Announcing Proposed Prospectus Offering: February 17, 2021 and February 18, 2021.

(or provide explanation if news release not disseminated yet and expected date or circumstances that are expected to trigger news release dissemination)

#### 1. Prospectus Offering

1. Description of securities to be issued:

(a) Class: Units of the Issuer ("**Units**"), each Unit consisting of one Common Share and one half of one common share purchase of the Issuer (each whole common share purchase warrant, a "**Warrant**"), with each Warrant entitling the holder thereof to purchase one Common Share at an exercise price of \$0.34 at any time up to 36 months from the closing date of the Proposed Prospectus Offering (the "**Closing Date**").

(b) Number: 35,720,000 Units, plus up to an additional 5,358,000 Units pursuant to an over-allotment option ("**Over-Allotment Option**") granted to the underwriters of the Proposed Prospectus Offering (the "**Underwriters**"). The Over-Allotment Option may be exercised by the Underwriters to acquire: (i) additional Units at the Offering Price (as defined below), (ii) additional Common Shares at a purchase price of \$0.26 per Common Share, (iii) additional Warrants at a purchase price of \$0.04 per Warrant, provided that no more than the

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aggregate of 5,358,000 Common Shares and 2,679,000 Warrants are issued pursuant to the exercise of the Over-Allotment Option.

- (c) Price per security: \$0.28 per Unit (the "Offering Price").
- (d) Voting rights: N/A

2. Provide details of the net proceeds to the Issuer as follows:

- (a) Per security: \$0.2604 per Unit, before deducting the expenses of the Proposed Prospectus Offering.
- (b) Aggregate proceeds: \$9,301,488, before deducting the expenses of the Proposed Prospectus Offering. If the Over-Allotment Option is exercised, up to \$10,696,711.20, before deducting the expenses of the Proposed Prospectus Offering.

3. Provide description of any Warrants (or options) including:

- (a) Number: 17,860,000 Warrants, plus an additional up to 2,679,000 Warrants pursuant to the Over-Allotment Option.
- (b) Number of securities eligible to be purchased on exercise of Warrants (or options): 17,860,000 Common Shares, plus an additional up to 2,679,000 Common Shares pursuant to the Over-Allotment Option.
- (c) Exercise price: \$0.34 per Common Share
- (d) Expiry date: 36 months from the Closing Date
- (e) Other significant terms: N/A

4. Provide the following information if debt securities are to be issued:

- (a) Aggregate principal amount: \_\_\_\_\_
- (b) Maturity date: \_\_\_\_\_
- (c) Interest rate \_\_\_\_\_
- (d) Conversion terms: \_\_\_\_\_
- (e) Default provisions: \_\_\_\_\_

5. Details of currently issued and outstanding shares of each class of shares of the Issuer: The Issuer is authorized to issue an unlimited number of Common Shares, of which there are 242,233,427 Common Shares issued and outstanding as of the date hereof. No other classes of shares of the Issuer are outstanding.
6. Describe any unusual particulars of the offering (i.e. tax "flow through" shares, special warrants, etc.).  
N/A
7. Provide details of the use of the proceeds: The Issuer intends to use the net proceeds of the Proposed Prospectus Offering (i) to build-out and open approximately 14 corporate Spiritleaf retail cannabis stores in the provinces of Ontario, Alberta, Manitoba and Saskatchewan; and (ii) for strategic, general corporate and working capital purposes.
8. Provide particulars of any proceeds of the offering which are to be paid to Related Persons of the Issuer: N/A
9. Provide details of the amounts and sources of any other funds that will be available to the Issuer prior to or concurrently with the completion of the offering: Not applicable.
10. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the offering (including warrants, options, etc.):
- (a) Details of any dealer, agent, broker, finder or other person receiving compensation in connection with the offering (name, address, beneficial ownership where applicable): Echelon Wealth Partners Inc. (1 Adelaide Street East, Suite 2100, Toronto, ON M5C 2V9), Cantor Fitzgerald Canada Corporation (1500, 181 University Avenue, Toronto, Ontario M5H 3M7) and Acumen Capital Finance Partners Limited (500 4th Avenue SW, Suite 800, Calgary, Alberta T2P 2V6) (collectively, the "Underwriters").
- (b) Cash: Cash commission equal to 7% of the gross proceeds of the Proposed Prospectus Offering, including any exercise of the Over-Allotment Option.
- (c) Securities: Compensation options entitling the holder to purchase such number of Units (the "**Compensation Units**") as is equal to (i) 7.0% of the number of Units sold at the Closing Date; plus (ii) 7.0% of the number of Units sold upon the exercise of the Over-Allotment

Option. Each Compensation Unit shall consist of one Common Share and one-half of one Warrant.

- (d) Other N/A
- (e) Expiry date of any options, warrants etc.: 36 months from the Closing Date.
- (f) Exercise price of any options, warrants etc.: \$0.28 per Compensation Unit.

11. State whether the sales agent, broker, dealer, finder, or other person receiving compensation in connection with the offering is a Related Person of the Issuer with details of the relationship: No.
12. Provide details of the manner in which the securities being offered are to be distributed. Include details of agency agreements and sub-agency agreements outstanding or proposed to be made including any assignments or proposed assignments of any such agreements and any rights of first refusal on future offerings: The Units are being offered for sale on a "bought deal" basis pursuant to the terms of the underwriting agreement dated February 23, 2021 among the Issuer and the Underwriters (the "Underwriting Agreement").
13. Attach any term sheet, engagement letter or other document setting out terms, conditions or features of the proposed offering. See the final short form prospectus of the Issuer dated March 26, 2021 and the Underwriting Agreement, copies of which have been filed on SEDAR under the Issuer's profile.

## 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 on behalf of the Issuer.
2. As of the date hereof there is no material information concerning the Issuer which has 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 8 Notice of Proposed Prospectus Offering is true.

Dated: March 30, 2021.

Darren Bondar  
Name of Director or Senior  
Officer

"Darren Bondar"  
Signature

President, CEO and Director  
Official Capacity