



MANAGEMENT DISCUSSION AND ANALYSIS

For the three months ended September 30, 2023

ABOUT CSRI

Canadian Spirit Resources Inc. (“CSRI” or the “Corporation”) is a natural resources company whose shares are listed under the trading symbol “SPI” on the TSX Venture Exchange (the “Exchange”). The Corporation’s principal activity is exploring for and developing the productive capability of the Montney Formation natural gas and natural gas liquids resource play in the Farrell Creek/Altares area of northeastern British Columbia.

READER ADVISORIES

The following management discussion and analysis (“MD&A”) of the financial conditions and results of operations of the Corporation for three months ended September 30, 2023 should be read in conjunction with the unaudited Interim Financial Statements for the three months ended September 30, 2023 and the accompanying notes, and the audited financial statements for the six months ended June 30, 2023 prepared under International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee. The financial data presented herein is in accordance with IFRS and all amounts are presented in Canadian dollars. This MD&A has been prepared by management and includes information up to November 29, 2023, the date of review and approval by the Corporation’s Board of Directors.

Forward-looking Statements

Information provided herein contains estimates and assumptions which management is required to make regarding future events and may constitute forward-looking statements within the meaning of applicable securities laws. Management’s assessment of future plans and operations, capital expenditures, methods of financing capital expenditures and the ability to fund financial liabilities, expected commodity prices and their impact on the Corporation, expected increase in royalty rates, and the timing of and impact of adoption of new accounting policies under GAAP may constitute forward-looking statements under applicable securities laws and necessarily involve risks including, without limitation, risks associated with natural gas exploration, development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risk, competition from other producers, inability to retain drilling rigs and other services, incorrect assessment of the value of acquisitions, failure to realize the anticipated benefits of acquisitions, the inability to fully realize the benefits of the acquisitions, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources.

Although management believes the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will be realized. The use of any of the words “anticipate”, “believe”, “continue”, “estimate”, “expect”, “forecast”, “may”, “intend”, “likely”, “will”, “project”, “plan”, “should”, “possible”, “probable”, “schedule”, “position”, “goal”, “objective”, and similar expressions are intended to identify forward-looking information. Forward-looking statements or information are based on several factors and assumptions which have been used to develop such statements and information, but which may prove to be incorrect. Although the Corporation believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on these statements because the Corporation can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified in the document and other documents filed by the Corporation, assumptions have been made regarding, among other things: the timing of resuming production of shut-in natural gas wells; the general stability of the economic and political environment in which the Corporation operates; the ability of the operator of the projects, in which the Corporation has an interest, to operate the field in a safe, efficient and effective manner; the Corporation’s ability to obtain financing on acceptable terms; field production rates and decline rates; future natural gas prices; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which the Corporation operates; and the Corporation’s ability to successfully market its natural gas products. Readers are cautioned that the foregoing list of factors is not exhaustive.

The forward-looking statements contained in this document are made as at the date of this document and the Corporation does not undertake any obligation to update publicly or to revise any of the included forward looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

Non-GAAP Measures

Canadian Spirit Resources Inc.

MANAGEMENT DISCUSSION AND ANALYSIS

For the three months ended September 30, 2023

This MD&A contains important, comparable industry benchmarks such as net working capital and operating netback which are not recognized measures under IFRS, referred to as Generally Accepted Accounting Principles (“GAAP”). Management believes these measures are useful for reporting purposes but cautions readers that these measures not be considered as alternatives in accordance with GAAP.

Working capital is defined as total current assets less total current liabilities, which management feels is a useful supplementary measure of the liquidity of the Corporation. Operating netback is calculated by taking petroleum and natural gas sales, less royalties and operating costs as reported in the statements of loss and comprehensive loss and adding back the royalty credits applied. Per unit operating netback is the result of dividing operating netback by production for the period. Management feels that operating netback is a key industry benchmark and a measure of performance of the Corporation that provides investors/readers with information that is commonly used by other petroleum and natural gas producers. The calculation of operating netback is consistent with the definition found in the Canadian Oil and Gas Evaluation Handbook.

Conversion

The oil and gas industry commonly reports production volumes and reserves on a “barrel of oil equivalent” basis (“boe”), whereby natural gas volumes are converted at the ratio of six thousand cubic feet to one barrel of oil. The intention is to sum oil and natural gas measurement units into one basis for improved analysis of results and comparison with other industry participants.

