

Spruce Ridge Resources Ltd.

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Spruce Ridge Resources Announces Non-Brokered Flow-Through Private Placement of up to \$1,400,000 and First Tranche Closing

Puslinch, ON, January 11, 2021 – Spruce Ridge Resources Ltd. (TSXV: SHL) (“Spruce Ridge” or the “Company”) announces that the Company intends to complete a non-brokered private placement of flow-through shares (the “Private Placement”). The flow-through shares are priced at \$0.14 per flow-through share for gross proceeds of up to \$1,400,000 (the “Offering”).

The Company also announces the first tranche closing of \$610,000 and issuing 4,357,142 flow through shares. In connection with the first tranche private placement, the Company will pay \$39,760 in finders’ fees and will issue 263,000 broker warrants exercisable at \$0.14 for 24 months from the date of issue, as permitted by the policies of the TSX Venture Exchange. All securities issued pursuant to the private placement will be subject to a four-month hold period.

The flow-through shares will entitle the holder to receive the tax benefits applicable to flow-through shares, in accordance with provisions of the Income Tax Act (Canada).

The proceeds of this financing will be used to further advance the Company’s Great Burnt Copper Gold Property in Central Newfoundland. Funds will be used to make an access trail from Great Burnt to the South Pond “A” Zone with an Indicated Mineral Resource of 219,000 tonnes grading 1.26% Cu and 1.01 g/t Au, plus an Inferred Mineral Resource of 203,000 tonnes of 1.09% Cu and 0.98 g/t Au. The access trail will also allow us to test the 1,100-metre long South Pond “B” zone which comprises only gold mineralization with drill intercepts of up to 4.75 g/t Au over 4.33 metres (true width 3.0 metres) and 1.16 g/t Au over 28 metres (true width approximately 25 metres). Both zones are open at depth.

Related Party Transaction

In connection with the Offering, a director of the Company (the “Insider”) acquired 150,000 flow-through shares. The participation of the Insider in the Offering constitutes a “related party transaction”, as such terms are defined by Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”). The Company is relying on an exemption from the formal valuation requirements of MI 61-101 available on the basis of the securities of the Company not being listed on specified markets, including the Toronto Stock Exchange, the New York Stock Exchange, the American Stock Exchange, the NASDAQ or certain overseas stock exchanges. The Company is also relying on the exemption from minority shareholder approval requirements under MI 61-101 as the fair market value of the participation in the Offering by the Insider does not exceed 25% of the market capitalization of the Company. The Company expects to file a material change report in respect of the related party transaction less than 21 days prior to the closing of the Offering, which the Company deems reasonable in the circumstances as the details of the Offering and the participation by the Insider was not settled until shortly before the expected closing of the Offering and the Company wished to complete the first tranche of the Offering in an expeditious manner.

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 sold its interest in the Crawford Nickel-Cobalt Sulphide project to Canada Nickel Company Inc. but retained ground which contains VMS and gold targets. Spruce Ridge holds 8,100,000 shares of Canada Nickel Company and 10,000,000 shares of Noble Mineral Exploration Inc. Spruce Ridge has an option agreement with Magna Terra Minerals Inc. on its Viking/Kramer gold properties in Western Newfoundland.

Spruce Ridge common shares trade on the TSX Venture Exchange under the symbol "SHL".

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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Forward-Looking Statements

This News Release includes certain "forward-looking statements" which are not comprised of historical facts. Forward-looking statements include estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Forward-looking statements may be identified by such terms as "believes", "anticipates", "expects", "estimates", "may", "could", "would", "will", or "plan". Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties. Although these statements are based on information currently available to the Company, the Company provides no assurance that actual results will meet management's expectations. Risks, uncertainties and other factors involved with forward-looking information could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information. Forward looking information in this news release includes, but is not limited to, the Company's objectives, goals or future plans, statements, exploration results, potential mineralization, the estimation of mineral resources, exploration and mine development plans, timing of the commencement of operations and estimates of market conditions. Factors that could cause actual results to differ materially from such forward-looking information include, but are not limited to failure to identify mineral resources, failure to convert estimated mineral resources to reserves, the inability to complete a feasibility study which recommends a production decision, the preliminary nature of metallurgical test results, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, political risks, inability to fulfill the duty to accommodate First Nations and other indigenous peoples, uncertainties relating to the availability and costs of financing needed in the future, changes in equity markets, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects, capital and operating costs varying significantly from estimates and the other risks involved in the mineral exploration and development industry, an inability to predict and counteract the effects of COVID-19 on the business of the Company, including but not limited to the effects of COVID-19 on the price of commodities, capital market conditions, restriction on labour and international travel and supply chains, and those risks set out in the Company's public documents filed on SEDAR. Although the Company believes that the assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information, which only applies as of the date

of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.