



COMMUNITY RELATIONS

DISCLAIMER

IMPORTANT: INVESTING IN A SPIRIT LEAF FRANCHISE IS SPECULATIVE.

AS OF THE DATE OF THE DISCLOSURE DOCUMENT, IT IS NOT LEGAL IN CANADA TO OPERATE A DISPENSARY WHICH OFFERS CANNABIS PRODUCTS (RECREATIONAL OR MEDICINAL) FOR SALE. THE FEDERAL GOVERNMENT OF CANADA HAS ANNOUNCED THAT THE SALE OF CANNABIS WILL BE LEGALIZED AND REGULATED AS OF JULY 1, 2018.

SPIRIT LEAF INC. WILL NOT PERMIT ANY OF ITS FRANCHISEES TO OPEN A SPIRIT LEAF FRANCHISED BUSINESS UNTIL SUCH TIME AS THE OPERATION OF THAT BUSINESS IS LEGAL WITHIN THE PROVINCE WHERE SUCH BUSINESS IS PROPOSED TO BE OPERATED. THE PURPOSE OF PROVIDING YOU WITH THIS DISCLOSURE DOCUMENT AND ENTERING INTO A FRANCHISE AGREEMENT WITH YOU IS TO DEVELOP A NETWORK OF SPIRIT LEAF FRANCHISEES WHO ARE READY TO COMMENCE OPERATIONS IF AND WHEN IT IS LEGAL TO DO SO.

AS A RESULT, IN THE EVENT THAT THE REGULATORY FRAMEWORK IN YOUR PROVINCE PROHIBITS YOU FROM SELLING CANNABIS PRODUCTS AS OF JUNE 30, 2019, YOU WILL BE REFUNDED 80% OF YOUR INITIAL FRANCHISE FEE AND YOUR FRANCHISE AGREEMENT WILL BE TERMINATED.

SINCE THE REGULATORY FRAMEWORK FOR OPERATING A CANNABIS DISPENSARY IN YOUR PROVINCE IS NOT YET KNOWN, AN INVESTMENT IN A SPIRIT LEAF BUSINESS IS RISKY. THERE CAN BE NO ASSURANCE THAT YOU WILL BE GRANTED A LICENSE, REGISTRATION OR OTHER PERMISSION TO SELL CANNABIS PRODUCTS. SHOULD A REGULATORY AUTHORITY NOT GRANT YOU AUTHORIZATION TO SELL CANNABIS PRODUCTS, YOU WILL BE UNABLE TO OPERATE A SPIRIT LEAF BUSINESS.

THE ACTIVITIES OF ANY BUSINESS ENGAGING IN THE SALE OF CANNABIS PRODUCTS WILL BE SUBJECT TO INTENSE REGULATION BY GOVERNMENTAL AUTHORITIES. SPIRIT LEAF INC. CANNOT PREDICT WHETHER YOU WILL BE PERMITTED TO SELL CANNABIS PRODUCTS, OR THE TIME OR COST REQUIRED IN ORDER TO SECURE ALL APPROPRIATE REGULATORY APPROVALS FOR THE SALE OF CANNABIS PRODUCTS. ANY DELAYS IN OBTAINING, OR FAILURE TO OBTAIN REGULATORY APPROVALS, WOULD SIGNIFICANTLY DELAY THE DEVELOPMENT OF MARKETS AND PRODUCTS AND COULD HAVE A MATERIAL ADVERSE EFFECT ON THE SPIRIT LEAF BUSINESS AND FINANCIAL CONDITION OF SPIRIT LEAF INC. AND ITS FRANCHISEES.

THE SPIRIT LEAF BUSINESS MODEL IS DEPENDENT ON FEDERAL AND PROVINCIAL LAWS PERTAINING TO THE MARIJUANA INDUSTRY WHICH ARE NOT YET KNOWN. ANY NUMBER OF FACTORS COULD SLOW OR HALT PROGRESS IN THIS AREA, NOR IS PROGRESS EVEN ASSURED. A VIOLATION OF ANY SUCH LAWS BY ANY OF OUR FRANCHISEES COULD DISRUPT OUR ENTIRE BUSINESS AND RESULT IN A MATERIAL ADVERSE EFFECT TO OUR AND YOUR OPERATIONS.

IN ADDITION, WE CANNOT PREDICT THE NATURE OF ANY FUTURE LAWS, REGULATIONS, INTERPRETATIONS OR APPLICATIONS, AND IT IS POSSIBLE THAT REGULATIONS MAY BE ENACTED IN THE FUTURE THAT WILL BE DIRECTLY APPLICABLE TO OUR AND YOUR BUSINESSES. TO THAT END, WE HAVE HIGHLIGHTED IN BOLD FONT THOSE TERMS CONTAINED IN THIS DISCLOSURE DOCUMENT WHICH ARE LIKELY TO BE SUBJECT TO CHANGE ONCE A REGULATORY FRAMEWORK IN YOUR PROVINCE IS SETTLED UPON.

