Form 51-102F1

MANAGEMENT DISCUSSION AND ANALYSIS
For the Nine Months Ended January 31, 2022

This management discussion and analysis ("MD&A") has been prepared based on information available to Spruce Ridge Resources Ltd. ("Spruce" or the "Company") as at April 4, 2022. The MD&A of the operating results and financial condition of the Company for the period ended January 31, 2022 should be read in conjunction with the audited financial statements of the Company, including the notes thereto, for the year ended April 30, 2021 and April 30, 2020 which are prepared in accordance with International Financial Reporting Standards ("IFRS") for audited financial statements, and the annual MD&A for the period ended April 30, 2021. Additional information relating to the Company may be found under its profile on SEDAR at www.sedar.com.

The technical information in this MD&A has been reviewed and approved by Mr. Colin Bowdidge, P.Geo., a Qualified Person as defined by National Instrument 43-101.

Management's Assessment of Internal Control Over Financial Reporting ("ICFR")
Management is responsible for establishing and maintaining adequate internal control over the Company's financial reporting. The internal control system was designed to provide reasonable assurance to the Company's management regarding the preparation and presentation of the financial statements

The inherent limitations in all control systems are such that they can provide only reasonable, not absolute, assurance that all control issues and instances of fraud or error, if any have been detected. Therefore, no matter how well designed, ICFR has inherent limitations and can provide only reasonable assurance with respect to financial statement preparation and may not prevent and detect all misstatements.

As the Company is a Venture Issuer (as defined under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) ("NI 52-109"), the Company and Management are not required to include representations relating to the establishment and/or maintenance of disclosure controls and procedures ("DC&P) and/or ICFR, as defined in NI 52-109.

Forward-looking Statements
This MD&A may contain forward-looking statements that are based on the Company's expectations, estimates and projections regarding its business and the economic environment in which it operates. These statements speak only as of the date on which they are made, are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Examples of some of the specific risks associated with the operations of the Company are set out below under "Risk Factors". Actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements.

NATURE OF OPERATIONS AND GOING CONCERN

Spruce Ridge Resources Ltd. ("**Spruce**" or the "**Company**") is a public company listed on the TSX Venture Exchange (TSXV-SHL) and is operating under the laws of the Province of Ontario. The Company is an exploration-stage company that is in the process of exploring its mineral properties located in Canada and has not yet determined whether these properties contain reserves that are economically recoverable. The Company also has producing oil wells in Unity, Saskatchewan from its wholly owned subsidiary Spruce Ridge Oil and Gas Inc. The Company's registered head office is located at 7735 Leslie Road West, Puslinch, ON N0B 2J0.

As at January 31, 2022, the directors and officers of the Company were:

John Ryan	President, CEO and Director
Zoran Popovic	CFO, and Director
Colin Bowdidge	Director
Marc Askenasi	Director
Michael Dehn	Director

These financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business for the foreseeable future, which is at least, but not limited to, one year from April 30, 2021. At January 31, 2022, the Company has retained earnings of $18,472,651 (April 30, 2021 - $18,995,812) and has working capital of $10,356,466 (April 30, 2021 - working capital $11,199,691). The Company is subject to risks and challenges similar to companies in a comparable stage of exploration and development.

The Financial Statements were approved for issuance by the Company's Board of Directors on April 5, 2022.

DEVELOPMENTS DURING AND SUBSEQUENT TO PERIOD ENDED JANUARY 31, 2022

On March 7, 2022 the announce that it has received milestone option payments from Magna Terra Minerals Inc. ("Magna") per the Amended Option Agreements (the "Agreements") (See Press Release dated September 15, 2020) for the Viking and Kramer Properties.

The option payment consideration of $75,000 consisted of a cash payment of $51,388.78 as well as the issuance by Magna Terra to Spruce Ridge of 185,186 units of Magna Terra; each unit consisting of 1 common share and ½ common share purchase warrant. One full warrant being exercisable for 1 common share of Magna Terra at an exercise price of $0.19 for 2 years from the issue date.

About the Viking Projects

The Viking Projects are located near the community of Pollard's Point, NL.

The Project is centered along a 20-kilometre section of the Doucer's Valley Fault, a significant geological control on, and host to, several gold deposits and untested prospects, including Viking and Thor Deposits. Gold mineralization is hosted within a variety of rock types that include Precambrian or Ordovician granite and granodiorite, or younger volcanic and sedimentary rocks, typically along splays off the Doucer's Valley Fault. Alteration consists of mesothermal style sericite, quartz ± iron carbonate ± sulfide veins and stockworks with 2 to 5% total sulfides consisting of pyrite, arsenopyrite, galena, chalcopyrite, and sphalerite, and locally show trace amounts of visible gold.

The Viking Project is host to significant Historic Mineral Resources, including:

- An Historical Indicated Mineral Resource^ of 937,000 tonnes at an average grade of 2.09 g/t gold containing 63,000 ounces of gold plus an Historical Inferred Mineral Resource of 350,000 tonnes at an average grade of 1.79 g/t gold containing 20,000 ounces of gold at a cut-off grade of 1.0 g/t gold at the Thor Deposit.

Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. All Mineral Resource Estimates were prepared in accordance with NI 43-101 and the CIM Standards (2014). Please refer to the NI 43-101 Technical Report with effective date August 29, 2016 by Copeland et al. (2016). An Independent Qualified Person has not carried out sufficient work to classify the Thor Historical Mineral Resource Estimate as current and Spruce Ridge is not considering this Mineral Resource Estimate to be current. Magna Terra considers the Thor Deposit to have potential for expansion that will be addressed in future exploration programs.

On February 23, 2022 the Company announced that it has received the results of a Preliminary Economic Assessment ("PEA") on the Company's wholly-owned Great Burnt Copper-Gold Project in Central Newfoundland. The PEA is incorporated in a Technical Report, with an updated Mineral Resource Estimate that has an Effective Date of January 17th, 2022, prepared by P&E Mining Consultants Inc. (the "Technical Report").

John Ryan, CEO of Spruce Ridge, stated "We are very encouraged to have received this PEA, which illustrates the robust economics of a copper-gold mine at Great Burnt. Although the Mineral Resource is just over a million tonnes, the high copper grade provides a strong revenue stream, and we look forward to proceeding towards possible mine development and production in the near term. The PEA uses a copper price of US$4.00 per pound, and the spot price of copper has been higher than that since last April. The sensitivity analysis in the PEA indicates a base-case IRR of 23.3%, and if the financial model were to use the current NYMEX spot price of US$4.55 a pound, the IRR would rise to 81.5%. With industrialized countries moving towards near-total electrification of their economies in response to climate change, we envisage an increasingly strong demand for copper to continue for the foreseeable future".

The PEA is based on an underground mine, with 20-metre deep "starter pits" to provide rapid cash flow, on both the Great Burnt Copper Deposit and the South Pond "A" Copper-Gold Zone. Following are some highlights of the PEA:

Mine Life	4.0 years
Production rate	1,000 tonnes per day
Mining methods	"Starter" open pits and underground mining with ramp access
Average grades over life-of-mine (LOM)	2.13% Cu, 0.08 g/t Au after estimated dilution and losses (blended average of open pit & underground, Great Burnt & South Pond)
Processing	Custom (toll) processing is contemplated
Projected process plant recoveries	Copper 96% (25% Cu concentrate), gold 55% overall LOM average
Total tonnage mined & processed	1,068,300 tonnes

Following are some of the salient points of the cash flow analysis and financial model included in the PEA (all figures are in Canadian dollars unless indicated otherwise):

Commodity prices used	Copper US$4.00/pound, gold US$1,675/ounce, Cdn$ = US$0.77
IRR after tax	23.3%
Payout	2.9 years
After tax cash flow over LOM	$14.7 million
After tax NPV @ 6%	$9.3 million
Revenue over LOM	$215.7 million
Cash operating cost	$125.71 per tonne processed
Cash cost of product	US$2.18 per pound of copper (net of by-product credits)
AISC	US$3.15 per pound of copper (net of by-product credits)
Total CAPEX	$59.0 million

Table 1 shows the results of sensitivity analysis included in the PEA, using the price of copper as the dependent variable. The line using a current NYMEX spot price has been added for illustration purposes.

TABLE 1: Sensitivity analysis - copper price

Cu Price US$/lb	After-tax NPV at 6% $millions	After-tax IRR Percent
$3.20	-$26.3	-31.6%
$3.60	-$8.5	-7.7%
Base case $4.00	$9.3	23.3%
$4.40	$27.2	64.9%
*$4.55**	*$32.9*	*81.5%*
$4.80	$42.6	114.2%

** - NYMEX spot price Feb 18th, 2022*

Access: The PEA assumes that a new all-weather road will be constructed to link with existing forestry roads at Atlantic Lake, 27 km from the Great Burnt Copper Deposit and 17.5 km northeast of the South Pond "A" Copper-Gold Zone. This would reduce road distance from Great Burnt to Grand Falls-Windsor, the commercial hub of Central Newfoundland, from its current 250 km to less than 90 km.

Mining Methods: The PEA envisages initial mining to take place in open pits to a depth of 20 metres at the Great Burnt and South Pond "A" Zone, which will partially finance the underground development phase. Underground access will be by decline ramp, with trackless transport of mineralized material and waste rock. Mining will be by longitudinal-retreat longhole stoping. The Great Burnt Lower Zone, which has a relatively low dip, will be mined by a combination of cut-and-fill and drift-and-fill methods.

Metallurgical Testwork: The Technical Report presents the results of preliminary metallurgical testwork carried out by SGS Lakefield. A composite sample was made up of quartered drill core from the 2020 drilling program on the Great Burnt Main Zone, with an average grade of 2.82% Cu and 0.03 g/t Au, to approximate the run-of-mine grade. It responded well to preliminary flotation tests. A locked-cycle test run on material ground to 80% minus 55µm produced a concentrate grading 25.1% Cu and 0.23 g/t Au, with copper recovery of 98.5% and gold recovery of 58.6%. The PEA used a grind to 80% minus 50µm, a copper recovery of 96%, a concentrate grade of 25% Cu and a gold recovery of 55%.

Preliminary tests were run on sorting using X-Ray atomic density, with a view to upgrading the run-of-mine material to reduce shipping and processing costs. Copper recovery was 80%, and the grade was increased to 5.35% Cu. It was considered that the loss was excessive, and the PEA was completed on the assumption that run-of-mine would be trucked to a toll process plant. Further tests, possibly using different sensing equipment, are being considered for the future.

