



## NEWS RELEASE

### CANADIAN SPIRIT RESOURCES INC. ANNOUNCES SECOND QUARTER 2020 FINANCIAL RESULTS AND GRANT OF STOCK OPTION

Calgary, AB August 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 six month period ended June 30, 2020. In addition, CSRI announces that it has granted incentive stock options to acquire 1,000,000 common shares of the Corporation for a price of \$0.05 per share for a period of five years in accordance with the terms and conditions of the Corporation’s Stock Option Plan.

#### Second Quarter 2020

This news release summarizes information contained in the unaudited interim condensed financial statements and MD&A for the three and six months ended June 30, 2020, 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).

The following summarizes certain selected financial data for the three and six months ended June 30, 2020:

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

	Three months ended		Six months ended	
	June 30, 2020	2019	June 30, 2020	2019
Natural gas sales	\$ -	\$ -	\$ -	\$ -
Operating costs	(117,126)	(91,190)	(139,205)	(141,085)
Operating netback	\$ (117,126)	\$ (91,190)	\$ (139,205)	\$ (141,085)
Other income and gains	61	\$ 10,000	23,159	72,916
Other Expenses	(290,437)	(511,516)	(655,164)	(852,196)
Settlement of claims	(514,522)	-	(514,522)	-
Net comprehensive loss for the period	\$ (922,024)	\$ (592,706)	\$ (1,285,732)	\$ (920,365)

The Corporation’s loss and comprehensive loss for the six months ended June 30, 2020 was \$1,285,762 (June 30, 2019 - \$920,365). When compared to the prior period the \$365,367 increased loss was due mainly to the accrual of \$514,522 in settlement of claims which the Corporation expensed in the period. The Corporation terminated the employment of the Corporation’s executive officers in April 2020 and is negotiating settlements of the \$514,552 commitment. The Corporation may or may not be successful in negotiating a lesser amount and as such accrued the \$514,522 in the Statements of Loss and Comprehensive Loss during the period ended June 30, 2020.

	As of June 30, 2020	As of December 31, 2019
Working Capital:		
Current assets	\$ 954,281	\$ 703,063
Current liabilities (including debt of \$606,739)	\$ (1,348,323)	\$ (114,738)
Working capital	\$ (394,042)	\$ 588,325
Total assets	\$ 38,566,700	\$ 38,595,074
Total debt	\$ 606,739	\$ -
Shareholders' equity	\$ 35,097,455	\$ 36,377,845
Number of common shares outstanding	196,177,583	196,177,583

## STOCK OPTION GRANT

The Corporation granted the Chief Executive Officer incentive stock options to purchase a total of up to 1,000,000 common shares of the Corporation as incentive compensation. The stock options vest as to one-quarter immediately, with one-quarter vesting on each of the dates six months, 12 months, and 18 months subsequent to the effective date of the grant. All the stock options have a term of five years and may be exercised at a price of \$0.05 per share. The grant of options will result in a total of 1,850,000 stock options outstanding at a weighted average exercise price of \$0.08 per stock option.

## ABOUT CSRI

CSRI is a natural resources company focusing on the identification and development of opportunities in the unconventional gas sector of the energy industry. For further information please visit 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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