

# INSPIRATION MINING CORPORATION

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## PRESS RELEASE

### INSPIRATION ENTERS INTO LETTER OF INTENT TO ACQUIRE SILK ENERGY AS

FOR IMMEDIATE RELEASE

August 7, 2018

CSE - ISM

**Toronto, Ontario** - Inspiration Mining Corporation (“Inspiration” or the “Corporation”) is pleased to announce that it has entered into a non-binding letter of intent, dated July 31, 2018, (the “LOI”) with Silk Energy AS (“Silk”), an arm’s length party incorporated pursuant to the laws of Norway. Pursuant to the terms of the LOI, Inspiration will acquire all of the issued and outstanding securities of Silk (the “Proposed Acquisition”) for an aggregate purchase price of \$25 million (the “Purchase Price”). The Purchase Price will be satisfied through the issuance of an aggregate 125 million common shares (the “Consideration Shares”) in the capital of Inspiration at a deemed price of \$0.20 per Consideration Share.

The closing of the Proposed Acquisition is subject to, among things, the successful completion of the Corporation’s due diligence review of Silk and the execution of a definitive share exchange agreement between the Corporation and the shareholders of Silk. The entering into of the definitive agreement will be considered a fundamental change under Policy 8 of the Canadian Securities Exchange (“CSE”) and, as such, will subject to all of the requirements of Policy 8 including, but not limited to, CSE and shareholder approval.

#### *About Silk Energy AS*

Silk Energy AS is a private Norwegian company, established specifically to secure undervalued and distressed oil assets in Kazakhstan. It recently purchased 50% of the Ustyurt license comprising 6,451 sq km in the Caspian Sea region for a consideration of \$25 million. 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 40 years. It is incredibly under-explored and management has multiple targets to exploit.

The Corporation would also like to announce that intends to raise gross proceeds of \$1 million through a non-brokered private placement of convertible debentures (the “Debentures”). The Debentures are convertible, at the option of the holder thereof, into common shares in the capital of the Corporation (the “Debenture Shares”) at a price of \$0.05 per Debenture Share at any time prior to the date that is 24 months from date of issuance (the “Maturity Date”), subject to the automatic conversion provisions contained therein.

Interest shall accrue on the outstanding principal balance at the rate of 6% per annum commencing on the Closing Date and shall be payable on a semi-annually basis.

The Debentures shall automatically convert into Debenture Shares on the earlier of (i) the Maturity Date, (ii) the closing of the proposed acquisition of Silk or (iii) if the closing price of the outstanding common shares on any

stock exchange on which such shares are listed and posted for trading is equal or greater than \$0.20 for a period of twenty (20) non-consecutive trading days.

The non-brokered private placement is subject to all necessary regulatory approvals. The Debentures and, if applicable, the underlying Debenture Shares, will be subject to a four month hold period in accordance with applicable Canadian securities laws.

The Corporation also announces that with this Proposed Acquisition, the Corporation has terminated all negotiations and discussions with Compassion Cannabis Corp.

For further information, please contact Randy Miller, Chief Executive Officer of the Corporation, at 416.842.9000, [www.inspirationmining.com](http://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.