The Technical Report includes an updated Mineral Resource Estimate that incorporated the results of the 2020 diamond drilling program on the Great Burnt Main Zone, which was summarized in news release 2021-12 on July 8th, 2021. It is repeated in Table 2 below.

TABLE 2: Great Burnt Underground Mineral Resource Estimate at 0.90% CuEq Cut-Off

Classification	Tonnes (k)	Cu %	Au g/t	CuEq %	Cu Mlbs	Au koz	CuEq Mlbs
Great Burnt Main Zone							
Indicated	667	3.21	Nil	3.21	47.2	Nil	47.2
Inferred	482	2.35	Nil	2.35	25.0	Nil	25.0
South Pond "A" Deposit							
Indicated	214	1.26	1.21	2.10	6.0	8.3	9.9
Inferred	145	1.07	1.02	1.78	3.4	4.8	5.7
Total							
Indicated	881	2.74	0.29	2.94	53.2	8.3	57.1
Inferred	627	2.05	0.24	2.22	28.4	4.8	30.7

On **December 22, 2021** Spruce Ridge made a final payment of 1,000,000 shares after receiving the results of a Magnetic Gradiometer survey over the Foggy Pond property in Newfoundland. Spruce Ridge paid the vendors staking fees of $49,855 and issued 1,000, 000 common shares on **November 12, 2021**. The property was acquired from a private company. The 767 claims totaling 19,175 hectares are contiguous to the current Great Burnt Copper-Gold Property

On December 22, 2021 the Company announced it had completed a high resolution airborne magnetic gradiometer survey over its "Foggy Pond" gold and base-metals property (see Figure 1) covering an area of 19,175 ha from 767 claims which are contiguous to the Company's Great Burnt Copper-Gold Property.

The newly acquired claims cover a large, previously unexplored area underlain by Lower Paleozoic siliciclastic rocks, similar to those hosting recently discovered gold deposits on the Queensway Project of New Found Gold Corp. and the Moosehead Project of Sokoman Minerals Corp. Re-interpretation of province-wide airborne magnetic data has indicated previously undocumented structural complexity, including a regional-scale fold and possible crustal-scale fault structures like the structures that are now known to localize gold mineralization in Central Newfoundland. The fold feature may cause the mineralized horizon containing the Great Burnt copper deposit and the South Pond gold and copper-gold zones to be repeated on a western limb. Local magnetic anomalies have been interpreted as possible ophiolite slivers along a northeast-trending structure that may be like the GRUB line crossing New Found Gold's property.

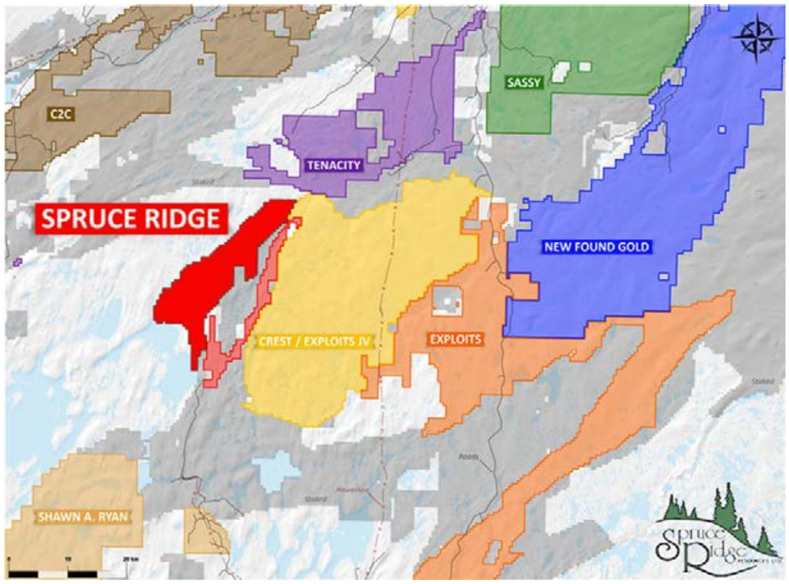

Figure 1: Spruce Ridge Resources Great Burnt Lake Property with Highlighting of Newly Acquired Claims.

Preliminary results from the high-resolution magnetic survey confirm the presence of geologic features that appear to be folds intersected by faults in an area of complex geology that does not match the published geology maps. The new survey (Figure 2a) is compared to the regional magnetic data available from the Newfoundland Government (Figure 2b).

