

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: ISH

Number of Outstanding Listed Securities: 193,394,996

Date: April 30, 2019

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.

The Issuer has been active in its ongoing development of its retail and franchise strategy while simultaneously exploring strategic capital opportunities to support its growth.

Regional Update

BC: The Issuer's wholly-owned subsidiary Spirit Leaf Inc.'s franchise partners have submitted 6 non-medical cannabis retail license applications to The British Columbia Liquor and Cannabis Regulation Branch for its secured locations and continue to progress through the due diligence process.

Alberta: The Issuer's wholly-owned subsidiary Spirit Leaf Corporate Inc. and its franchise partners continue to work with Alberta Gaming Liquor and Cannabis (AGLC) on final approvals of its other municipally approved Alberta sites that are in various stages of development. The Issuer and its franchise partners now have 50 approved municipal development permits (11 corporate & 39 franchise locations).

The Issuer now has its 3 corporate stores in Calgary (Beltline), Edmonton (Whyte Avenue) and Jasper fully approved along with its Macleod Trail joint venture in the licensing queue with the AGLC and several franchise locations also complete and in the licensing queue.

Saskatchewan: The Issuer's franchise partner continues to operate the Issuer's flagship Saskatchewan location in Moose Jaw.

Manitoba: The Issuer has been pre-approved by Manitoba Growth, Enterprise and Trade to participate in the province's next retail license lottery, which is expected to be completed on May 15, 2019.

Ontario: The Issuer entered into an agreement with one of the initial 25 retail cannabis lottery winners in the province of Ontario, as selected by the Alcohol and Gaming Commission of Ontario ("AGCO") to open a Spiritleaf-branded retail cannabis store in Kingston, Ontario. . The lottery winner received a license and opened the Spiritleaf store on April 1, 2019.

The Issuer continued to evaluate and develop opportunities to participate in the Ontario market in accordance with the recently announced regulations and the requirements of the AGCO. It commenced construction on its Bloor Street flagship that will sell non-cannabis products and introduce the Toronto market to the Spiritleaf brand until such time that it is permitted to sell cannabis.

The Issuer continued to develop its infrastructure to support retail and franchise operations. Investments have been made in marketing, human resources, point of sale, accounting, design, a customized cannabis menu app, and an online Spirit Hub to allow employees to continue to learn, grow and collaborate across the chain.

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

Management has been focused on several key initiatives:

- 1) Exploring strategic partnerships and opportunities to strengthen its balance sheet to capitalize on cannabis opportunities across Canada which includes ongoing business development discussions.
 - 2) Preparing Spiritleaf stores and franchise partners for all aspects of opening a successful retail store which includes but is not limited to staff hiring & training, effective operations, point of sales systems, merchandising, product assortment, etc.
 - 3) Ongoing management of the entire Watch It! chain which includes 13 stores (6 corporate & 7 franchise) along with its ecommerce sites (www.watchit.ca & www.mediumwatches.com)
 - 4) Various investment relations activities including working with investor relations consultants, contacting investment advisors and analysts, conducting interviews and meetings.
 - 5) Working with the AGLC and other provincial regulators and local municipalities to satisfy licensing and permitting requirements.
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.
- None.
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.
- None.
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.
- None.

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.
None.
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.
None.
8. Describe the acquisition of new customers or loss of customers.
None.
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.
None
10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.
None.
11. Report on any labour disputes and resolutions of those disputes if applicable.
There have been no labour disputes.
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.
None.
13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.
None.

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
Common Shares	20,000	Exercise of options	\$2,000 Working capital
Options	nil	n/a	n/a
Warrants	nil	n/a	n/a

(1) State aggregate proceeds and intended allocation of proceeds.

15. Provide details of any loans to or by Related Persons.

Further to the initial investment and strategic partnership with Tilray, Inc. ("Tilray") (NASDAQ:TLRY) and its wholly owned subsidiary High Park Holdings Ltd. that was announced in December 2018, Tilray has increased its total investment in Inner Spirit to \$6 million by providing the Company with a \$1.5 million secured short-term loan at a rate of 12.0% per annum.

16. Provide details of any changes in directors, officers or committee members.

During the month, Craig Steinberg joined the audit committee.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

There remains uncertainty as to the number of new licenses that the provincial regulatory authorities will issue to retail cannabis operators, as well as the timing for the issuance of new licenses. The delay in regulatory approvals is partially caused by a national under-supply of cannabis products available to retailers.

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 were 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 7 Monthly Progress Report is true.

Dated May 7, 2019

Darren Bondar
Name of Director or Senior Officer

“Darren Bondar”
Signature
CEO, Director
Official Capacity

Issuer Details		For Month End	Date of Report
Name of Issuer Inner Spirit Holdings Ltd.		April	YY/MM/DD 19/05/07
Issuer Address #102, 5740 – 2 nd Street SW			
City/Province/Postal Code Calgary/Alberta/T2H 1Y6		Issuer Fax No. n/a	Issuer Telephone No. (403) 930-9300
Contact Name Darren Bondar		Contact Position CEO	Contact Telephone No. 403-930-9300 (x503)
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