

INSPIRATION MINING CORPORATION

Suite 1800, 130 King Street West, Toronto, Ontario M5X 1E3

PRESS RELEASE

INSPIRATION PROVIDES UPDATES ON ITS ACQUISITION OF SILK ENERGY AS AND ANNOUNCES PROPOSED PRIVATE PLACEMENT

FOR IMMEDIATE RELEASE

October 25, 2018

CSE - ISM

Toronto, Ontario - Inspiration Mining Corporation (“Inspiration” or the “Corporation”) is pleased to announce that, further to its press release of August 7, 2018, it has entered into a share purchase agreement dated October 24, 2018 (the “Agreement”) with the shareholders (collectively, the “Vendors”) of Silk Energy AS (“Silk”), an arm’s length party incorporated pursuant to the laws of Norway.

Pursuant to the terms of the Agreement, Inspiration will acquire one hundred percent (100%) of the issued and outstanding securities of Silk (the “Acquisition”) from the Vendors for an aggregate purchase price of \$32,364,500 (the “Purchase Price”). The Purchase Price will be satisfied through the issuance of an aggregate 161,822,500 post-consolidated common shares (the “Consideration Shares”) in the capital of Inspiration at a deemed price of \$0.20 per Consideration Share.

Silk has entered into a letter of intent with an arm’s length third party with respect to a proposed financing of US\$26 million. The proceeds of the proposed financing will be used by Silk for the development of its oil assets. Upon the closing of the proposed financing, Inspiration’s ownership interest in Silk will be reduced to fifty percent (50%) of the issued and outstanding securities of Silk.

The closing of the Acquisition is subject to, among things, the successful completion of the Corporation’s due diligence review of Silk and the Corporation obtaining shareholder approval for the consolidation of the issued and outstanding securities on a three (3) for one (1) basis. After the proposed consolidation, the Corporation will have an aggregate of 12,611,884 common shares issued and outstanding.

The entering into this Agreement is considered a fundamental change under Policy 8 of the Canadian Securities Exchange (“CSE”) and, as such, closing of the Acquisition is subject to all of the requirements of Policy 8 including, but not limited to, CSE and shareholder approval.

Corporation Private Placement

The Corporation would also like to announce that it intends to raise gross proceeds of up to \$2 million through a non-brokered private placement of up to 40 million units (the “Units”) of the Corporation (or 13,333,333 Units on a consolidated basis) at a price of \$0.05 per Unit (or \$0.15 on a consolidated basis). Each Unit will consist of one (1) common share and one-half (½) of a common share purchase warrant (“Warrant”). Each whole Warrant will entitle the holder to purchase one (1) common share for a period of eighteen (18) months from the date of issuance (the “Expiry Date”) at an exercise price of \$0.07 per Warrant (or \$0.21 per Warrant on a consolidated basis).

In the event that the closing price of the outstanding common shares of the Corporation on any stock exchange on which such shares are listed and posted for trading is greater than \$0.10 (or \$0.30 on a consolidated basis) for a period of 20 non-consecutive trading days, the Corporation may, at its option, accelerate the Expiry Date

of the Warrants and force the conversion of the Warrants by giving notice to the holders thereof, and in such case the Warrants will expire at 5:00 p.m. (Toronto time) on the date that is the 20th business day after the date on which such notice is sent to the holders by the Corporation.

The non-brokered private placement is subject to all necessary regulatory approvals. The Units and the underlying common shares and Warrants will be subject to a four month hold period in accordance with applicable Canadian securities laws.

About Silk Energy AS

Silk is a private Norwegian company, established specifically to secure undervalued and distressed oil assets in Kazakhstan. It recently agreed terms to participate in 50% of the Ustyurt license comprising 6,451 sq km in the Caspian Sea region, which includes an obligation to pay US\$5 million to KazMunaiGas to bring the licence up to date and a US\$10 million work program incorporating the drilling of two wells in 2019. Ustyurt is less than 100 kms from the super giant Tengiz and Kashagan fields with a combined 22 billion barrels of recoverable reserves and it's in the fairway of other giant fields.

In excess of \$80 million has been spent by the previous owners and the state oil company on the acquisition and interpretation of a comprehensive set of 2D seismic. Despite all of the data, only one well has been drilled in the whole contract territory in the last 30 years. It is incredibly under-explored and management has multiple targets to exploit.

For further information, please contact Randy Miller, Chief Executive Officer of the Corporation, at 416.842.9000, www.inspirationmining.com

The CSE has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

This press release contains forward-looking statements based on assumptions, uncertainties and management's best estimates of future events. Actual results may differ materially from those currently anticipated. Investors are cautioned that such forward-looking statements involve risks and uncertainties. Important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements are detailed from time to time in the Corporation's periodic reports filed with the Ontario Securities Commission and other regulatory authorities. The Corporation has no intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.