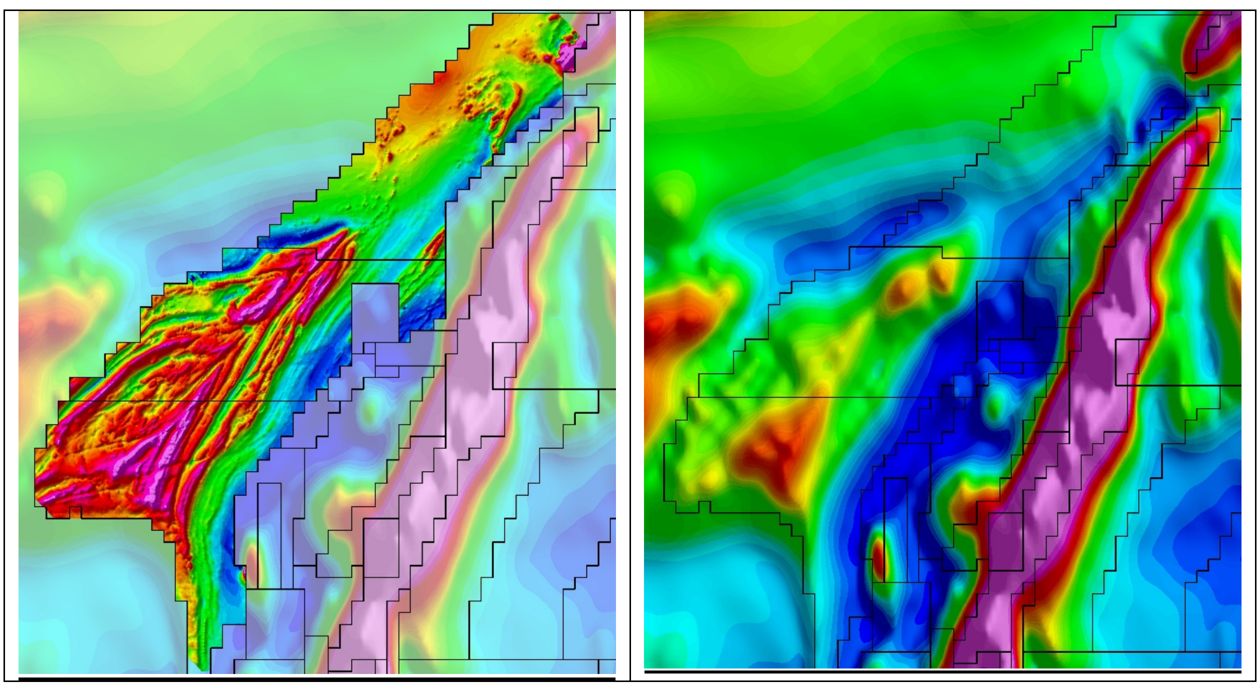

Figure 2: The recently acquired high-resolution magnetic survey is compared to regional government magnetic data.

On or about **November 10, 2021** shareholders received dividend-in-kind shares of Canada Nickel. This was the second distribution made by the company. After the distribution Spruce Ridge now owns 5,594,955 shares of Canada Nickel.

On October 16, 2021 the Company announced that work has begun on the access trail from Great Burnt Main Zone to South Pond "B" Gold Zone and continues on to the South Pond "A" Copper/Gold Zone. Once the trail reaches the South Pond "B" Gold Zone drill sites will be cleared and drilling will commence.

Results of historical drilling on the South Pond "B" Zone by BP Minerals in 1987 and 1989 included the following: 27.25 metres averaging

1.06 grams of gold per tonne (g/t Au) in hole GB87-08, 4.33 metres of 4.43 g/t Au in GB87- 12 and 17.13 metres of 1.11 g/t Au in GB89-06. The map below shows the locations and gold intersections in the BP drill holes.

On October 19, 2021 the Company announced that it has acquired certain mineral leases with petroleum and natural gas rights, plus oil and gas wells, pipelines and facilities in the Unity area of southwestern Saskatchewan from Repsol Canada Energy Partnership. Included in the purchase are 793 ha of petroleum and natural gas rights from surface to the base of the Mannville Group with an average working interest of 84%. The purchase includes 5 active oil wells, 10 suspended oil and gas wells, heavy oil facilities, pipelines, and an active produced water disposal well.

Production on the acquired leases is mainly from the McLaren Formation in the Cretaceous Mannville Group at a depth of approximately 660 m. Net pay in the Salt Lake McLaren pool ranges from 2 to 4.5 m. The wells are mainly directional wells with cold, heavy oil (11-12 API) production. The McLaren pool is well-characterized from 3D seismic interpretations and the property has significant undeveloped resource potential with multiple new drilling locations.

On October 27, 2021 the Company announced that its board of directors has declared a dividend-in-kind (the "Dividend") of 2,500,000 of the 8,100,000 common shares of Canada Nickel Company Inc. (TSXV: CNC) ("CNC Shares") held by Spruce Ridge. The Dividend is payable on or before September 3, 2021 to holders of record of Spruce Ridge shares at the close of business on August 6, 2021 (the "Record Date"). This Dividend will be the second payable as the first Dividend of 2,500,000 shares were distributed In September 2020.

On October 19, 2021 the Company announced that it has mobilized a diamond drill to the South Pond "B" Gold Zone on the Great Burnt property in Central Newfoundland. A 3,000 metre drilling program is planned to test gold mineralization, which has not had any work in the last 20 years

The South Pond "B" Gold Zone is 9 kilometres north of the Great Burnt Copper Deposit, on which a Preliminary Economic Analysis is currently being prepared (see news release June 3, 2021). The South Pond "B" Gold Zone was drill tested by Asarco with two holes in the 1950s, but the core may not have been assayed for gold; the main interest at the time was in copper and/or zinc. The zone was discovered by BP Minerals in 1987 and 1989, following up a soil geochemical anomaly. BP drilled 22 holes in 1987 and 1989, and Celtic Minerals drilled three additional holes in 2001.

