

**NATIONAL INSTRUMENT 62-103F1  
REQUIRED DISCLOSURE UNDER THE EARLY WARNING REQUIREMENTS**

**1. Security and Reporting Issuer**

**1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.**

This report applies to units ("Units") and common shares ("Common Shares") in the capital of Canadian Spirit Resources Inc. (the "Issuer"). Each Unit is comprised of one Common Share and one Common Share purchase warrant (a "Warrant").

The Issuer's address is as follows:

Canadian Spirit Resources Inc.  
900, 140 4th Avenue SW  
Calgary, Alberta T2P 3N3

**1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.**

TSX Venture Exchange (the "TSXV"). See item 2.2.

**2. Identity of the Acquiror**

**2.1 State the name and address of the Acquiror**

Elmag Investments Inc. (Investissements Elmag Inc.) (the "Acquiror")  
3650 Pitfield Blvd.  
Pierrefonds, Québec H8Y 3L4

**2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.**

On November 9, 2020, the Acquiror purchased 20,000,000 Units pursuant to the non-brokered private placement offering of the Issuer at a price of \$0.05 per Unit for an aggregate purchase price of \$1,000,000 and received an additional 12,000,000 Common Shares pursuant to the settlement of \$600,000 of debt of the Issuer held by the Acquiror at a deemed price of \$0.05 per Common Share (collectively, the "Acquisitions"). Each Unit is comprised of one Common Share and one Warrant, with each Warrant exercisable to purchase one Common Share at a price of \$0.08 per Common Share for a period of two years. Mr. Luigi Liberatore, a director of the Issuer, is the deemed beneficial owner of the securities acquired by the Acquiror pursuant to the Acquisitions as the Acquiror is a holding company controlled by Mr. Luigi Liberatore.

**2.3 State the name of any joint actors**

Please see item 2.2.

**3. Interest in Securities of the Reporting Issuer**

**3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the Acquiror's security holding percentage in the class of securities.**

Please see item 2.2.

Immediately prior to the Acquisitions, the Acquiror held 100,168,067 Common Shares representing approximately 51.06% of the issued and outstanding Common Shares on an undiluted basis. Following the Acquisitions, the Acquiror holds 132,168,067 Common Shares, representing approximately 57.92% of the issued and outstanding Common Shares on an undiluted basis or approximately 63.1% on a fully-diluted basis assuming exercise of the Warrants

**3.2 State whether the Acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.**

Please see item 2.2.

**3.3 If the transaction involved a securities lending arrangement, state that fact.**

Not applicable.

**3.4 State the designation and number or principal amount of securities and the Acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.**

Please see item 3.1.

**3.5 State the designation and number or principal amount of securities and the Acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which**

**(a) the Acquiror, either alone or together with any joint actors, has ownership and control,**

Please see item 3.1.

**(b) the Acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the Acquiror or any joint actor, and**

Not applicable.

**(c) the Acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Not applicable.

**3.6 If the Acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the Acquiror's securityholdings.**

Not applicable.

**3.7 the Acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the**

**arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.**

**State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.**

Not applicable.

- 3.8 If the Acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the Acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

**4. Consideration Paid**

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

Please see item 2.2.

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the Acquiror.**

Please see item 2.2.

- 4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.**

Please see item 2.2.

**5. Purpose of the Transaction**

**State the purpose or purposes of the Acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the Acquiror and any joint actors may have which relate to or would result in any of the following:**

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**

Please see item 2.2.

The Units and Common Shares were acquired for investment purposes only and not for the purpose of exercising control or direction over the Issuer. The Acquiror may, from time to time, increase or decrease its shareholding or continue to hold securities of the Issuer as it may determine appropriate in the normal course of investment activity.

In the future, the Acquiror may, directly or indirectly, acquire additional securities of the Issuer or dispose of such securities subject to a number of factors, including, without

limitation, general market and economic conditions and other investment and business opportunities available.

- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**

Not applicable.

- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**

Not applicable.

- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**

Not applicable.

- (e) a material change in the present capitalization or dividend policy of the reporting issuer;**

Not applicable.

- (f) a material change in the reporting issuer's business or corporate structure;**

Not applicable.

- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;**

Not applicable.

- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;**

Not applicable.

- (i) the issuer ceasing to be a reporting issuer in any jurisdiction in Canada;**

Not applicable.

- (j) a solicitation of proxies from securityholders;**

Not applicable.

- (k) An action similar to any of those enumerated above;**

Not applicable.

**6. Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer**

Describe the material terms of any agreements, arrangements, commitments or understandings between the Acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fee joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Not applicable.

**7. Change in Material Fact**

If applicable, describe any change in a material fact set out in a previous report filed by the Acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

Not applicable.

**8. Exemption**

**8.1 If the Acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for this transaction, state the exemption being relied on and describe the facts supporting that reliance.**

Not applicable.

**9. Certification**

*The acquiror must certify that the information in this report is true and complete in every respect. In the case of an agent, the certification is based on the agent's best knowledge, information and belief but the acquiror is still responsible for ensuring that the information filed by the agent is true and complete.*

**I, as the Acquiror, certify, or I, as the agent filing the report on behalf of an Acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.**

**DATED** this 11<sup>th</sup> day of November, 2020

**ELMAG INVESTMENTS INC.  
(INVESTISSEMENTS ELMAG INC.)**

*/s/ Marie-Josée Liberatore*

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Name: Marie-Josée Liberatore

Title: Secretary