



FOR IMMEDIATE RELEASE

Inner Spirit Holdings Receives Retail Operator Licence for Ontario Market for Spiritleaf Corporate Retail Cannabis Stores

*Company applying for Retail Store Authorizations for Spiritleaf corporate-owned locations
in Ontario and has entered into final stage to acquire Kingston Spiritleaf Store*

CALGARY, Alberta (May 4, 2020) – Inner Spirit Holdings Ltd. (“**Inner Spirit**” or the “**Company**”) (CSE:ISH), a Canadian company that has established a national network of Spiritleaf retail cannabis stores, today announced it has secured a Retail Operator Licence (“**ROL**”) for corporate-owned Spiritleaf retail cannabis stores and has met Ontario’s eligibility criteria for operating cannabis outlets in the province. The ROL was granted by the Alcohol and Gaming Commission of Ontario (“**AGCO**”) as part of the regulator’s plan to increase the number of legal cannabis retail stores in the province. The next step in the approval process will be for the Spiritleaf corporate stores to secure Retail Store Authorizations (“**RSAs**”) prior to commencing operations.

“We are very pleased to receive an ROL for our corporate-owned stores and now await ROLs for our many Spiritleaf franchise partners in Ontario who have been training and preparing to launch their retail cannabis businesses and serve their local communities. We currently have more than 20 corporate and franchise stores expected to open in Ontario in 2020 depending on when ROLs are secured for the franchise partners and when RSAs are granted. The Spiritleaf brand and its local ownership franchise model have proven to create a loyal customer following in the communities we serve. We plan to grow our footprint in Ontario using the same dedication and focus we’ve brought to our other markets across Canada,” said Darren Bondar, Founder and CEO of Inner Spirit.

Bondar also noted the Company is in the final stages of completing the transaction (the “**Transaction**”) to acquire the existing Kingston, Ontario Spiritleaf-branded store which has been operating under a retail agreement with an Ontario lottery winner and ROL holder since April 1, 2019. The store has generated more than \$7.7 million in retail sales in its first twelve months of operations. It is now anticipated the Transaction will be completed on or about June 1, 2020.

The Spiritleaf retail cannabis store network includes 47 franchised, licensed and corporate-owned stores operating in British Columbia, Alberta, Saskatchewan and Ontario. The most recent opening was in Calgary (Kensington) on May 1 with a store in Kelowna, British Columbia also expected to open this month. Franchised Spiritleaf retail cannabis stores are anticipated to be opened in Newfoundland and Labrador under the master agreement entered into with a subsidiary of Atlantic Cultivation Limited on April 1, with a first location slated to open in St. John's in June. Additional locations are also expected to open in 2020 in British Columbia, Alberta and Saskatchewan.

Please visit www.spiritleaf.ca for up-to-date information on store locations and operating hours. Due to the COVID-19 pandemic, Spiritleaf stores are operating with enhanced customer service processes to ensure the safety of employees and customers. The Spiritleaf Select & Collect service enables customers to pre-shop and order online prior to pick-up. It’s also suggested that customers connect with their local Spiritleaf store through The Collective customer benefits program to further streamline and individualize the shopping experience.



About Inner Spirit

Inner Spirit Holdings Ltd. (CSE:ISH) has established a growing network of recreational cannabis stores across Canada under its Spiritleaf brand. The Spiritleaf network includes franchised and corporate-owned stores as well as an Ontario retail partnership, all operated with an entrepreneurial spirit and with the goal of creating deep and lasting ties within their local communities. Spiritleaf aims to be the most knowledgeable and trusted source of recreational cannabis by offering a premium consumer experience and quality curated cannabis products. The Company is led by passionate advocates for cannabis who have years of retail, franchise and consumer marketing experience. Key industry partners and shareholders include Auxly Cannabis Group Inc. (TSX.V:XLY), HEXO Corp (TSX:HEXO), Tilray, Inc. (NASDAQ:TLRY) and Prairie Merchant Corporation. Learn more at www.innerspiritholdings.com and www.spiritleaf.ca.

Forward-Looking Information

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 is typically, but not always, identified by the use of words such as “expected”, “anticipated”, “plan”, “will”, “slated” and similar words, including negatives thereof, or other similar expressions concerning matters that are not historical facts. Forward-looking information in this news release includes, but is not limited to, statements regarding: the Company's plans to grow its footprint in Ontario and to open additional stores across the country; the expected openings of stores in Ontario, British Columbia, Alberta, Saskatchewan, Ontario and Newfoundland and Labrador; and the anticipated completion of the Transaction. Such forward-looking information is based on various assumptions and factors that may prove to be incorrect, including, but not limited to, assumptions with respect to: the ability of the Company to execute on its business plan; the receipt of necessary licences from regulatory authorities, including the receipt of RSAs by the Company and the receipt of ROLs and RSAs by Spiritleaf franchise partners; and the satisfaction of various covenants and conditions to which the Transaction is subject. Although the Company believes that the assumptions and factors 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 it will prove to be correct or that any of the events anticipated by such forward-looking information will transpire or occur, or if any of them do so, what benefits the Company will derive therefrom. 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 Company and its franchisees do not receive the necessary retail cannabis licences (including ROLs and RSAs) or that they are not able to open additional retail cannabis stores as anticipated or at all; and that the covenants and conditions to the Transaction are not met or waived, or that the Transaction does not close as anticipated or at all. The forward-looking information included in this news release is made as of the date of this news release and the Company does not undertake an obligation to publicly update such forward-looking information to reflect new information, subsequent events or otherwise, unless required by applicable securities legislation.

For further information

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