

FOR IMMEDIATE RELEASE  
September 26<sup>th</sup>, 2018

TSX-V: CDA | CNUCF | WKN: A14 ZX4  
Shares Outstanding: 50,434,150  
ISIN: CA1389093040

### **Canuc Enters Into Definitive Agreement With Full Circle Energy Ltd.**

Canuc Resources Corporation (“**Canuc**” or the “**Company**”) (TSX-V: CDA) and Full Circle Energy Ltd. (“**Full Circle**”) are pleased to announce that further to the execution of the Letter of Intent announced on May 17, 2018 and the subsequent negotiation of a business combination agreement (the “**Definitive Agreement**”), the parties have executed the Definitive Agreement on September 25, 2018, with effect as of such date, to combine Canuc and Full Circle by way of an amalgamation of Full Circle and a wholly-owned subsidiary of Canuc (the “**Transaction**”).

The Transaction is to be completed on a share exchange basis in which Canuc will issue 11,810,000 common shares at a deemed, aggregate value of \$974,325 to the shareholders of Full Circle. The share issuance under the Transaction will not result in any new Insiders of Canuc. The valuation of Full Circle’s assets was carried out by an Independent Consulting (Petroleum) Engineer. The Transaction is subject to a number of terms and conditions as set forth in the Definitive Agreement, including (among other things) the approval of the TSX Venture Exchange (the “**TSXV**” or the “**Exchange**”).

Full Circle is a Non-Arm’s Length Party of Canuc under TSXV policies. Christopher J. Berlet is a director and the Chief Executive Officer of Canuc who holds 4,137,000 common shares or 8.2% of Canuc’s currently issued and outstanding capital. Mr. Berlet is also a director and the President of Full Circle and holds 1,200,000 common shares or 10.2% of Full Circle’s currently issued and outstanding capital. Full Circle does not have any Control Persons.

### **About Full Circle**

Full Circle is an Ontario Corporation with assets consisting of 6 sections of undeveloped prospective oil acreage in southwest Saskatchewan and a Farmin agreement to acquire an interest in a further 6.3 contiguous sections of adjacent land. More specifically, the Farmin agreement allows Full Circle to acquire 100% Working Interest (“**WI**”) in 1.5 sections of land and 75% WI in 4.8 sections of land in an Area of Mutual Interest (“**AMI**”).

Seismic surveys and subsurface geological mapping on the sections held by Full Circle indicate potential for the Upper Shaunavon formation, a well-known oil producing horizon in this area. The Shaunavon stretches over a distance of 40 miles in a northeast-southwest direction and at its northern end to date has yielded a total of 4.4 million barrels of oil. Full Circle’s lands are at the south end of this trend and include a well that produced a total of 125,000 barrels.

The Transaction is an important step in the pursuit of cost competitive assets with the potential to significantly increase existing cash flow. This will enable the Company to continue to develop current assets, and to potentially acquire further assets in the natural resource space. Canuc



[www.canucresources.ca](http://www.canucresources.ca)

intends to drill the first well in early October. Further wells will be commenced or spudded shortly thereafter pending results from the first well.

### **About Canuc**

Canuc is a junior resources company exploring the San Javier Silver-Gold Project in Sonora State, Mexico. The Company also generates cash flow from natural gas production in Central West Texas, where Canuc has an interest in nine producing gas wells and has rights for further in field developments.

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### **Disclaimer and Forward-Looking Statements**

*This news release contains forward-looking statements within the meaning of applicable securities laws relating to the Transaction, including statements regarding the terms and conditions of the Transaction. Readers are cautioned not to place undue reliance on forward-looking statements. Actual results and developments may differ materially from those contemplated by these statements depending on, among other things, the risk that the parties will not proceed with the Transaction, that the ultimate terms of the Transaction will differ from those currently contemplated, and that the Transaction will not be successfully completed for any reason (including the failure to obtain the required approvals or clearances from regulatory authorities, including the TSXV). If the Transaction is not completed, and the Company continues as an independent entity, there is the risk that the announcement of the Transaction and the dedication of substantial resources of the Company to the completion of the Transaction could have an adverse impact on the Company's existing business and strategic relationships, operating results and business generally. The statements in this news release are made as of the date of this release. Additional information identifying risks and uncertainties is contained in Canuc's filings with the Canadian securities regulators, which are available at [www.sedar.com](http://www.sedar.com).*

*Completion of the Transaction is subject to a number of conditions including but not limited to, due diligence, Exchange acceptance and if required by Exchange policies, shareholder approval. There can be no assurance that the Transaction will be completed as proposed or at all.*

*Investors are cautioned that, except as disclosed in the filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon.*

*Forward-Looking Statements: This news release contains forward-looking statements that include risks and uncertainties. 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 statements. The forward-looking statements are based on current expectations and apply 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 statements include changes in the prevailing price of gold, the prevailing price of natural gas, the Canadian-United States exchange rate, amount of gas produced that could affect revenues and production costs. Other factors such as uncertainties regarding government regulations could also affect the results. Other risks may be set out in the Company's annual financial statements and MD&A.*