YOU SHOULD ALSO BE AWARE THAT AS A DISTRIBUTOR OF CANNABIS PRODUCTS, YOU MAY FACE AN INHERENT RISK OF EXPOSURE TO PRODUCT LIABILITY CLAIMS, REGULATORY ACTION AND LITIGATION IF THE PRODUCTS WHICH YOU SELL ARE ALLEGED TO HAVE CAUSED LOSS, INJURY OR ILLNESS. WE CANNOT PREDICT AT THIS TIME WHETHER INSURANCE POLICIES WILL BE AVAILABLE WHICH WILL COVER THE OPERATION OF YOUR SPIRIT LEAF BUSINESS AND ANY LIABILITIES THAT MAY ARISE AS A RESULT OF THE ABOVE-NOTED RISKS, OR THE COST OF ANY SUCH POLICIES.

THE END OF PROHIBITION

The start of
something
incredible.



THE FUTURE LEADING CANNABIS RETAILER AND FRANCHISOR

Cannabis has been illegal in Canada since 1923. Now all that has changed. With the legalization of cannabis in Canada comes the opportunity to support & enrich our communities in a new way.



THE SPIRITLEAF BRAND

Spiritleaf values an inclusionary approach to the recreational cannabis retail experience, while being a positive addition to the local community: its stores will offer knowledgeable staff with extensive safety and product training, a welcoming, safe and comfortable environment and an impressive selection of products.



We have created a modern retail model that offers legitimacy, reputability, professionalism and a feeling of confidence, with over 200 locations across Canada in various stages of development.



OUR VALUES

Culture

Our priority is to not only be accepted by the cannabis community, but embraced by it. We view our customers as guests, and our goal is to exceed their expectations and make every visit a memorable and informative experience.

Experience

Cannabis has played a vital role in our lives well before legalization. We've followed cannabis trends and our brand is born out of this passion with Spiritleaf, we will be cannabis curators as well as educators.

Creativity

The cannabis industry has always pushed boundaries, challenged perceptions and attracted creative types. We encourage people to live life according to their terms, regardless of norms or stereotypes. It's how culture evolves, and creates new ways of thinking.

Integrity

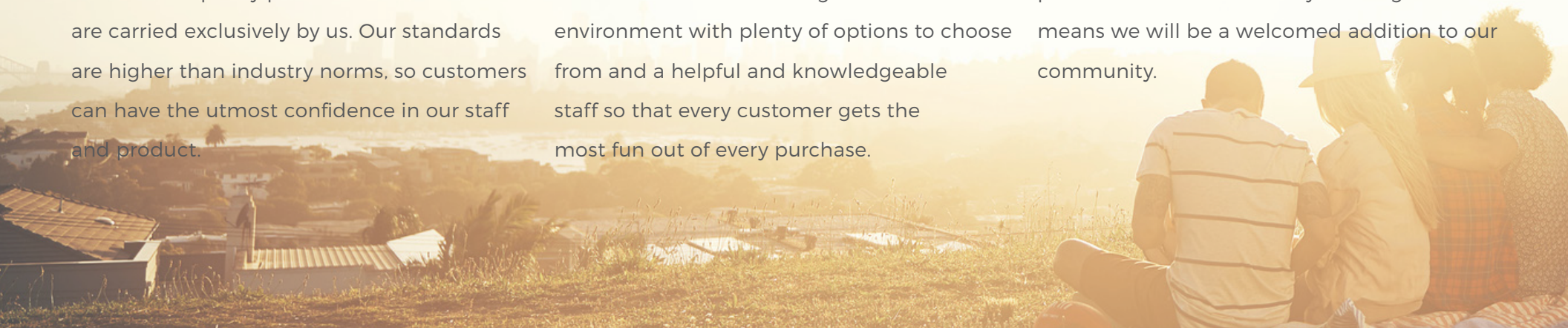
We pride ourselves on hiring only passionate, knowledgeable staff and offer an impressive selection of quality products – some of which are carried exclusively by us. Our standards are higher than industry norms, so customers can have the utmost confidence in our staff and product.

Fun

Everything about the cannabis experience should be enjoyable, including the purchase. We've created a welcoming and comfortable environment with plenty of options to choose from and a helpful and knowledgeable staff so that every customer gets the most fun out of every purchase.

Community

We have deep roots in our community and we want them to grow. Our commitment to public and consumer safety with legalization means we will be a welcomed addition to our community.