The South Pond "B" Gold Zone has been drill tested over a length of 1.3 kilometres. It has yielded wide intersections such as 29.25 metres of 1.06 g/t Au in hole 87-08, in a wider zone of 38.93 metres of 0.96 g/t Au, as well as higher grade intercepts such as 4.33 metres of 4.43 g/t Au in hole 87-12. Unlike the structurally controlled, orogenic gold deposits that are currently being explored and developed elsewhere in Central Newfoundland, the South Pond "B" Zone appears to be a volcanogenic gold deposit hosted in mafic volcanic and pyroclastic rocks and derived sediments. As such, it could make up in lateral continuity for what it may lack in occasional "bonanza" type gold assays.

On September 14, 2021 the Company announced it has acquired from a private company 767 claims totaling 19,175 hectares which are contiguous to the current Great Burnt Copper-Gold Property. With this new addition, Spruce Ridge's land position has increased to 26,000 hectares.

The newly acquired claims cover a large, previously unexplored area underlain by Lower Paleozoic siliciclastic rocks, similar to those hosting recently discovered gold deposits on the Queensway Project of New Found Gold Corp. and the Moosehead Project of Sokoman Minerals Corp. Re-interpretation of province-wide airborne magnetic data has indicated previously undocumented structural complexity, including a regional-scale fold and possible crustal-scale fault structures similar to the structures that are now known to localize gold mineralization in Central Newfoundland. The fold feature may cause the mineralized horizon containing the Great Burnt copper deposit and the South Pond gold and copper-gold zones to be repeated on the western limb. Local magnetic anomalies have been interpreted as possible ophiolite slivers along a northeast-trending structure that may be similar to the GRUB line.

Spruce Ridge will pay the vendors staking fees of $49,855 and will issue 2 million Spruce Ridge shares with the first million shares to be issued upon approval and the second million shares will be issued after receiving the results of a Magnetic Gradiometer survey over the property.

On September 3, 2021 the Company announced it had postponed the dividend-in-kind (the "**Dividend**") of 2,500,000 of the 8,100,000 common shares of Canada Nickel Company Inc. (TSXV: CNC) ("**CNC Shares**") held by Spruce Ridge, previously announced on October 27, 2021, and that the Dividend was not paid on or after August 28, 2021, as previously announced. The Company intends to postpone the Dividend to a later date, with a new date of record ("**Record Date**") and payable date ("**Payment Date**"), to be determined in consultation with the TSX Venture Exchange. The Company will provide a further update on the Dividend with the new Record Date and Payment Date in due course.

On August 10, 2021 the Company announced that it has applied for its common shares to be trading on the OTCQB Venture Market, a United States trading platform operated by the OTC Markets Group in New York. The company will provide further information once its common shares commence trading.

The OTCQB is the premiere marketplace for early stage and developing U.S. and international companies that are committed to providing a high-quality trading and information experience for their U.S. investors. The OTCBQ quality standards provide a strong baseline of transparency as well as the technology and regulation to improve the information and trading experience for investors. Investors can find real-time quote and market information for the company at OTCQB's website

The company believes that trading on the OTCBQ will provide additional liquidity and increase its visibility within the U.S. capital markets. Spruce Ridge will continue to trade on the TSX Venture Exchange under its symbol SHL.

SELECTED ANNUAL INFORMATION

The following table sets forth a summary of the financial results for the years ended April 30, 2021, 2020 and 2019:

Years ended April 30 (CDN $)	**2021**	**2020**	**2019**
Interest income	Nil	Nil	Nil
Net Income (Loss) and Comprehensive Income (Loss)	$23,207,190	$8,613,864	($603,577)
Basic Income (Loss) per share	$0.17	$0.088	($0.007)
Total assets	$34,130,612	$11,845,117	$1,915,651

The Company has been and is still in the stages of identifying, acquiring and exploring mineral interests. To date, the Company has not been in a position to derive any revenues from its projects. Revenues reported by the Company relate to property rentals.

Acquisition costs of mineral rights and option payments are capitalized until the properties are abandoned or the rights expired. Exploration expenditures, however, are expensed and charged to operations until such time proven reserves are determined. To date, the Company has not discovered any such reserves.

RESULTS OF OPERATIONS

The Company had oil revenue of $42,773 and rental income and relies on external financings to generate capital. For the period ended January 31, 2022, Spruce had a net loss of $425,329. The fair value adjustment of $5,209,613 on marketable securities made up most of the current loss. Rental income was $13,050 (2021 - $12,300).

The Company incurred $1,129,301 in exploration expenses (2021 – $589,577).

The Company routinely monitors its operations and costs associated with those operations, in order to better plan and implement its activities, taking into consideration the current economic climate and industry outlook. For the period ended January 31, 2022, Spruce reported total general and administrative expenses ("G&A") of $63,179 (2020 - $81,494).

The following schedule describes the main components of G&A for the period:

Period ended January 31	2022 $	2021 $
Management fee	135,000	95,000
Amortization	5,776	4,260
Professional fees	26,547	33,041
Filing fees	23,346	9,482
Office and general	819	1,059
Property expenses	10,513	5,885
Investor and shareholder relations	38,803	90,283
	175,765	239,010

The company had oil revenue of $42,773 and incurred $269,565 in expenses. The oil wells that were acquired had been shut in for more than a year and bringing them online has been quite challenging. Also, oil production and revenue has been affected by the extreme called Unity, Saskatchewan has endured this year. We expect higher oil revenues and production costs to be reduced significantly. The company currently has two producing oil wells and the Water Disposal Plant which receives water from Company wells and from Repsol will also generate oil revenues as the water brought in contains oil. Once these two wells are producing consistently the Company will begin to bring additional wells on line.

