



## NEWS RELEASE

### **CANADIAN SPIRIT RESOURCES INC. ANNOUNCES PRIVATE PLACEMENT**

**Calgary, AB May 18, 2016 – Canadian Spirit Resources Inc. (“CSRI” or the “Corporation”)** (TSXV:SPI) (OTCBB:CSPUF) announces that it is proposing to undertake, subject to TSX Venture Exchange approval, a non-brokered private placement offering of up to \$500,000 of a combination of common shares of the Corporation issued on a flow-through basis pursuant to the *Income Tax Act* (“Flow-Through Shares”) at a price of \$0.10 per Flow-Through Share and units of the Corporation (“Units”) at a price of \$0.10 per Unit. The offering is expected to close in two tranches, the first on or about May 31, 2016, and the second by the end of June 2016.

The Flow-Through Shares issued pursuant to this placement will entitle, subject to various income tax considerations, Canadian investors to a renunciation in 2016 of Canadian Exploration Expense expenditures to be made by CSRI up to December 31, 2017 equal to 100% of their total subscription amount.

Each Unit will consist of one common share of the Corporation and one-half of one common share purchase warrant (“Warrants”). Each whole Warrant will entitle the holder to purchase an additional common share of the Corporation for a period of one year at an exercise price of \$0.10 per share.

The Corporation may pay finder’s fees of up to 6% in cash.

All the securities issued pursuant to the offering will be subject to a four-month restricted resale period under Canadian securities laws.

The net proceeds of the offering will be used to gather reservoir information at the Corporation’s c-69-H/94-B-1 well drilled at Farrell Creek, British Columbia in the first quarter of 2016 and for general corporate purposes.

The offering is a related party transaction under *Multilateral Instrument 61 – 101 – Protection of Minority Security Holders in Special Transactions* (“MI 61-101”) as Elmag Investments Inc., an insider and control person of the Corporation, intends to participate in the offering for an as yet undetermined amount. The offering is exempt from the formal valuation and minority shareholder vote requirements of MI 61 – 101 as the fair market value of the insider’s participation in the offering does not exceed 25% of the Corporation’s market capitalization. The offering has been approved by a majority of the members of the Board of Directors of the Corporation who have determined that they will not be participating in the offering.

CSRI is a natural resource company focusing on the identification and development of opportunities in the unconventional natural gas sector of the energy industry.

Information regarding CSRI is available on SEDAR at [www.sedar.com](http://www.sedar.com) or the Corporation's website at [www.csri.ca](http://www.csri.ca).

On behalf of the Board of Directors  
**CANADIAN SPIRIT RESOURCES INC.**

*"Richard Couillard"*

President and Chief Executive Officer

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