INTRODUCING SPIRITLEAF

The vision is to be the #1 retail cannabis chain in Canada.



OUR LOGO



SPIRITLEAF
INITIALS

+

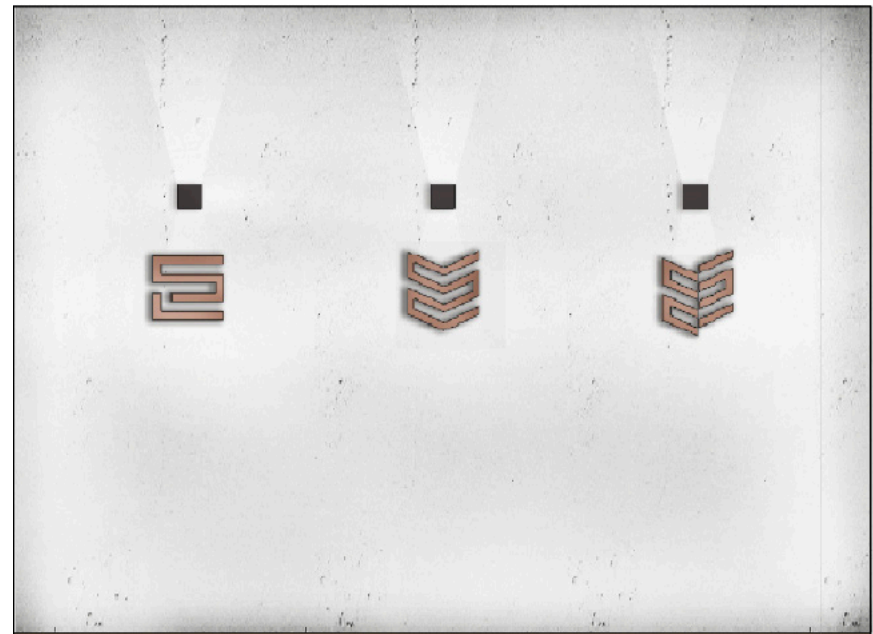
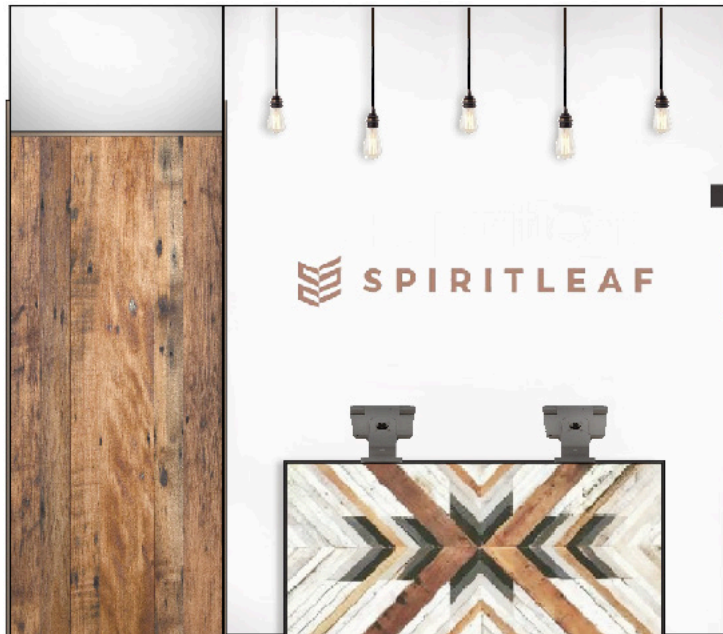


TEXTURE
OF A LEAF

+



A CHANGE OF
PERSPECTIVE



RETAIL INTERIOR Flagship Location



RETAIL INTERIOR Flagship Location



BENEFITS FOR REGULATORS

Safe, reliable and restricted access to recreational cannabis consistent with current legalization framework recommendations.



BENEFITS FOR LOCAL AND REGIONAL BUSINESSES

Opportunities for success-driven
entrepreneurs across Canada,
supporting local businesses
and growers.



BENEFITS FOR COMMUNITIES AND CUSTOMERS

Dispensaries are operated by independent local entrepreneurs who are invested socially and financially in their communities.



STRATEGIC PARTNERSHIPS

Working with some of the best companies in the cannabis industry.

Auxly



Lift&co



HIGHTIMES



SPIRIT FUND



FUNDING THE COMMUNITY

The community is only as strong as the individuals within it. The Spirit Fund aims to raise funds, connect volunteers, and identify initiatives that will make an impact.

WHAT WE AIM TO DO

The Spirit Fund's ultimate goal is to educate, support and inspire.



EDUCATE

We work hard to build trust and share our knowledge about the topics we are passionate about.