As at January 31, 2022 investments in securities available for sale was composed of:

31-Jan-22	**Number of Shares**	**Cost**	**Short Term FV Adjustment**	**Long Term FV Adjustment**	**Fair Value**
Cash					$200
Canada Nickel Company - ST	2,594,995	1,125,000	6,348,586	-	7,473,586
Canada Nickel Company - LT	3,000,000	750,000	-	7,890,000	8,640,000
Noble Mineral Exploration	10,000,000	800,000	300,000	-	1,100,000
Magna Terra Minerals Inc.	76,126	25,000	(15.104)	-	9,896
Cerro Grande Mining Corp.	26,150	20,593	(20,201)	-	392
		2,720,593	6,613,281	7,890,000	**$17,223,874**

30-Apr-21	Number of Shares	Cost	FV Adjustment	FV Adjustment	Fair Value
Cash	-	-	-	-	$200
Canada Nickel Company	3,000,000	750,000	9,870,000		10,620,000
Canada Nickel Company	4,500,000	1,125,000	-	14,805,000	15,930,000
Canada Nickel Company	600,019	264,000	1,860,000	-	2,124,000
Noble Mineral Exploration	10,000,000	800,000	500,000	-	1,300,000
Magna Terra Minerals	76,126	25,000	(9,775)	-	15,225
Cerro Grande Mining Corp.	26,150	20,593	(19,939)	-	654
		2,984,593	12,200,353	14,805,000	**29,990,079**

The Company is exposed to unrealized gains or losses on its available for sale securities due to the price volatility and other market factors common to these types of investments.

EXPENDITURES ON RESOURCE PROPERTIES

A summary of exploration expenditures incurred for the period ended January 31, 2022 are as follows:

As at January 31, 2022	Acquisition costs			
	Opening May 1, 2021	Additions (Write downs)	Adjustment	Closing January 31, 2022
	$	$	$	$
Nora Lake	7,500	-	-	7,500
Viking/Kramer	797,500	-	-	797,500
Great Burnt Copper / Gold	404,992	12,500	-	417,492
Foggy Pond	-	200,000		200,000
	1,209,992	212,500	-	1,422,492

As at January 31, 2021	Acquisition costs			
	Opening May 1, 2020	Additions (Write downs)	Adjustment	Closing January 31, 2021
	$	$	$	$
Nora Lake	7,500	-	-	7,500
Viking/Kramer	922,500	-	(50,000)	922,500
Great Burnt Copper / Gold	376,297	20,295	-	396,592
	1,306,297	20,295	(50,000)	1,276,592

SELECTED QUARTERLY INFORMATION

	QUARTER ENDED			
	31-Jan 2022	31-Oct 2021	31-Jul 2021	30-Apr 2021
Total assets	21,409,770	29,950,937	33,392,249	34,130,612
Mineral properties	1,472,492	1,209,992	1,209,992	1,209,992
Working capital	10,356,466	13,350,687	11,337,963	11,199,691
Shareholders' equity	21,182,759	29,502,275	33,019,170	33,750,079
Comprehensive Income (loss)	5,453,316	(4,242,073)	(1,631,057)	7,943,232
Income (loss) per share	0.03	(0.024)	(0.01)	0.054

	QUARTER ENDED			
	31-Jan 2021	31-Oct 2020	31-Jul 2020	30-Apr 2020
Total assets	24,133,297	19,872,574	27,961,031	11,845,117
Mineral properties	1,276,592	1,276,592	1,326,592	1,306,297
Working capital (deficiency)	11,291,794	9,189,236	12,803,848	10,065,186
Shareholders' equity	23,950,202	19,685,065	27,716,097	11,458,560
Comprehensive Loss	2,721,659	(2,151,395)	14,993,694	8,898,179
Loss per share	0.02	(0.027)	0.126	0.091

LIQUIDITY & FINANCING

The Company had working capital of $10,356,466 as at January 31, 2022 (April 30, 2021 - working capital was $11,199,691). Expenses will be paid either from the sale of company assets or raising funds through private placements.

CAPITAL RESOURCES

The Company's primary capital assets are exploration and evaluation assets. The Company expenses all costs related to the mineral properties until the properties are put into production and amortized or abandoned and written off, or written down. As of January 31, 2022, the Company has incurred $503,856 on exploration expenses.

SHARE CAPITAL

Issued and outstanding: January 31, 2022 – 180,207,202
Issued and outstanding: April 5, 2022 – 180,207,202

Warrants outstanding: January 31, 2022 – 322,491
Warrants outstanding: April 5, 2022 – 322,491

Options outstanding: January 31, 2022 – 1,600,000
Options outstanding: April 5, 2022 – 1,600,000

RELATED PARTY TRANSACTIONS

No director fees have been paid to directors.

As at January 31, 2022, $135,000 (April 30, 2021 - $340,000) was paid or accrued to a company controlled by the President of the Company for management and accounting services. Balance in accounts payable is $Nil (April 30, 2021 – $Nil).

Prepaid expenses include $397,590 (April 30, 2021 - $416,186) as an advance for management fees and expenses incurred on behalf of the company.