Throughout this MD&A, the Corporation has used the 6:1 boe measure which is the approximate energy equivalency of the two commodities at the burner tip. Boe does not represent a value equivalency at the wellhead nor at the plant gate which is where the Corporation sells its production volumes and therefore may be a misleading measure, particularly if used in isolation. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a 6:1 conversion may be misleading as an indication of value.

DIRECTORS AND OFFICERS

Louisa DeCarlo, CEO and Director (Chairperson)

Luigi Liberatore, Director

David Monroe, Director

Sarah Hawco, Director

Greg Florence, CFO

Canadian Spirit Resources Inc.

MANAGEMENT DISCUSSION AND ANALYSIS For the three months ended September 30, 2023

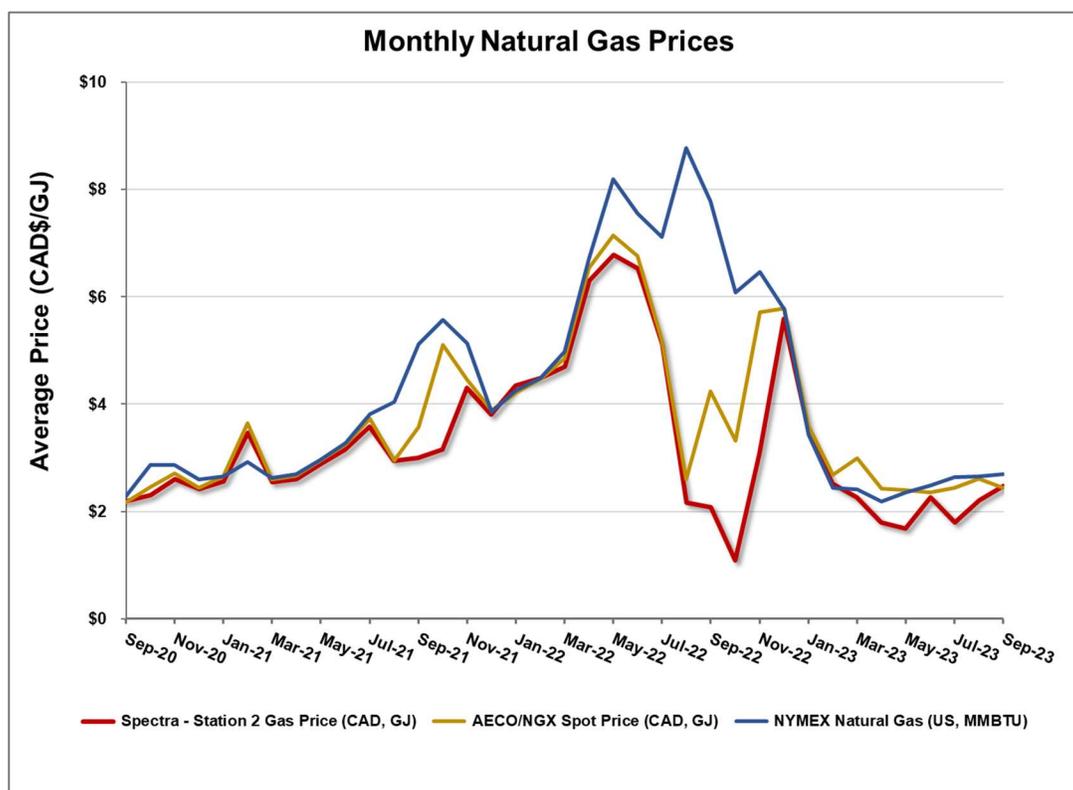
RESULTS FROM OPERATIONS

	Three months ended September 30,	
	2023	2022
Natural gas sales (net)	\$ -	\$ 25,267
Operating costs	(40,932)	(83,777)
Operating netback	\$ (40,932)	\$ (58,510)
Other income and gains	3,187	8,119
Other Expenses	(385,219)	(339,491)
Net comprehensive loss for the period	\$ (422,964)	\$ (389,882)

Overview

As a result of the continued deterioration of the natural gas prices at Station 2 during the second quarter of 2023, the Corporation shut-in their joint venture natural gas production at Farrell Creek/South Altares in June 2023. The Corporation's joint venture Montney wells were not returned to production until November 2023 which resulted in no sales revenue in the three months ended September 30, 2023. Operating costs were reduced as a result of the shut-in production.

