



# Canadian Spirit Resources Inc. Announces the Reactivation of Natural Gas Production at Farrell Creek, Northeast British Columbia, and the First Quarter September 30, 2023 Financial Results

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CALGARY, Alberta, Nov. 28, 2023 (GLOBE NEWSWIRE) -- **Canadian Spirit Resources Inc. ("CSRI" or the "Corporation") (TSXV:SPI) (OTCBB:CSPUF)** announces the reactivation of natural gas production at Farrell Creek, Northeast British Columbia and the release of its unaudited interim financial statements (the "**Financial Statements**") and management discussion and analysis ("**MD&A**"), each for the three month period ended September 30, 2023.

### **Reactivation Of Joint Venture Production At Farrell Creek**

In June 2023, the Corporation and its joint venture partner opted to shut-in its Farrell Creek natural gas processing facility and associated Montney wells as a result of negative netback caused by low natural gas prices at Station 2. The Corporation's joint venture Montney wells were returned to production on November 17, 2023. Based on the Corporation's net average production over 60 days prior to the suspension of its joint venture operations, a production rate of approximately 2.5 Mmcf/d is anticipated, with CSRI's 35% share being approximately 0.87 Mmcf/d.

### **First Quarter Financial Results**

This news release summarizes information contained in the Financial Statements and MD&A and should not be considered a substitute for reading these full disclosure documents which are available on the Corporation's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

In accordance with the Corporation's change of year-end from December 31 to June 30 that was approved by the board of directors of the Corporation (the "Board") on August 25, 2023, the Financial Statements and MD&A provide a comparison of the financial performance of the Corporation for the three-month period ended September 30, 2023 to the three-month period ended September 30, 2022. The Corporation has requested approval of the change of year-end from the Canada Revenue Agency, however such approval is still pending.

### Selected Financial Data

The following summarizes certain selected financial data from the Financial Statements for the three months ended September 30, 2023:

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

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

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, partly due to the shut-in of production experienced during the three months ended September 30, 2023.

The Corporation had a working capital deficit as at September 30 2023 of \$62,628 (June 30, 2023 - working capital of \$123,980). The Corporation's shareholders equity is \$36,194,481 at September 30, 2023 (June 30, 2023 - \$36,429,424).

	September 30, 2023	June 30, 2023
Working capital:		
Current assets	\$ 824,660	\$ 1,209,720
Current liabilities	<b>(887,288)</b>	(1,085,740)
	<b>(62,628)</b>	123,980
Shareholders' Equity	<b>36,194,481</b>	36,429,424
	<b>\$ 36,131,853</b>	<b>\$ 36,553,404</b>

The Corporation will continue to pursue financing alternatives to maintain the Corporation as a going concern as it seeks and evaluates strategic alternatives. 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.

### **Review of Strategic Alternatives**

The Corporation also announces that it has initiated a process to review strategic alternatives with a view to maximizing the value of the Corporation's Montney resource base at Farrell Creek and Altares. This may include, among other alternatives, the addition of capital to further develop the potential of the assets, the sale of the Corporation or a portion of the Corporation's assets, a merger, farm-in or joint venture, or other such options as may be determined by the Board to be in the best interests of the Corporation and its shareholders. CSRI has engaged Sayers Energy Advisors to serve as financial advisor in the strategic alternatives review process.

The Corporation has not set a definitive schedule to complete its strategic alternatives review evaluation and no decision on any particular alternative has been reached at this time. CSRI does not intend to disclose developments with respect to this process unless and until the Board has approved a definitive transaction agreement or other course of action or otherwise deems disclosure of developments is appropriate or otherwise required by applicable securities laws or the requirements of the TSX Venture Exchange. There are no guarantees that the process will result in a transaction of any form or, if a transaction is entered into, as to its terms or timing.

Information regarding CSRI is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) or the Corporation's website at [www.csri.ca](http://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:

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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 re-starting of the Farrell Creek facility and associated Montney wells; reactivation operations; the potential production from reactivation operations; oil and gas prices; the approval of the Corporations change in year-end by the Canadian Revenue Agency; and the strategic alternatives review process. The forward-looking statements in this press release are based on certain expectations and assumptions made by the Corporation. These assumptions include, but are not limited to, the performance of activities by third parties, oil and gas prices, timing and success of operations, weather, well productivity, the Corporation's finances, and changes in the Corporation's business plans. 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, general business, economic, competitive, political and social uncertainties, general capital market conditions and market prices for securities, the actual results of future operations, competition, changes in legislation, including environmental legislation affecting the Corporation, the timing and availability of external financing on acceptable terms or at all, and loss of key individuals. 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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