As at January 31, 2022, $165,200 (April 30, 2021 - $140,092) was paid or accrued to the Vice President of Exploration for geological services, with $65,538.12 (April 30, 2021 - $73,538.12) remaining in accounts payable.

The amount due to director as at January 31, 2022 is Nil (April 30, 2021 - Nil).

OFF-BALANCE SHEET TRANSACTIONS

As at January 31, 2022, the Company had no off-balance sheet arrangements such as guaranteed contracts, contingent interests in assets transferred to an entity, derivative instrument obligations or any instruments that could trigger financing, market or credit risk to Spruce.

RISK FACTORS

Spruce's business of exploring mineral resources involves a variety of operational, financial and regulatory risks that are typical in the natural resource industry. The Company attempts to mitigate these risks and minimize their effect on its financial performance, but there is no guarantee that the Company will be profitable in the future.

Capital Requirements
The Company will require significant capital in order to fund its operating costs and to explore and develop any project. Spruce has no revenues and is wholly reliant upon external financing to fund all of its capital requirements. Spruce will require additional financing from external sources to meet such requirements. There can be no assurance that such financing will be available to Spruce or, if it is, that it will be offered on acceptable terms. If additional financing is raised through the issuance of equity or convertible debt securities of Spruce, the interests of shareholders in the net assets of Spruce may be diluted. Any failure of Spruce to obtain financing on acceptable terms could have a material adverse effect on Spruce's financial condition, prospects, results of operations and liquidity and require Spruce to cancel or postpone planned capital investments.

Dependence on Mineral Exploration Projects
Any adverse development affecting the progress of Company's exploration projects such as, but not limited to, obtaining financing on commercially suitable terms, hiring suitable personnel and contractors, or securing supply agreements on commercially suitable terms, may have a material adverse effect on the Company and its business or prospects.

Metal Prices
The development and success of any project of the Company will be primarily dependent on the future price of gold and other metals. Gold and base metal prices are subject to significant fluctuation and are affected by a number of factors, which are beyond the control of the Company. Such factors include, but are not limited to, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major gold-producing countries throughout the world. The price of gold and other precious and base metals has fluctuated widely in recent years, and future serious price declines could cause any future development of and commercial production from the Company's properties to be impracticable. Depending on the price of gold and other metals, projected cash flow from planned mining operations may not be sufficient and the Company could be forced to discontinue any development and may lose its interest in, or may be forced to sell, some of its properties. Future production from the Company's mining properties is dependent on gold and base metal prices that are adequate to make these properties economic.

Furthermore, reserve calculations and life-of-mine plans using significantly lower gold and other metal prices could result in material write-downs of the Company's investment in mining properties and increased amortization, reclamation and closure charges.

In addition to adversely affecting the Company's possible future reserve estimates and its financial condition, declining commodity prices may impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Government Regulation, Permits and Licences
The Company's mineral exploration and potential development activities are subject to various laws governing prospecting, mining, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration, development or production. Many of the mineral rights and interests of the Company are subject to government approvals, licenses and permits. Such approvals, licenses and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental officials. No assurance can be given that the Company will be successful in maintaining any or all of the various approvals, licenses and permits in full force and effect without modification or revocation. To the extent such approvals are required and not obtained; the Company may be curtailed or prohibited from continuing or proceeding with planned exploration or development of mineral properties.

Where required, obtaining necessary permits and licenses can be a complex, time consuming process and the Company cannot assure that required permits will be obtainable on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from proceeding with the development of an exploration project or the operation or further development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in interruption or closure of exploration, development or mining operations or material fines, penalties or other liabilities. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of such mining activities, and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws and regulations governing operations or more stringent implementation thereof could have a substantial adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Competition

The mining industry is competitive in all of its phases. The Company faces strong competition from other exploration and mining companies in connection with the acquisition of properties producing or capable of producing, precious and base metals. Many of these companies have greater financial resources, operational experience and technical capabilities than Spruce Ridge Resources Ltd.. As a result of this competition, Spruce may be unable to maintain or acquire attractive mining properties on terms it considers acceptable or at all. Consequently, the financial condition and any future revenues and operations of Spruce could be materially adversely affected.

Exploration, Development and Operational Risk

The exploration for, and development of, mineral deposits involves significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties, which are explored, are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, metal prices which are highly cyclical, and government regulations including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in Spruce not receiving an adequate return on invested capital.
The Company does not currently operate a mine on any of its properties. There is no certainty that the expenditures made by Spruce towards the search for, and evaluation of, mineral deposits will result in discoveries of commercial quantities of ore. Mining operations generally involve a high degree of risk. Such operations are subject to all the hazards and risks normally encountered in the exploration for, and development and production of gold and other precious or base metals. Such hazards and risks include unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability.

Joint Venture Strategy

Spruce's business strategy includes continuing to seek new joint venture opportunities. In pursuit of such opportunities, Spruce may fail to select appropriate joint venture partners or negotiate acceptable arrangements, including arrangements to finance such opportunities or, where necessary, integrate the acquired businesses and their personnel into Spruce's operations. Spruce cannot assure that it can complete any business arrangement that it pursues on favorable terms, or that any business arrangements completed will ultimately benefit Spruce's business.

