



## NEWS RELEASE

### CANADIAN SPIRIT RESOURCES INC. ANNOUNCES SECOND QUARTER 2017 FINANCIAL RESULTS, APPOINTMENT OF NEW DIRECTOR AND GRANT OF STOCK OPTIONS

Calgary, AB August 23, 2017 – Canadian Spirit Resources Inc. (“CSRI” or the “Corporation”) (TSXV:SPI) (OTCBB:CSPUF) announces the release of its interim financial results and Management Discussion and Analysis (“MD&A”) for the three and six month periods ended June 30, 2017, the appointment of Mr. Luigi Liberatore to the Corporation’s Board of Directors and a grant of stock options to directors, executive officers and employees.

CSRI is a natural resources company focused on the identification and development of opportunities in the Montney Formation resource play in northeastern British Columbia.

#### SECOND QUARTER 2017 FINANCIAL RESULTS

The quarterly information below summarizes information contained in the unaudited interim condensed financials statements and MD&A for the three and six months ended June 30, 2017 and should not be considered a substitute for reading these full disclosure documents which are available on SEDAR at [www.sedar.com](http://www.sedar.com) or the Corporation’s website at [www.csri.ca](http://www.csri.ca).

#### SELECTED FINANCIAL DATA

(all amounts are presented in Canadian dollars, unless otherwise indicated)

	For the three month periods ended June 30,		For the six month periods ended June 30,	
	2017	2016	2017	2016
Average sales volumes of natural gas (Mcf/d)	609	-	674	317
Average sales price of natural gas (per Mcf)	\$ 2.39	\$ -	\$ 2.44	\$ 1.41
Natural gas sales, before royalties	\$ 132,245	\$ -	\$ 296,347	\$ 83,978
Operating netbacks, after royalty credits applied	\$ 37,209	\$ (80,073)	\$ 125,439	\$ (99,877)
Net cash flows from operating activities	\$ (196,451)	\$ (163,676)	\$ (299,995)	\$ (570,995)
Net loss and comprehensive loss	\$ (347,761)	\$ (682,293)	\$ (648,269)	\$ (824,042)
Loss per share, basic & diluted	\$ (0.00)	\$ (0.01)	\$ (0.00)	\$ (0.01)
Net capital expenditures	\$ 293,946	\$ 391,004	\$ 338,713	\$ 3,487,254
			As at June 30,	
			2017	2016
Net working capital			\$ 731,681	\$ 1,259,395
Total assets			\$ 45,115,433	\$ 74,484,523
Total debt			\$ -	\$ -
Shareholders' capital			\$ 42,623,359	\$ 71,726,833
Number of common shares outstanding			159,458,860	152,592,192

#### HIGHLIGHTS

- CSRI ended the second quarter 2017 with positive working capital and no debt.
- CSRI’s eastern block of lands is located within the liquids rich Montney Formation resource fairway. On July 26, 2017, at a British Columbia Crown land sale, a land parcel comprising 5,542 hectares (13,855 acres) at West Attachie, six miles north of CSRI’s lands, sold for \$77.0 million at an average price of \$13,894 per hectare (\$5,558 per acre). The lands were

purchased using a land broker for confidentiality purposes. Recent well information indicates recoveries of condensate exceeding 340 barrels per million cubic feet of gas.

- The Corporation initiated a strategic alternative review process in the first quarter 2017. The process is presently underway.

## **APPOINTMENT OF NEW DIRECTOR**

The Corporation is pleased to announce the appointment of a new director, Mr. Luigi Liberatore of Montréal, Quebec, effective August 22, 2017. Mr. Liberatore has built a solid reputation as a respected businessman, and has dedicated his business life to the development of small and midsize businesses in Canada as both a venture capital investor and a real estate developer. He is the founder, President and CEO of Les Investissements Elmag Inc., currently the largest shareholder of CSRI. Mr. Liberatore is well known for his philanthropic passion towards the development of educated, responsible, and healthy citizens in the community. He has been a member of numerous corporate and not-for-profit boards. Mr. Liberatore's broad business experience in building successful enterprises will be of significant benefit to the Corporation.

## **GRANT OF STOCK OPTIONS**

The Corporation announces that it has granted, effective August 22, 2017, options to acquire 2,075,000 common shares of the Corporation in accordance with the terms and conditions of the Corporation's Stock Option Plan.

Five directors (or their related companies) of the Corporation were each granted options to purchase 125,000 common shares as compensation for their services in that capacity. The options granted to directors vest immediately. Executive officers were granted options to purchase a total of 1,425,000 common shares as incentive compensation, and 25,000 options were granted to an employee of the Corporation. The options granted to executive officers and employees vest as to one-quarter immediately, with one-quarter vesting on each of the dates six months, 12 months and 18 months hence. All the options have a term of five years and may be exercised at a price of \$0.12 per share. The grant of options will result in a total of 8,138,000 options outstanding at a weighted average exercise price of \$0.23 per share, and will represent 5.1 percent of the total common shares currently outstanding.

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).

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*The corporate information contained in this news release may contain forward-looking forecast information. The reader is cautioned that assumptions used in the preparation of such information, although considered reasonably accurate by CSRI at the time of preparation, may prove to be incorrect. The actual results achieved during the forecast period will vary from the information provided herein and the variations may be material. Consequently there is no representation by CSRI that actual results achieved during the forecast period will be the same in whole or in part as those forecast.*

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