Gas prices at Station 2 continue to be extremely volatile as shown below, but the Corporation remains cautiously optimistic that prices will stabilize and is monitoring the market closely.



Canadian Spirit Resources Inc.

MANAGEMENT DISCUSSION AND ANALYSIS For the three months ended September 30, 2023

The board of directors of the Corporation has determined that it is in the best interest of shareholders to seek strategic alternatives and, as such, has engaged Sayer Energy Advisors to assist in developing opportunities to maximize the value of its Montney assets while maintaining and extending the life of its mineral leases on prospective Montney lands. The directors and management do not believe that the current share prices on the Exchange reflect an accurate value for the Corporation and its assets.

The Corporation's gas production for the three months ended September 2023 was nil (three months ended September 30, 2022: 310 mcf per day). The Corporation's wells were only on for five days in September 2022 and produced 1,860 mcf per day.

During the three months ended September 30, 2023, the Corporation continued its disciplined approach to streamline its operations and reduce expenses while meeting and exceeding regulatory requirements to minimize its environmental footprint. The Corporation's 17 operated wells have all been abandoned and require only surface remediation which is scheduled to begin in the spring of 2024.

Going Concern

These condensed interim financial statements (the "Financial Statements") have been prepared using International Financial Reporting Standards ("IFRS") as they apply to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of operations as they come due. For the three months ended September 30, 2023, the Corporation has reported a net loss and comprehensive loss of \$422,964 (September 30, 2022: \$389,882) and an accumulated deficit at September 30, 2023 of \$97,480,084 (June 30, 2023: \$97,057,120). In addition to covering on-going working capital requirements and recurring negative cash flows used in operating activities, the Corporation will need to secure additional funding for any future exploration and development programs. Natural gas prices in the Corporation's operating area do not generate revenues sufficient to cover ongoing operating and general and administrative expenses and the Corporation's working interest wells were shut in early in June 2023. There is no guarantee that natural gas prices will improve to levels required for the Corporation's wells to be placed back on production. The Corporation's ability to continue as a going concern is dependent upon its ability to fund any future exploration and development programs as well as generate positive cash flows from operating activities. Significant additional financing is required in order for the Corporation to be able to further develop its oil and gas properties and exploration and evaluation assets and meet both its existing and future obligations. There is no guarantee that the Corporation will be successful in this regard. As such a material uncertainty exists that casts significant doubt on the Corporation's ability to continue as a going concern.

Management believes that the use of the going concern assumption is appropriate in the preparation of these financial statements. During the six month period ended June 30, 2023 the Corporation raised \$800,000 (see Note 13) through the exercise of warrants, however management will need to pursue other financing alternatives to fund the Corporation so that it may continue as a going concern. The necessary financing may be secured through either the issue of new equity or debt instruments or entering into new joint venture or farm-in arrangements. Nevertheless, there is no assurance that such initiatives will be successful.

These financial statements do not reflect any adjustments to the carrying values and classifications of assets and liabilities, or to the reported revenues and expenses that would be necessary if the Corporation were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

Net Comprehensive Loss

For the three months ended September 30, 2023:

The Corporation's loss and comprehensive loss for the three months ended September 30, 2023 was \$422,964 (2022 - \$389,882) resulting in an increased loss of \$33,082 for the three months. Items that caused the net increase in loss are noted in the following:

Canadian Spirit Resources Inc.

MANAGEMENT DISCUSSION AND ANALYSIS For the three months ended September 30, 2023

Revenues

- Net revenues were \$nil (2022 - \$25,267) as wells were not on production for the three months ended September 30, 2023.

Expenses:

- Operating costs of \$40,932 (2022 - \$83,777) decreased by \$42,845 due to the Corporation's natural gas production being shut in.
- General and administrative expenses of \$135,763 (2022 - \$150,326) decreased by \$14,563 mainly due to the following:
 - Consulting fees of \$74,365 (2022: \$66,510) increased by \$7,855 as a result of higher fees for asset operations and accounting charged to the Corporation;
 - Professional fees of \$15,812 (2022: \$41,879) decreased by \$26,067 due to higher audit and engineering fees charged in 2022;
 - Investor relations and filing fees of \$21,299 (2022: \$4,689) increased by \$16,610 as a result of the costs related to the Annual General Meeting held in September 2023;
 - Insurance expense of \$9,630 (2022: \$16,298) decreased by \$6,668 as premiums decreased year over year;
 - Office, software and other expenses of \$10,568 (2022: \$14,682) decreased by \$4,024 as a result of the Corporation's continuing efforts to reduce costs.
- Depletion and depreciation of \$72,532 (2022: \$72,532) was consistent to the comparative period.
- Finance costs of \$29,582 (2022: \$13,428) increased as a result of higher amortization of Decommissioning expense.
- Share-based compensation of \$188,021 (2022: \$104,549) increased as new stock options were granted in July 2023.

