

MAY 22, 2024

■ MIDTEX

Canuc Announces Natural Gas Production Workover in West Texas

May 22nd, 2024

Canuc Resources Corporation (“Canuc” or the “Company”) (TSX-V: CDA) (OTCQB: CNUCF) announces that the Company is undertaking repair and workover operations for the natural gas producing wells held by the Company’s 100% owned subsidiary MidTex Oil and Gas Corporation (“MidTex”). MidTex has ownership and lease rights for (8) producing natural gas wells in Stephens County, West Texas and also holds rights for further in field developments.

The Big Saline Formation is a natural gas bearing zone which is located at approximately 3,700-feet true vertical depth (“TVD”) in the Company’s operating natural gas wells. The Company’s Coody-Morales Trac 3-3 well has been producing from the Big Saline for more than 13 years. The well was drilled in 2011, with a drilling and completion cost of \$153K USD, and to date has produced a gross revenue of \$1.04M USD (\$1.43M CAD). The well has exhibited low decline rates and in 2023 produced 35,246 MCF of natural gas at an average sale price of \$3.27 USD (\$4.48 CAD) per MCF. The currently scheduled repairs are expected to return the well to its historical gas production rates.

Logs for the Company’s Coody-Morales Trac 3-3 well indicate that above the Big Saline Formation there are two further hydrocarbon zones which are prospective for production. The Caddo Limestone is a potential oil-bearing zone located at approximately 3,200’ TVD and the Strawn Sands is a potential gas-bearing zone located at approximately 1,700’ TVD.

The Company expects to move up hole to complete and test both the Caddo Limestone (oil) and the Strawn Sands (natural gas) respectively at some point in the future, after economic depletion of the Big Saline.

An AFE (Authorization For Expenditure) for workover operations on the Coody-Morales Trac 3-3 well has been received from the Company’s operator in Breckenridge, Texas. Work on the well will commence imminently and resumption of natural gas production is expected to begin soon thereafter.

“The Big Saline Formation in the Coody-Morales Trac 3-3 well has been producing cash flow for Canuc since 2011 and has already paid out several times over the drilling and completion costs of the well. We expect to continue producing this zone until it is depleted. Above this zone, and behind pipe, are two further zones which are prospective for hydrocarbon production, the Caddo Limestone (oil-bearing zone) and the Strawn Sands (natural gas-bearing zone). In addition to this, the company also holds rights for further in field developments.” Stated Christopher Berlet, President & CEO of Canuc.

“In developing the company’s cash flow from smaller projects in safe jurisdictions, we seek to protect shareholders from unnecessary dilution and to minimize share issuance.”

The repair and workover operation is expected to be completed in the next 2-4 weeks and the Company will report further when results are received.

About Canuc

Canuc is a junior resource company focusing on its San Javier Silver-Gold Project in Sonora State, Mexico. The Company also generates cash flow from natural gas production at its MidTex Energy Project in Central West Texas, USA where Canuc has an interest in eight (8) producing natural gas wells and has rights for further in field developments.

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FORWARD-LOOKING INFORMATION

This news release contains forward-looking information. All information, other than information of historical fact, constitute “forward-looking statements” and includes any information that addresses activities, events or developments that the Corporation believes, expects or anticipates will or may occur in the future including the Corporation’s strategy, plans or future financial or operating performance.

When used in this news release, the words “estimate”, “project”, “anticipate”, “expect”, “intend”, “believe”, “hope”, “may” and similar expressions, as well as “will”, “shall” and other indications of future tense, are intended to identify forward-looking information. The forward-looking information is based on current expectations and applies only as of the date on which they were made. The factors that could cause actual results to differ materially from those indicated in such forward-looking information include, but are not limited to, the ability of the Corporation to fund the exploration expenditures required under the Agreement. Other factors such as uncertainties regarding government regulations could also affect the results. Other risks may be set out in the Corporation’s annual financial statements, MD&A and other publicly filed documents.

The Corporation cautions that there can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, investors should not place undue reliance on forward-looking information. Except as required by law, the Corporation does not assume any obligation to release publicly any revisions to forward-looking information contained in this press release to reflect events or circumstances after the date hereof.

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