



**CANADIAN SPIRIT RESOURCES INC.**

Notice to security holders – October 18, 2018

**We currently have sufficient working capital to last 6 months. We require 55% of the Offering to last 12 months.**

***Who can participate in the Offering?***

Canadian Spirit Resources Inc. ("**CSRI**" or the "**Corporation**") is issuing to the holders (the "**Shareholders**") of its outstanding common shares (the "**Common Shares**") of record at the close of business (Calgary time) on October 26, 2018 (the "**Record Date**") an aggregate of 177,494,004 transferable rights (each, a "**Right**") to subscribe for an aggregate of 18,683,579 Common Shares (the "**Rights Shares**") on the terms set forth herein (the "**Offering**") and as more particularly described in the Corporation's rights offering circular dated October 18, 2018 (the "**Rights Offering Circular**").

***Who is eligible to receive Rights?***

The Offering is being made to Shareholders resident in all provinces and territories of Canada. The Offering is not being made in the United States except for exempt transactions made under the *U.S. Securities Act of 1933*, as amended.

***How many Rights is CSRI offering?***

An aggregate of 177,494,004 Rights are being issued to purchase 18,683,579 Rights Shares.

***How many Rights will you receive?***

A Shareholder will receive (1) Right for each Common Share owned by the Shareholder as at the Record Date.

***What does nine and one-half (9.5) Rights entitle you to receive?***

Nine and one-half (9.5) Rights will entitle the holder thereof to purchase one (1) Rights Share (the "**Basic Subscription Privilege**") at a subscription price of \$0.08 (the "**Subscription Price**").

Rights holders who exercise their Rights in full pursuant to the Basic Subscription Privilege are entitled to exercise additional Rights (the "**Additional Rights**") on a pro rata basis, if available, pursuant to an additional subscription privilege (the "**Additional Subscription Privilege**"). The number of Additional Rights available will be the difference, if any, between the total number of Rights that are issued pursuant to the Offering and the total number of Rights exercised and paid for pursuant to the Basic Subscription Privilege at the Expiry Time on the Expiry Date.

***How will you receive your Rights?***

A rights certificate ("**Rights Certificate**") evidencing the Rights to which you are entitled has been delivered with this Notice. Please review the Rights Certificate and the Circular for instructions as to how to exercise your Rights.

If you are an unregistered Shareholder (an "**Unregistered Shareholder**") whose Common Shares are held through a securities broker or dealer, bank or trust company or other participant (a "**CDS Participant**") in the book-based system administered by CDS Clearing and Depository Services Inc. ("**CDS**"), you will not receive a Rights Certificate.

Please review the Circular and contact your CDS Participant for instructions as to how to exercise your Rights.

***When and how can you exercise your Rights?***

The period to exercise the Rights expires at 4:30 p.m. (Calgary time) on November 30, 2018.

For a CDS Participant, a subscriber may subscribe for Rights Shares by instructing the CDS Participant holding the subscriber's Rights to exercise all or a specified number of such Rights and forwarding the Subscription Price for each Rights Share subscribed for to such CDS Participant in accordance with the terms of the Offering. A subscriber wishing to exercise the Additional Subscription Privilege, if available, must exercise the Basic Subscription Privilege and forward its request to the CDS Participant that holds the subscriber's Rights prior to the Expiry Time, along with payment for the number of Additional Rights requested. Any excess funds will be returned by mail or credited to the subscriber's account with its CDS Participant without interest or deduction. Subscriptions for Rights Shares made through a CDS Participant will be irrevocable and subscribers will be unable to withdraw their subscriptions for Rights Shares once submitted. CDS Participants may have an earlier deadline for receipt of instructions and payment than the Expiry Time.

Only registered Shareholders will be provided with Rights Certificates. For all non-registered, beneficial Shareholders of the Corporation who hold their Common Shares through a CDS Participant in the book-based systems administered by CDS, a global certificate representing the total number of Rights to which all such Shareholders as at the Record Date are entitled will be issued in registered form to, and deposited with, CDS. The Corporation expects that each beneficial Shareholder will receive a confirmation of the number of Rights issued to it from its CDS Participant in accordance with the practices and procedures of that CDS Participant. CDS will be responsible for establishing and maintaining book-entry accounts for CDS Participants holding Rights.

Shareholders who hold their Common Shares through a CDS Participant must arrange for exercises, purchases or transfers of Rights through their CDS Participant and should contact the CDS Participant to instruct them accordingly. It is anticipated by the Corporation that each purchaser of Rights or Rights Shares will receive a customer confirmation of issuance or purchase, as applicable, from the CDS Participant through which such Rights Shares are issued or such Rights or Rights Shares or are purchased in accordance with the practices and policies of such CDS Participant.

***What are the next steps?***

This document contains key information you should know about CSRI. You can find more details in the issuer's Rights Offering Circular. To obtain a copy, visit CSRI's corporate website ([www.csri.ca](http://www.csri.ca)), its profile on the SEDAR website ([www.sedar.com](http://www.sedar.com)), ask your dealer representative for a copy or contact the Corporation at 403-539-5005. You should read the Rights Offering Circular, along with CSRI's continuous disclosure record, to make an informed decision.

**Canadian Spirit Resources Inc.**

Per: "*J.R. Richard Couillard*"

J.R. Richard Couillard  
President and Chief Executive Officer  
October 18, 2018