



Source: Canadian Spirit Resources Inc.

August 25, 2022 20:07 ET

Canadian Spirit Resources Inc. Announces Second Quarter 2022 Financial Results and Operational Update

CALGARY, Alberta, Aug. 25, 2022 (GLOBE NEWSWIRE) -- **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, 2022.

Second Quarter 2022

This news release summarizes information contained in the unaudited interim financial statements and MD&A for the three and six month periods ended June 30, 2022 and should not be considered a substitute for reading these full disclosure documents which are available on SEDAR at www.sedar.com. The following summarizes certain selected financial data for the three and six months ended June 30, 2022:

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

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Natural gas sales	\$ -	\$ -	\$ -	\$ -
Operating recovery (costs)	(273,760)	(105,687)	(315,210)	(141,159)
Operating netback	\$ (273,760)	\$ (105,687)	\$ (315,210)	\$ (141,159)
Other income and gains	21,250	44	151,925	87
Other Expenses	(290,067)	(285,477)	(601,315)	(484,582)
Net comprehensive loss for the period	\$ (542,577)	\$ (391,120)	\$ (764,600)	\$ (625,654)

The Corporation's loss and comprehensive loss for the six months ended June 30, 2022 was \$764,600 (June 30, 2021 - \$625,654). When compared to six months ended June 30, 2021, there is an increase in loss of \$138,946 resulting primarily from the following:

- Operating costs increase of \$174,051 to \$315,210 (June 30, 2021 – \$141,159) resulting from the recommissioning of the Farrell Creek gas plant and associated facilities required to produce the existing joint venture Montney wells;
- Professional fees increase of \$53,225 to \$132,471 (2021 – \$79,246) mostly due to higher audit costs;
- Investor relations and filing fees, and Insurance costs increase of \$18,108 to \$64,727 (2021 - \$46,619);
- Share-based compensation of \$71,029 (2021 – \$41,029) increase of \$30,000 due to the timing of vesting of the stock options.

Offsetting these cost increases was the Gain on sale of property, plant and equipment for the proceeds of \$147,750 on the Farrell Creek Gething fully depreciated idle equipment.

As at

As at

	June 30, 2022	December 31, 2021
Working Capital:		
Current assets	\$ 1,768,992	\$ 1,354,860
Current liabilities	(753,761)	(445,368)
Working capital	1,015,231	909,492
Total assets	\$ 39,696,644	\$ 38,997,891
Shareholders' equity	37,006,021	\$ 36,649,592
Number of common shares outstanding	268,177,583	248,177,583

OPERATIONAL UPDATE

The Corporation and its joint venture partner are pleased to announce the completion of the field work required to reactivate the Farrell Creek natural gas processing facility and associated Montney wells. The Corporation anticipates a final field start up in late August, or early September, of this year, pending acceptable natural gas prices.

STOCK OPTION GRANT

The Corporation granted to certain directors and executive officers of the Corporation incentive stock options to purchase a total of up to an aggregate 2,600,000 common shares in the capital of the Corporation pursuant to the terms of the Corporation's Stock Option Plan. The stock options vest as to one-quarter immediately, with one-quarter vesting on each of the dates 6 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 \$0.105 per share. The grant of options will result in an aggregate total of 8,750,000 stock options issued and outstanding at a weighted average exercise price of \$0.09 per stock option.

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

For further information, please contact: Canadian Spirit Resources Inc.
 Telephone (403) 618-2113
 Louisa DeCarlo (louisa@danrichresources.com)

Forward-looking Information Cautionary Statement

This press release contains forward-looking statements. More particularly, this press release contains statements concerning the anticipated reactivation of the Farrell Creek natural gas processing facility and associated Montney wells by the Corporation. 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, operational risks and risks associated with the volatility in the price of natural gas. 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.

NEITHER THE TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS NEWS RELEASE