Other income and gains:

- Interest and other income of \$3,187 (2022: \$8,119) decreased as a result of a decrease in interest earned on lower cash balances in 2023 versus 2022.

General and Administrative Expenses ("G&A")

	Three months ended September 30,	
	2023	2022
Consulting fees	\$ 74,365	\$ 66,510
Professional fees	15,811	41,879
Director's and officer's fees and expenses	4,000	6,269
Investor relations and filing fees	21,299	4,689
Insurance	9,630	16,298
Office, software and other expenses	10,658	14,681
	<hr/>	<hr/>
	\$ 135,763	\$ 150,326

Canadian Spirit Resources Inc.

MANAGEMENT DISCUSSION AND ANALYSIS For the three months ended September 30, 2023

Depletion and Depreciation

	Three months ended September 30,	
	2023	2022
Depreciation of property, plant and equipment ("PP&E")	\$ 71,188	\$ 71,188
Depreciation of Right-of-use assets	1,344	1,344
	\$ 72,532	\$ 72,532

The Corporation did not record depletion expense in either of the periods as the wells were shut in.

Depreciation of PP&E is primarily comprised of straight-line depreciation on the Corporation's 25% interest in the Williston Reservoir water pipeline.

Exploration and Evaluation Expense Recovery

At September 30, 2023, the Corporation recognized a recovery of \$40,679 related to changes in decommission timing and discount rates at its Farrell Creek Gething CGU.

The following summarizes the results of the assessments and tests on each category of asset:

Montney D&P and Montney E&E CGUs

The Corporation identified an indicator of impairment at June 30, 2023 with respect to the Montney D&P CGU as the wells were shut-in in early June 2023. As such, the Corporation performed an impairment test to estimate the recoverable amount of the Montney D&P CGU. As a result of the impairment test, the Corporation did not record any further impairment with respect to the Montney D&P CGU.

The Corporation did not identify any impairment trigger indicators with respect to the Corporation's Montney E&E CGU.

As at September 30, 2023, the Corporation determined that there were no indicators of impairment for its 25% interest in the Williston water pipeline.

Royalty Credits

As at September 30, 2023, the credits were \$271,341 (June 30, 2023: \$271,341). The royalty credits are drawn down as production and revenue are recognized for the wells qualifying for the royalty credits. During the three-month period ended September 30, 2023, the Corporation applied \$Nil (six months ended June 30, 2023: \$14,793) of royalty credits against crown royalties payable and made an adjustment in the in the six months ended June 30, 2023 of \$19,674, which was taken into income in that period.

In addition, credits in the Corporation's Deep Well Credit Bank totaling \$Nil were applied against crown royalties payable in the in the three months ended September 30, 2023 (six months ended June 30, 2023: \$47,900). As the Corporation is not carrying any value for its Deep Well Credit Bank, the amount applied against royalties in the six-month period ended June 30, 2023 was taken into income.

Canadian Spirit Resources Inc.

MANAGEMENT DISCUSSION AND ANALYSIS For the three months ended September 30, 2023

Share-Based Compensation

	Three months ended September 30,	
	2023	2022
Share-based compensation, gross	\$ 188,021	\$ 104,549

On July 12, 2023, the Company granted 5,250,000 stock options with an estimated weighted average fair value of \$0.0393 calculated using the Black-Scholes option pricing model. The fair value of stock options vested during the period and recognized as share-based payments expense was \$188,021. The stock options vest by January 2025. The fair value of the options was calculated as \$0.0393 using the Black-Scholes valuation model using the following inputs: share price - \$0.06; exercise price \$0.07; term - 5 years, volatility rate - 89.5%; and interest rate of 3.81%.

The Corporation granted 2,600,000 stock options on August 25, 2022 to directors, officers and a consultant. The stock options are exercisable for a period of five years at a price of \$0.105 per share. The stock options vest by February 2024. The fair value of the options was calculated as \$0.098 using the Black-Scholes valuation model using the following inputs: share price - \$0.14; exercise price \$0.105; term - 5 years, volatility rate - 86.77%; and interest rate of 3.23%.