SUPPORT

We are dedicated to supporting our communities through music, art & culture sponsorships.



INSPIRE

We encourage individuals within our communities to live more mindfully.

The Spirit Fund is honoured to be a founding supporter of the Gord Downie & Chanie Wenjack Foundation (DWF) and has committed \$25,000 in support.

WITH A RECONCILIATION MOVEMENT STARTING ACROSS CANADA, THE FOUNDATION AIMS TO BECOME A FUNDAMENTAL ELEMENT IN CREATING SOCIAL AND SYSTEMIC CHANGE.

The DWF is committed to improving the lives of Indigenous persons. The goal is to continue conversations beginning with Chanie Wenjack's residential school story, and to aid our collective reconciliation journey. It is an opportunity to facilitate safe conversations about our shared history as Canadians to build positive relationships between Indigenous and non-Indigenous people.



GET INVOLVED

We will provide support in the form of sponsorships, donations, and endowments.



COMMUNITIES SERVED

The Spirit Fund contributes time and funds to the communities and neighbourhoods closest to home.



VOLUNTEERS SOURCED

Our owners, employees and families volunteer and engage in roles and initiatives in the communities where we work.



PROJECTS SUPPORTED

We are proud to support various projects and causes within our communities through sponsorship funding.

OUR PURPOSE

RAISE PROFILE

To raise the profile of both the Spiritleaf brand and the Spirit Fund.

BECOME LEADERS

To position Spiritleaf & the Spirit Fund as leaders in the cannabis industry.

DEMONSTRATE COMMITMENT

To demonstrate a commitment to public and community safety.

RESPONSIBLE CONSUMPTION

To advocate responsible consumption of cannabis

POSITIVE EXPERIENCE

To promote an intentional and positive experience with cannabis.

Executive Team

Darren Bondar

PRESIDENT & CEO

Cecil Horwitz

VP & BUSINESS DEVELOPMENT

Jeremy Lee

FINANCIAL CONTROLLER

Courtney Richer

FRANCHISE RELATIONS

Christine Kitz

OPERATIONS MANAGER

Alisa Kuzmina

CREATIVE MANAGER

Kelly Gibson

CONTENT CREATOR

Advisory Firms

ATB

FINANCIAL SERVICES

CBRE, Marino Group

REAL ESTATE

Burstall Winger Zammit LLP

LEGAL - CORPORATE

MNP

ACCOUNTING

Dale Lessmann

LEGAL - FRANCHISE

FLIPP Advertising

BRANDING & MARKETING



Board of Directors

David B. Margolus

Counsel to, and former Managing Partner of Witten LLP. David served on the boards of the Edmonton Regional Airports Authority and TSX-listed liquor stores N.A. Ltd., PowerComm Inc. and XS Cargo Income Fund. He holds a Bachelor of Arts and a Bachelor of Laws Degree from the University of Alberta, and Directors Education Program of the Institute of Corporate Directors.

Craig Steinberg

Most recently a partner in Miller Thomson LLP's banking and real estate group. >10 years experience as a private mortgage banker and corporate counsel to a private lender. Law Society of Alberta, Canadian Bar Association and Real Estate Council of Alberta member.

Larry Wosk

Larry Wosk has been lecturing at the Sauder School of Business at UBC for over 15 years. His areas of concentration are strategic management, international business, real estate, and marketing. Larry commenced his teaching career after working for over 27 years as a senior manager, President and CEO in several industries including retail, real estate development, hospitality and consulting.

William Macdonald

President of Bilmac Resources, and since 2001, represented a Toronto Family Office focused on start-up funding. Served on boards of several private, and TSXV-listed companies. Currently on the Board of Grunewahl Organics, a private company that is a Health Canada Pre-Licensed Applicant, Relentless Resources Ltd., a dual-business TSX listed Oil & Gas/Cannabis Corporation, Target Capital Inc. a TSX listed Cannabis Capital Corporation.

Christopher Gulka

CPA and CFA with >26 years of business experience. President of Working Capital Corporation since 1999 and former financial analyst at the Alberta Securities Commission. Founder and former CFO and director of Passport Energy Ltd., and prior thereto, the CFO of Rochester Energy Corp.

Jeff Tung, CFA

Jeff is the CFO & COO at Cannabis Wheaton. He has managed more than USD \$3 billion of deals in the telecom, banking, insurance and technology industries. Prior to joining Wheaton, Jeff was the co-founder of CPS Management Partners, where he led the acquisition of multiple businesses in the insurance administration industry. Under his leadership, CPS Management Partners and its portfolio companies became the largest workers' compensation claims administrator in Canada, returning IRRs in excess of 50% to investors.