



NEWS RELEASE

CANADIAN SPIRIT RESOURCES INC. ANNOUNCES CLOSING OF UNIT PRIVATE PLACEMENT

Calgary, AB December 21, 2016 – Canadian Spirit Resources Inc. (“CSRI” or the “Corporation”) (TSXV:SPI) (OTCBB:CSPUF) is pleased to announce that it has closed, subject to TSX Venture Exchange approval, its previously announced (see News Release dated December 1, 2016) private placement of units of the Corporation at a price of \$0.12 per unit.

Each unit issued pursuant to the private placement consists of one common share of the Corporation and one-half of one common share purchase warrant (“Warrants”). Each whole Warrant entitles the holder to purchase an additional common share of the Corporation for a period of one year at an exercise price of \$0.12 per share.

The gross proceeds raised from the sale of the units were \$500,000. Finders’ fees of \$6,000 were paid in connection with the closing. 85.00% of the securities issued pursuant to the private placement are subject to a restricted resale period under Canadian securities laws until April 22, 2017.

The net proceeds of the offering will be used for various field activities and initiatives, and for general corporate purposes.

The private placement was a related party transaction under *Multilateral Instrument 61–101 – Protection of Minority Security Holders in Special Transactions* (“MI 61-101”) as Richard Couillard, President and Chief Executive Officer of the Corporation, Jeffrey Dyck, Director and Corporate Secretary of the Corporation and Elmag Investments Inc., an insider of the Corporation purchased 208,336, 416,666 and 2,291,666 units, respectively. Following completion of the private placement Richard Couillard owns 1,351,686, or 0.86%, of the outstanding common shares of the Corporation, Jeffrey Dyck owns 416,666, or 0.27%, of the outstanding common shares of the Corporation and Elmag Investments Inc. owns 58,056,166, or 37.04%, of the outstanding common shares of the Corporation.

The private placement was exempt from the formal valuation and minority shareholder vote requirements of MI 61–101 as the fair market value of the insiders’ participation in the private placement did not exceed 25% of the Corporation’s market capitalization. The private placement was approved by Donald Gardner and Alfred Sorensen, directors of the Corporation who did not participate in the private placement.

CSRI is a natural resources 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 or the Corporation's website at 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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