



NEWS RELEASE

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

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Calgary, AB November 9, 2020 – Canadian Spirit Resources Inc. ("CSRI" or the "Corporation") (TSXV:SPI) (OTCBB:CSPUF) is pleased to announce that it has closed its previously announced non-brokered private placement offering (the "Offering") and issued 20,000,000 units of the Corporation ("Units"), at a price of \$0.05 per Unit, for aggregate gross proceeds of \$1,000,000 and has also completed its previously announced shares for debt transaction whereby the Corporation settled \$600,000 in outstanding debt to Elmag Investments Inc. (Investissements Elmag Inc.) ("Elmag") by issuing 12,000,000 common shares in the capital of the Corporation ("Common Shares") at an issuance price of \$0.05 per Common Share (the "Debt Settlement").

Each Unit consists of one Common Share and one Common Share purchase warrant (a "Warrant"). Each Warrant entitles the holder thereof to purchase one Common Share at a price of \$0.08 for a period of two years after closing of the Offering. All of the Units issued under the Offering were purchased by Elmag who is an insider and control person of the Corporation.

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.

The Offering and the Debt Settlement are considered related party transactions within the meaning of TSX Venture Exchange (the "TSXV") Policy 5.9 and Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). The Corporation has relied 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 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. Further details will be provided in the Corporation's material change report to be filed on SEDAR.

The Corporation did not file a material change report in respect of the related party transactions more than 21 days prior to the closing of the Offering or completion of the Debt Settlement, which the Corporation deems reasonable in the circumstances so as to be able to avail itself of the proceeds of the Offering and improve the Corporation's financial circumstances in an expeditious manner.

The Offering and the Debt Settlement are subject to all necessary regulatory and stock exchange approvals, including buy not limited to approval of the TSXV. The securities issued pursuant to the Offering and the Debt Settlement are subject to a hold period expiring March 7, 2021, in accordance with applicable Canadian securities law.

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. 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, 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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