At September 30, 2023, the Corporation had options to purchase 16,550,000 (2022: 8,625,000) common shares outstanding with a weighted average exercise price of \$0.08.

Capital Expenditures

The following table summarizes the Corporation's cash capital expenditures:

	Three months ended September 30,	
	2023	2022
Exploration & evaluation	\$ 5,288	\$ 507
Property, plant & equipment	(630)	(21,927)
	\$ 4,658	\$ (21,420)

During the three months ended September 30, 2023, the Corporation incurred mineral and surface lease rentals of \$5,288 on leases held as E&E Assets.

LIQUIDITY AND CAPITAL RESOURCES

The Corporation recorded negative working capital as at September 30, 2023 of \$62,628 compared to working capital of \$123,98 at June 30, 2023. The Corporation's shareholders equity is \$36,194,481 as at September 30, 2023 (June 30, 2023: \$36,533,404).

The Corporation will continue to pursue financing alternatives to maintain the Corporation as a going concern as it seeks and evaluates strategic alternatives. During the period ended June 30, 2023, the Corporation issued 10,000,000 common shares on the exercise of 10,000,000 warrants at \$0.08 per share for gross proceeds of \$800,000. No finders fees were paid on this transaction.

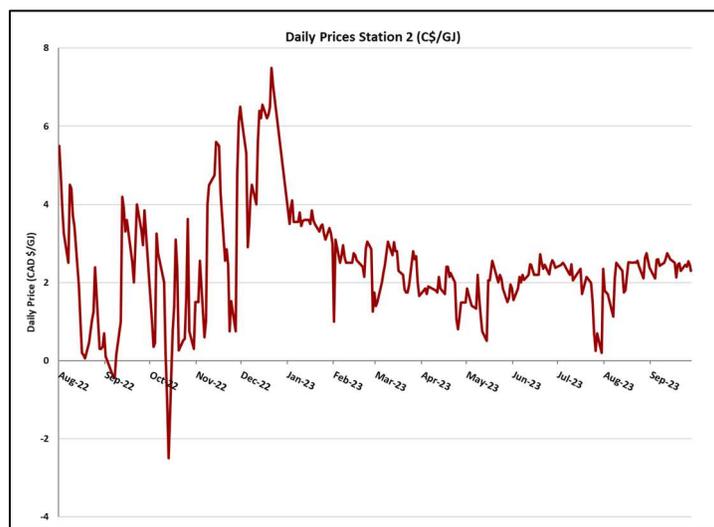
Additional necessary financing may be secured through either the issue of new equity or debt instruments or entering into new joint venture or farm-in arrangements.

Canadian Spirit Resources Inc.

MANAGEMENT DISCUSSION AND ANALYSIS For the three months ended September 30, 2023

Volatile Market Conditions

Subsequent to Q2 2022, Western Canadian natural gas prices began to drastically decline as a result of gas production surges, limited pipeline capacity, and maintenance and construction work done on export pipelines. Station 2 prices have been extremely volatile through September, October and November, often below the \$2.50 per mcf benchmark the Corporation needs to show positive operating cash flow.



In addition, the lack of capital investment for Micro-oil and gas companies over the last five contributed to the difficulty in developing the Corporation's Montney natural gas resource play.

While the Corporation's wells were shut in during the three months ended September 2023, they were put on production in mid-November 2023. The ability to produce the wells is dependent on Station 2 prices.

The Corporation's ability to continue as a going concern is dependent upon its ability to fund future working capital requirements and any future exploration and development programs. The financial statements for the three months ended September 30, 2023 do not reflect any adjustments to the carrying values and classifications of assets and liabilities, or to the reported revenues and expenses that would be necessary if the Corporation were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations; such adjustments could be material. Refer to the Going Concern disclosure in Note 1 to the September 30, 2023 financial statements.

CRITICAL ACCOUNTING ESTIMATES

The Corporation's significant accounting policies are disclosed in Note 2 to the June 30, 2023 audited financial statements. Certain accounting policies require that management make appropriate decisions with respect to the formulation of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The Corporation continuously refines its management and reporting systems to ensure that accurate, timely and useful information is gathered and disseminated. The Corporation's financial and operating results incorporate certain estimates and assumptions including the following:

- estimated value of decommissioning liabilities that is dependent upon estimates of future costs and timing of expenditures;
- estimated future recoverable value of E&E, PP&E and Royalty Credits and associated impairment charges or recoveries;
- estimated compensation expense for the Corporation's share-based compensation plan; and
- assumptions regarding going concern.

