



NEWS RELEASE

CANADIAN SPIRIT RESOURCES INC. ANNOUNCES FIRST QUARTER 2020 FINANCIAL RESULTS AND ISSUANCE OF DEBENTURE

Calgary, AB May 27, 2020 – 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 month period ended March 31, 2020, and the issuance of a debenture to Elmag Investments Inc. (“Elmag”) in the principal amount of \$600,000.

First Quarter 2020

This news release summarizes information contained in the unaudited interim condensed financial statements and MD&A for the three months ended March 31, 2020, and should not be considered a substitute for reading these full disclosure documents which are available on SEDAR at www.sedar.com or the Corporation’s website at www.csri.ca.

The following summarizes certain selected financial data for the three months ended March 31, 2020:

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

	Three months ended	
	2020	March 31, 2019
Average sales volumes of natural gas (mcf/d)	-	-
Average sales price of natural gas (\$/mcf)	-	-
Petroleum and natural gas sales	\$ -	\$ -
Operating netback	\$ (22,079)	\$ (49,895)
Cash flow used in operating activities	\$ (200,399)	\$ (271,190)
Earnings (loss) and comprehensive loss	\$ (363,708)	\$ (327,659)
- per share basic and diluted	\$ (0.00)	\$ (0.00)
Capital expenditures	\$ 49,666	\$ 71,028

	As of March 31,	As of December 31,
	2020	2019
Working capital	\$ 253,982	\$ 588,325
Total assets	\$ 38,305,724	\$ 38,595,074
Total debt	\$ -	\$ -
Shareholders' capital	\$ 36,019,509	\$ 36,37,845
Number of common shares outstanding	196,177,583	196,177,583

CORPORATE UPDATE

The Corporation has borrowed \$600,000 from its major shareholder, Elmag, in order to fund operating and general and administrative expenses for the balance of the year. The Corporation issued a debenture to Elmag in the principal amount of \$600,000 which matures on May 21, 2021 and provides for 10% interest per annum, payable quarterly. The debenture is secured by a general security agreement and a floating charge on the Corporation's real property and acquired rights. The Corporation does not believe that the loan will have any effect on the business and affairs of the Corporation other than increasing annual expenses by the interest payable. The Corporation intends to repay the loan from proceeds of its next equity offering. The loan, debenture and security were approved by all the directors of the Corporation other than Luigi Liberatore, who is a director, officer and shareholder of Elmag, who abstained from voting on the matter. Elmag owns 92,481,126 common shares of the Corporation (47.1% of the outstanding shares).

The Corporation also announces the resignation of Mr. J.R. Richard Couillard from the Board of Directors. The board wishes to thank Mr. Couillard for his contribution.

Information regarding CSRI is available on SEDAR at www.sedar.com or the Corporation's website at 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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