



FOR IMMEDIATE RELEASE

**Inner Spirit Holdings Announces Exclusivity Agreements with Two Individuals
Placed on the Selected List in Recent Ontario Cannabis Store Lottery**

*Spiritleaf brand expected to expand with additional retail cannabis stores
in Ontario market to complement current Kingston location*

CALGARY, Alberta (August 28, 2019) – Inner Spirit Holdings Ltd. (“**Inner Spirit**” or the “**Company**”) (CSE:ISH), a Canadian company establishing a national network of retail cannabis stores under its Spiritleaf brand, today announced that the Company’s subsidiary, Spirit Leaf Inc., has entered into Exclusivity Agreements with two individuals that have been selected to apply for licences to operate cannabis retail stores as a result of the Alcohol and Gaming Commission of Ontario’s (the “**AGCO**”) lottery conducted on August 20, 2019. Conditions in the agreements are subject to approval by AGCO.

“These lottery winners were seeking a strong partner to work with so we are very pleased Spiritleaf has been selected to help them establish and operate their stores. Our retail expertise, strategic partnerships with key industry players, authentic brand and in-store experience have generated a dedicated customer base for Spiritleaf. The efficiency and effectiveness with which we are opening our first 33 Spiritleaf stores shows our focus and determination for building out the Spiritleaf brand across the country, and we are pleased to be able to work with our new partners to open stores in the East and GTA regions of Ontario,” said Darren Bondar, President and CEO for Inner Spirit.

The Company intends to leverage its experience in the cannabis retail sector to assist the winners with the establishment and operation of their cannabis retail stores in Ontario. The Company’s history of franchising, licensing and operating retail stores makes it unique among industry players who may be offering their support to winners in the recent AGCO lottery. Previously, the Company established a noteworthy commercial presence in Kingston, Ontario with one of the province’s first retail cannabis stores opening on April 1, 2019.

“Making further investments in Ontario shows we are relying on the Ontario government to continue on their path to providing certainty for the cannabis industry and specifically for retailers moving forward. We expect the government to further open up licensing in the near term so companies interested in developing a branded presence throughout the province can achieve the 75 licences per brand that was previously indicated and small business owners can participate with confidence. Spiritleaf has more than 20 franchise partners in Ontario who are currently waiting to open their retail cannabis stores to serve customers in their local communities,” said Bondar.

The Spiritleaf retail cannabis store network is poised to be second largest in Canada with 33 Spiritleaf retail cannabis stores open and operating or licensed and preparing to open by September 30, 2019. Stores are located in Alberta, British Columbia, Ontario and Saskatchewan. Please visit www.spiritleaf.ca for further information on store locations and operating hours.

Those interested in the cannabis industry are invited to hear Darren Bondar speak at the MJBizINT’L Conference at the Metro Toronto Convention Centre in Toronto on September 5, 2019 where he will present on a panel with industry experts to discuss “Retail Business Opportunities: Opening a Retail Store in Canada.” For those interested in a Spiritleaf franchise, the Spiritleaf team will be at The Toronto Franchise Expo being held at The International Centre in Mississauga, Ontario on September 7 and 8, 2019.



About Inner Spirit

Inner Spirit is establishing a network of recreational cannabis stores under its Spiritleaf brand. Supporting local entrepreneurs by applying its award-winning franchise and retail models, Inner Spirit has more than 100 franchise agreements in place for potential Spiritleaf locations and plans to operate corporate outlets in certain jurisdictions. The Company is simultaneously developing a diverse portfolio of proprietary quality and curated lifestyle cannabis products positioning the company to be an iconic Canadian brand and the most trusted source for recreational cannabis. Key industry partners and shareholders include Auxly Cannabis Group Inc. (TSX.V:XLY), HEXO Corp (TSX: HEXO), and Tilray, Inc. (NASDAQ:TLRY). More information is available on Inner Spirit's website at www.innerspiritholdings.com.

Forward-looking statements

This news release contains statements and information that, to the extent that they are not historical fact, may constitute "forward-looking information" within the meaning of applicable securities legislation. Forward-looking information may include financial and other projections, as well as statements regarding future plans, objectives or economic performance, or the assumption underlying any of the foregoing. In some cases, forward-looking statements can be identified by terms such as "may", "would", "could", "will", "likely", "poised", "set", "anticipate", "believe", "intend", "plan", "forecast", "project", "estimate", "outlook", "potential", or the negative thereof or other similar expressions concerning matters that are not historical facts. Examples of such statements include, but are not limited to, statements with respect to the objectives and business plans of the Company; the establishment of Spiritleaf retail cannabis stores in Canada; the establishment of cannabis retail stores by the AGCO lottery winners, and the Company's involvement therewith; and the Company's projections that it will have up to 33 Spiritleaf retail cannabis stores by September 30, 2019. Actual results could differ materially from those currently anticipated due to a number of factors and risks, including but not limited to, the risk that the Spiritleaf retail cannabis stores currently intended to be opened do not open as anticipated or at all; the risk that the Company or its franchisees are not able to open additional Spiritleaf retail cannabis stores in Canada; the risk that the aforementioned AGCO lottery winners are not able to open cannabis retail stores as expected or at all; and other factors outside of the Company's control. Readers are cautioned that the foregoing list of factors and risks is not exhaustive. Although the Company believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because the Company can give no assurance that they will prove to be correct. Since forward-looking information addresses future events and conditions, by its very nature it involves inherent risks and uncertainties. The Company's actual results, performance or achievements could differ materially from those expressed in, or implied by, the forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits the Company will derive therefrom. The forward-looking statements included in this news release are made as of the date of this news release and the Company does not undertake an obligation to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise unless required by applicable securities legislation.

For further information

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