Canadian Spirit Resources Inc.

MANAGEMENT DISCUSSION AND ANALYSIS For the three months ended September 30, 2023

For further information on the determination of certain estimates inherent in the financial statements, refer to Note 3 “Management Judgments and Estimation Uncertainty” in the June 30, 2023 audited financial statements.

NEW ACCOUNTING POLICIES AND AMENDMENTS TO BE ADOPTED

Amendments to IAS 1 – “Presentation of Financial Statements”

In January 2020, the IASB issued amendments to IAS 1, to clarify its requirements for the presentation of liabilities as current or non-current in the statement of financial position. In October 2022, the IASB issued further amendments, which specify the classification and disclosure of a liability with covenants. The amendments will be effective on January 1, 2024. The Corporation is currently assessing the impact of these amendments.

Amendments to IAS 8 – “Accounting Policies, Changes in Accounting Estimates and Errors”

In February 2021, the IASB issued amendments to IAS 8, which introduces a definition of “accounting estimates”. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed. The impact of the amendments is not material to the Financial Statements.

Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37)

The amendments to IAS 37 specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). These amendments had no impact on the Corporation.

SHARE CAPITAL

Common Shares

The Corporation has authorized share capital of an unlimited number of common shares with no par value. As at September 30, 2023, the Corporation had 278,177,583 common shares outstanding (June 30, 2023: 278,177,583)

Share Purchase Warrants

As at September 30, 2023, there were 10,000,000 share purchase warrants outstanding, exercisable at a price of \$0.08 and expiring on March 15, 2024 (June 30, 2023: Nil).

Stock Options

As at September 30, 2023 the Corporation had outstanding options to purchase 16,550,000 common shares at a weighted average exercise price of \$0.09 per common share (June 30, 2023: 11,425,000).

OFF-BALANCE SHEET TRANSACTIONS

The Corporation had no off-balance sheet transactions during the period ended September 30, 2023.

RELATED PARTY TRANSACTIONS

Transactions with related parties are recorded at exchange amounts for services provided. During the three month periods ended September 30, 2023 and 2023, the transactions the Corporation had with its directors, related persons or controlled entities in the normal course of business are as follows:

Executive Compensation

Canadian Spirit Resources Inc.

MANAGEMENT DISCUSSION AND ANALYSIS For the three months ended September 30, 2023

Executive compensation relates to amounts paid to or earned by executive officers and fees paid and/or accrued to non-executive directors, and also includes non-cash share-based compensation as follows:

Consulting fees relate to amounts paid to or earned by executive officers and fees paid and/or accrued to non-executive directors.

	Three months ended September 30,	
	2023	2022
Included in general and administrative expenses		
Consulting fees (executive)	\$ 29,010	\$ 99,831
Directors' fees	4,000	14,000
Share-based compensation	188,021	160,486
	\$ 221,031	\$ 274,317

COMMITMENTS

The Corporation had no capital commitments as at September 30, 2023.

BUSINESS RISKS

The Corporation's production and exploration and development activities are concentrated in Western Canada, where activity is highly competitive and includes a variety of companies ranging from smaller junior producers to the much larger integrated producers.

The Corporation is subject to various types of business risks and uncertainties, including but not limited to:

- production of natural gas in commercial quantities;
- finding and developing petroleum and natural gas reserves at economic costs;
- volatility of natural gas prices;
- marketability of natural gas production; and
- access to capital markets.

In order to reduce exploration risk, the Corporation strives to employ highly qualified professional employees and consultants with demonstrated ability to generate quality proprietary geological and geophysical prospects. In addition, the Corporation has a joint venture partner for a significant portion of its producing and prospective Montney lands which maximizes access to knowledge, experience and technology while sharing the financial risks.

The Corporation's ability to continue its operations is highly dependent upon capital markets. Its ability to develop its assets and realize their carrying values is dependent upon the continued support of its shareholders and joint venture partner, favorable capital market conditions and commodity prices, obtaining additional equity financing, converting undiscovered and discovered resources into economically recoverable reserves, and ultimately, generating revenues sufficient to cover operating costs and capital requirements. Without the support of any one of these factors, or a number of them together, the Corporation's ability to continue its operations could be compromised. To minimize financial risk, the Corporation pre-funds all capital commitments.

