



NEWS RELEASE

CANADIAN SPIRIT RESOURCES INC. ANNOUNCES AMENDED TERMS OF PREVIOUSLY ANNOUNCED PRIVATE PLACEMENT AND SHARES FOR DEBT TRANSACTION

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Calgary, AB November 3, 2020 – Canadian Spirit Resources Inc. ("CSRI" or the "Corporation") (TSXV:SPI) (OTCBB:CSPUF) wishes to announce that, further to its press releases dated October 20, 2020 and October 9, 2020, it has revised the terms of its previously announced non-brokered private placement offering of units of the Corporation ("**Units**") to up to \$1,600,000 (the "**Offering**") by amending the terms of the Units such that each Unit will now consist of one common share in the capital of the Corporation (a "**Common Share**") and one Common Share purchase warrant (a "**Warrant**"). The other terms of the Offering remain unchanged. The Offering is anticipated to close in early November 2020.

The net proceeds of the Offering will be used for various field activities and initiatives, and for general corporate purposes. All the securities issued pursuant to the Offering will be subject to a four-month restricted resale period under Canadian securities laws.

SHARES FOR DEBT

The Corporation is pleased to announce that it has agreed to a proposal with Elmag Investments Inc. (Investissements Elmag Inc.) ("**Elmag**") whereby the Corporation will settle \$600,000 in outstanding debt to Elmag by issuing 12,000,000 Common Shares at an issuance price of \$0.05 per Common Share (the "**Debt Settlement**"). The Corporation believes the Debt Settlement is in the best interests of the Corporation in order to preserve cash for operations.

It is anticipated that the Offering and the Debt Settlement will be related party transactions under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") as Elmag Investments Inc. (Investissements Elmag Inc.), an insider and control person of the Corporation, has notified the Corporation that it intends to participate in the Offering and is the holder of the Debt. The Corporation is relying on the exemptions from formal valuation and minority approval contained in section 5.5(b) and section 5.7(g), respectively, of MI 61-101. The Common Shares are only traded on the facilities of the TSX Venture Exchange (the "**TSXV**") and the Corporation's board of directors have unanimously determined (with Luigi Liberatore abstaining) that the Corporation meets the financial hardship requirements of Section 5.7(g) of MI 61-101, the Offering and Debt Settlement are designed to improve the financial position of the Corporation, and the terms of such transactions are reasonable in the circumstances of the Corporation.

The closing of the Offering and the Debt Settlement are each subject to certain conditions including, but not limited to, the receipt of all necessary regulatory approvals, including the acceptance of the TSXV.

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 or the Corporation's website at www.csri.ca.

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

"Louisa DeCarlo"

President and Chief Executive Officer

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Forward-looking Information Cautionary Statement

This press release contains forward-looking statements. More particularly, this press release contains statements concerning the terms of the Offering and the Debt Settlement. The forward-looking statements in this press release are based on certain expectations and assumptions made by the Corporation. Although the Corporation believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Corporation can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, risks associated with adverse market conditions, receipt of TSXV and other regulatory approvals of the Offering and the Debt Settlement, inability to complete the Offering or the Debt Settlement on the proposed terms or all at, the state of the financial markets for the Corporation's securities, and changes in the Corporation's business plans. Forward-looking statements are based on estimates and opinions of management of the Corporation at the time the statements are presented. The Corporation may, as considered necessary in the circumstances, update or revise such forward-looking statements, whether as a result of new information, future events or otherwise, but the Corporation undertakes no obligation to update or revise any forward-looking statements, except as required by applicable securities laws.

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