Reliance on Management and Key Employees

The success of the operations and activities of Spruce is dependent to a significant extent on the efforts and abilities of its management, a relatively small number of key employees, outside contractors, experts and other advisors. Investors must be willing to rely to a significant extent on management's discretion and judgment, as well as the expertise and competence of its key employees, outside contractors, experts and other advisors. Spruce does not have in place formal programs for succession of management and training of management nor does it have key person insurance on its key employees. The loss of one or more of these persons, if not replaced, could adversely affect Spruce's operations and financial performance.

No Assurance of Titles, Boundaries or Approvals

Titles to Spruce's properties may be challenged or impugned, and title insurance is generally not available. Spruce's mineral properties may be subject to prior unregistered agreements, transfers or claims, and title may be affected by, among other things, undetected defects. In addition, Spruce may be unable to operate its properties as permitted or to enforce its rights with respect to its properties. Spruce cannot assure that it will receive the necessary approval or permits to exploit any or all of its mineral projects in the future. The failure to obtain such permits could adversely affect Spruce's operations.

Environmental Risks and Hazards

All phases of Spruce's operations are subject to environmental regulation in the jurisdiction in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect Spruce's operations. Environmental hazards may exist on the properties in which Spruce holds interests which are unknown to Spruce at present and which have been caused by previous or existing owners or operators of the properties.

Uninsured Risks

Spruce’s business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labor disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to Spruce's properties or the properties of others, delays in development or mining, monetary losses and possible legal liability.

Although Spruce maintains insurance to protect against certain risks in such amounts as it considers commercially reasonable, its insurance will not cover all of the potential risks associated with its operations. Spruce may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration is not generally available to Spruce on affordable and acceptable terms. Spruce might also become subject to liability for pollution or other hazards which may not be insured against or which Spruce may elect not to insure against because of premium costs or other reasons. Losses from these events may cause Spruce to incur significant costs that could have a material adverse effect upon its financial condition and results of operations.

Application of new International Financial Reporting Standards ("IFRS")

The following standards were adopted on May 1, 2018:

IFRS 9 Financial Instruments ("IFRS 9"): This standard replaced IAS 39 Financial Instruments: Recognition and Measurement. This standard sets out revised guidance for classifying and measuring financial assets and liabilities and introduces a new expected credit loss model for calculating impairment of financial assets and includes a reformed approach to hedge accounting. The standard also requires that when financial liabilities measured at amortized cost are modified or exchanged, and where such modification or exchange does not result in derecognition, that the adjustment to the amortized cost of the financial liability be recognized in profit or loss.

IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which the assets are managed and their cash flow characteristics. IFRS 9 contains three principal classification categories for financial assets: amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The standard eliminates the IAS 39 categories of held to maturity, loans and receivables and available for sale.

IFRS 9 contains two principal classification categories for financial liabilities: amortized cost and fair value through profit or loss (FVTPL).

The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies for financial instruments. There were no financial assets or financial liabilities that were subject to reclassification, or to which the company elected to reclassify, upon adoption of IFRS 9.

IFRS 15 Revenue from Contracts with Customers ("IFRS 15"): Under the standard, revenue is recognized when a customer obtains control of promised goods or services in an amount that reflects the consideration the entity expects to receive in exchange for those goods and services. In addition, the standard requires disclosure of the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

<u>OUTLOOK</u>

<u>Great Burnt Copper Deposit-Gold Deposits:</u>

Following receipt of a positive PEA on the Great Burnt Copper Deposit, including the South Pond “A” copper-gold zone (see news release of February 23, 2022), company plans for advancing this project towards future commercial production include:

1. A 5,000-metre diamond drilling program to further test the Great Burnt Lower Copper Zone with a view to bringing Inferred Mineral Resource estimates into the Indicated category, and to test for possible additional resources in the down-plunge extension of the Great Burnt Main Copper Zone.
2. A 3,000-metre diamond drilling program to expand the Inferred Mineral Resource on the South Pond “A” copper-gold zone, which is presently open at depth.
3. A 2,500-metre diamond drilling program on the South Pond “B” gold zone, in follow up of the 2021 drilling, which confirmed and extended gold mineralization discovered by BP Minerals in their 1987 and 1989 drill programs. The South Pond “B” gold zone does not currently have a Mineral Resource estimate. The 2021 drill results are being evaluated and will be released in the near future.
4. Initiation of a baseline environmental study to support future applications for future mine development.
5. Initiating a survey to accompany an application for a new access road. The distance by road from Great Burnt to Grand Falls-Windsor, the main commercial centre for Central Newfoundland, using existing roads, is 224 km. The construction of a new 22-km road to link with the existing forestry road network would reduce this distance to just over 80 km.

Other Projects:

1. An airborne magnetic and electromagnetic survey is planned for the 4,575-hectare **Pipestone Nickel Project**, just east of Great Burnt. Ground follow-up will follow as necessary.
2. Reconnaissance mapping and prospecting are planned for the 12,800-hectare **Foggy Pond Property**, which lies just west of Great Burnt. A high resolution magnetic and gradiometer carried out in 2021 indicated the presence of large-scale structures similar to those related to orogenic gold mineralization elsewhere in Central Newfoundland.

Oil Revenue

The Company currently has two producing oil wells and a Water Disposal Plant which is also producing oil. Once the two oil wells are producing consistently, we will start bringing online additional oil wells.

John Ryan, CPA, CGA
Chief Executive Officer
April 5, 2022