Impairment indicators for the Corporation's oil and gas assets could exist subsequent to September 30, 2023, if significant declines and volatility at Station 2 continue through the balance of 2023 and into 2024.

Canadian Spirit Resources Inc.

MANAGEMENT DISCUSSION AND ANALYSIS For the three months ended September 30, 2023

ENVIRONMENTAL RISKS

Oil and gas exploration and production can involve environmental risks such as litigation, physical and regulatory risks. Physical risks include the pollution of the environment, climate change and destruction of natural habitat, as well as safety risks such as personal injury. The Corporation works hard to understand the sensitivities of the environments in which it operates and its responsibilities from the beginning to the end. It also strives to identify the potential environmental impacts of its new projects in the planning stage and during operations. The Corporation conducts its operations with high standards in order to protect the environment, its employees and consultants, and the general public. The Corporation maintains current insurance coverage for comprehensive and general liability as well as limited pollution liability.

The amount and terms of this insurance are reviewed on an ongoing basis and adjusted as necessary to reflect current corporate requirements, as well as industry standards and government regulations. Without such insurance, and if the Corporation becomes subject to environmental liabilities, the payment of such liabilities could reduce or eliminate its available funds or could exceed the funds the Corporation has available and result in financial distress.

SELECTED ANNUAL INFORMATION

	Six months ended June 30, 2023	Twelve months ended	
		December 31, 2022	December 31, 2021 (Restated)
Petroleum and natural gas sales	\$ 400,783	\$ 273,462	\$ -
Net loss and comprehensive loss	1,112,140	1,852,952	837,811
- per share basic and diluted	0.00	0.01	0.00
Working capital	123,980	259,569	909,492
Total assets	39,267,518	39,274,443	38,997,891
Long term lease liability	23,107	29,119	33,605
Shareholders' equity	36,429,424	36,512,423	36,919,218
Common shares outstanding	278,177,583	268,177,583	248,177,583
Net capital expenditures	81,999	317,928	111,512

Canadian Spirit Resources Inc.

MANAGEMENT DISCUSSION AND ANALYSIS For the three months ended September 30, 2023

SELECTED QUARTERLY INFORMATION ⁽¹⁾

The following is a summary of the results of the Corporation for the eight most recently completed quarters (000's, unless otherwise indicated):

	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
Petroleum and natural gas sales	\$ -	\$ 31	\$ 317	\$ 248
Operating netback	\$ (41)	\$ (224)	\$ 128	\$ 7
Cashflow used in operating activities	\$ (246)	\$ (406)	\$ 102	\$ (675)
Net Income (loss) and comprehensive income (loss)	\$ (398)	\$ (737)	\$ (375)	\$ (671)
- per share basic and diluted	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Working capital (deficit)	\$ (63)	\$ 124	\$ (202)	\$ 260
Total assets	\$ 38,759	\$ 39,268	\$ 39,223	\$ 39,274
Shareholders' equity	\$ 36,194	\$ 36,429	\$ 36,269	\$ 36,512
Common shares outstanding	278,178	278,178	268,178	268,178
Capital expenditures	\$ (5)	\$ (22)	\$ (60)	\$ (71)

	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021
Petroleum and natural gas sales	\$ 25	\$ -	\$ -	\$ -
Operating netback	\$ (58)	\$ (274)	\$ (41)	\$ 23
Cashflow used in operating activities	\$ (246)	\$ 144	\$ (477)	\$ 54
Net loss and comprehensive loss	\$ (390)	\$ (543)	\$ (222)	\$ 54
- per share basic and diluted	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Working capital	\$ 744	\$ 1,015	\$ 1,795	\$ 909
Total assets	\$ 39,222	\$ 39,697	\$ 39,523	\$ 38,998
Shareholders' equity	\$ 36,721	\$ 37,006	\$ 37,521	\$ 36,919
Common shares outstanding	268,178	268,177	268,177	248,177
Capital expenditures	\$ 278	\$ 76	\$ 35	\$ 34

Notes:

(1) Quarterly amounts may not total or calculate to year-to-date amounts due to rounding.

CORPORATE INFORMATION

Additional information regarding the Corporation is available on SEDAR+ at www.sedarplus.com or the Corporation's website at www.csri.ca.