



FOR IMMEDIATE RELEASE

## **Inner Spirit Holdings Provides Offering Update and Announces Participation of Strategic Partners**

*Auxly and Tilray deliver investments to bolster Spiritleaf's national expansion plans*

**CALGARY, Alberta (May 15, 2019)** – Inner Spirit Holdings Ltd. ("**Inner Spirit**" or the "**Company**") (CSE:ISH) today announced that two of its strategic partners, Auxly Cannabis Group Inc. (TSX.V:XLY) ("**Auxly**") and Tilray, Inc. (NASDAQ:TLRY) ("**Tilray**"), will be participating in the previously announced short form prospectus offering (the "**Offering**") of up to 7,500 convertible debenture units of the Company (the "**Initial Units**"). Auxly and Tilray have both indicated they intend to subscribe for Initial Units under the Offering, with Auxly confirming its intention to purchase a total of 1,500 Initial Units which represents \$1,500,000 of the maximum \$7,500,000 principal amount.

"We are very pleased to have this financial support from Auxly and Tilray who are valued and important strategic partners for our company. The Offering will provide Inner Spirit with the resources needed to continue to execute its business plan and provide our shareholders with additional value and growth while simultaneously supporting our franchise partners as we build out our national network," said Darren Bondar, President and CEO of Inner Spirit.

The Offering is being made through a syndicate of agents, co-led by Acumen Capital Finance Partners Limited, as sole bookrunner, and Canaccord Genuity Corp. (the "**Co-Lead Agents**"). Closing of the Offering is expected to take place on or about May 24, 2019 (the "**Closing Date**").

The Company has also granted to the Co-Lead Agents an over-allotment option (the "**Over-Allotment Option**") exercisable from time to time in whole or in part, in the sole discretion of the Co-Lead Agents, up to 30 days from the Closing Date, to arrange for the sale of up to an additional 2,500 convertible debenture units (the "**Additional Units**," and together with the Initial Units, the "**Debenture Units**") for additional gross proceeds of up to \$2,500,000 (or a total of \$10,000,000 in aggregate gross proceeds if the Over-Allotment Option is exercised in full), on the same terms as the Initial Units to cover over-allotments, if any, and for market-stabilization purposes.

Inner Spirit anticipates using the proceeds of the Offering to build out and provide inventory for additional wholly-owned corporate Spiritleaf retail cannabis stores, to maintain real estate leases in the Ontario market, to design and produce Spiritleaf custom inventory for the Spiritleaf franchise system, and for working capital purposes.

### **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), Newstrike Brands Ltd. (TSX.V:HIP) and Tilray, Inc. (NASDAQ:TLRY). More information can be found on Inner Spirit's website at [www.innerspiritholdings.com](http://www.innerspiritholdings.com).



## **Forward-looking statements**

This press 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 "expect", "anticipate", "intend", "plan", "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 number of Debenture Units to be sold under the Offering; the gross proceeds of the Offering; the expected subscriptions by Auxly and Tilray for Debenture Units under the Offering; the exercise of the Over-Allotment Option; the use of the net proceeds of the Offering; and the intention to grow the Company's business and operations. Actual results could differ materially from those currently anticipated due to a number of factors and risks, including but not limited to, fluctuations in the market price of the common shares; changes in market conditions; and the risks identified in the Company's filings with the applicable Canadian securities regulators, including, without limitation, all risks in and incorporated by reference into the Company's preliminary short form prospectus in respect of the Offering. 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 they involve 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**

Darren Bondar, President and CEO

Email: [invest@spiritleaf.ca](mailto:invest@spiritleaf.ca)

Phone: 1 (403) 930-9300

[www.innerspiritholdings.com](http://www.innerspiritholdings.com)