

Spruce Ridge Sells its Interest in the Crawford Nickel-Cobalt Sulphide Project

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Spruce Ridge Resources Ltd. (TSX-V SHL) - (“Spruce Ridge” or the “Company”) is pleased to announce that further to its news release of October 1, 2019, the Company has entered into an agreement (the “Termination Agreement”) with Noble Mineral Exploration Inc. (“Noble”) and Canada Nickel Company Inc. (“Canada Nickel”) to terminate the option and joint venture agreement dated May 4, 2018 (the “Crawford JV Agreement”) between the Company and Noble. The Crawford JV Agreement is subject to an amendment between the Company and certain private investors (the “Investors”) dated September 9, 2018 (the “Investor Agreement”).

In conjunction with the entering of the Termination Agreement, the Company has also entered into an agreement with Investors to terminate the Investor Agreement (the “Investors Termination Agreement”).

The Crawford JV Agreement

Under the Crawford JV Agreement, as amended by the Investor Agreement, Spruce has the right, subject to the terms and conditions thereof, to earn up to a 75% undivided interest in the Crawford project and the Investors have the right to earn up to a 37.5% undivided interest in the Crawford project (with Spruce retaining a 37.5% undivided interest therein). For a more detailed description of the Crawford JV Agreement and the Investor Agreement, please refer to Noble news release dated May 8, 2018 and Spruce Ridge release dated September 27, 2018 (both available under the applicable corporate profiles on www.sedar.com).

The Termination Agreement and Investors Termination Agreement

Pursuant to the Termination Agreement, Noble, Canada Nickel and the Company have agreed to terminate the Crawford JV Agreement on the following terms (the “Termination Agreement Terms”):

- Noble is issuing a \$1,000,000 promissory note to Spruce Ridge and 10,000,000 units of Noble to Spruce Ridge. Each Noble unit is comprised of one common share and one half of one common share purchase warrant, each whole warrant exercisable for three years from the date of issuance at a price of \$0.15 per common share of Noble;
- Canada Nickel is issuing 20,000,000 common shares of Canada Nickel to Spruce Ridge for a deemed aggregate value of \$5,000,000;
- Spruce Ridge is issuing 2,000,000 common shares of Spruce Ridge to Noble for a deemed aggregate value of \$130,000; and
- Noble is entering into an agreement with Spruce Ridge regarding the transfer of the ownership of the mineral claims and the various patented properties (the “Crawford VMS Assets”) on an as-is where-is basis pursuant to an agreement providing that Noble has the right to acquire up to a 25% interest in the Crawford VMS Assets, exercisable at any time by making a payment to Spruce Ridge in the amount of the *pro rata* costs of exploration expenditures incurred by Spruce Ridge on the Crawford VMS Assets and, for greater certainty, also providing Spruce Ridge with the right to exchange and substitute other potential VMS properties (being patented properties or mineral claims) held by Noble within

Crawford Township with properties of the same size from the Crawford VMS Assets on the same terms as provided in the Crawford JV Agreement.

Pursuant to the Investors Termination Agreement, the Company and the Investors have agreed to terminate the Investor Agreement on the following terms (the “Investors Termination Agreement Terms”):

- Spruce Ridge is transferring 10,000,000 common shares in the capital of Canada Nickel received under the Termination Agreement to the Investors for a deemed aggregate value of \$2,500,000; and
- Spruce Ridge is issuing 10,000,000 Spruce Ridge Units to the Investors for a deemed aggregate value of \$650,000. Each Spruce Ridge unit is comprised of one common share and one half of one common share purchase warrant, each whole warrant exercisable for three years from the date of issuance at a price of \$0.10 per common share of Spruce Ridge.

The Crawford JV Agreement and the Investor Agreement are being terminated pursuant to the consolidation of the Crawford properties as described in the Company’s news release of October 1, 2019.

The Company is pleased to announce that the transactions contemplated by the Termination Agreement and the Investors Termination Agreement have been completed, and the Termination Agreement Terms and Investors Termination Agreement Terms were completed as of February 18, 2020.

About Spruce Ridge Resources Ltd.

Spruce Ridge holds a 100% interest in the Great Burnt Copper-Gold Property in Central Newfoundland which covers a series of copper ± gold rich VMS deposits. Spruce Ridge Resources signs implementation agreement for consolidation and spin-out of Crawford Nickel Project to Canada Nickel Company Inc. Final approval is expected shortly. In 2015, Spruce Ridge optioned its Viking/Kramer gold properties in Western Newfoundland to Anaconda Mining Inc.

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