

# Canuc Resources signs an LOI to acquire Full Circle Energy Ltd.



**Canuc Resources Corporation (TSX-V: CDA)**

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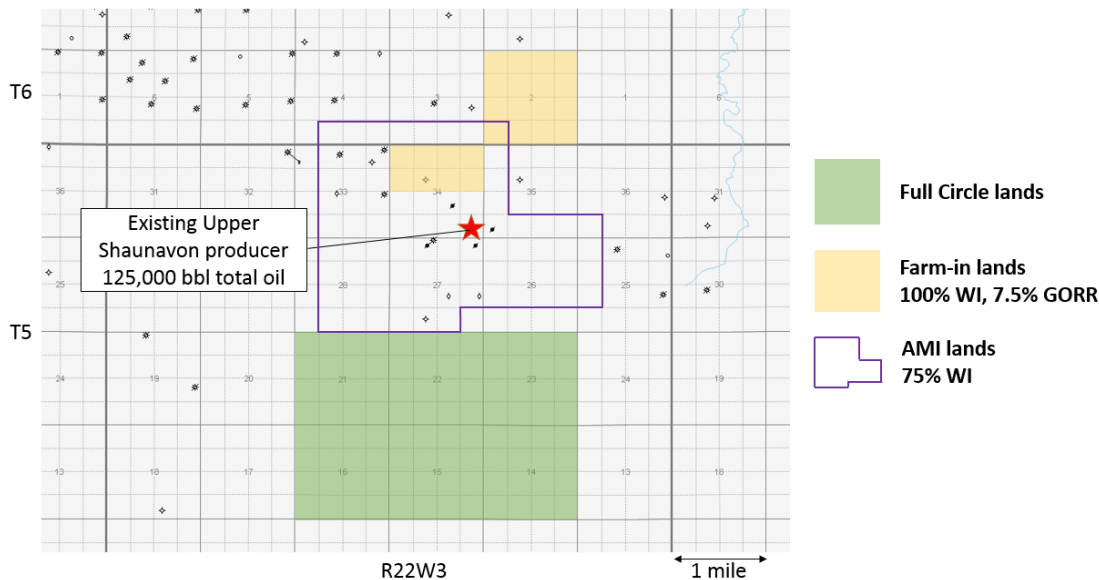
**Canuc Resources Corporation (TSX-V: CDA)** is pleased to advise that it has signed a letter of intent (LOI) to acquire Full Circle Energy Ltd. ("Full Circle"), an Ontario Corporation. Full Circle's principal corporate assets consist of 6 sections of undeveloped oil prospective acreage in southwest Saskatchewan, and a Farmin agreement that references a further 6.3 contiguous sections of adjacent land (see Figure 1).

Full Circle's Farmin agreement considers drilling a well to earn a 100% working interest (WI) in 1.5 sections of land. An additional 4.8 sections make up an Area of Mutual Interest (AMI). The AMI lands can be developed 75%/25% in favor of Canuc.

Canuc will acquire Full Circle on a share exchange basis with a valuation which will be determined by an Independent Consulting (Petroleum) Engineer. 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 offset a well that produced a total output of 125,000 barrels.

The Company believes that the acquisition represents a great opportunity to enhance existing cash flow from oil and gas operations. The opportunity is de-risked by offsetting production at an existing well while commercial risk can be further reduced by offtake avenues already identified. The situation represents an opportunistic acquisition prospect that can be highly accretive to shareholder value. Year round access to producible acreage can be secured in the oil industry friendly jurisdiction of Saskatchewan, Canada.

Figure 1. Full Circle lands (6 sections), Farmin lands (1.5 sections) & Mutual Interest lands (4.8 sections)



Management is of the opinion that this opportunity represents an important step in the pursuit of cost competitive assets with the potential to provide significant 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 intends to drill the first well in the next six months. Further wells will be commenced or spudded shortly thereafter pending results of 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**

***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.*