

Spruce Ridge Resources Ltd.

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Spruce Ridge Declares Dividend-in-kind of Shares of Canada Nickel Company

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Spruce Ridge Resources Ltd. (TSX-V SHL) - ("**Spruce Ridge**" or the "**Company**") is pleased to announce the declaration of 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, previously announced on July 27, 2021 and postponed on September 3, 2021. The Dividend is payable on or before November 5, 2021 (the "**Payment Date**") to holders of record of Spruce Ridge shares at the close of business on October 29, 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.

The CNC Shares were acquired by Spruce Ridge in connection with the previously announced sale of its interest in the Crawford Nickel-Cobalt Sulphide project, details of which are contained in the Company's previous news releases issued on October 1, 2019 and February 19, 2020.

Spruce Ridge has designated the Dividend to be an "eligible dividend" for the purposes of the *Income Tax Act* (Canada) and corresponding provincial legislation. The dividend will be taxable and non-residents of Canada will be subject to Canadian withholding taxes. **Shareholders with questions regarding the tax treatment of dividends should consult with their own tax advisors or contact their local office of the Canada Revenue Agency and, where applicable, the provincial taxation authorities.**

The Dividend will be distributed on a pro rata basis. No fractional shares or cash in lieu thereof (or any other form of payment) will be payable under the Dividend. Any fractional interests in CNC Shares under the Dividend will be rounded up or down to the nearest whole number of shares. Based upon the number of common shares of Spruce Ridge ("**Spruce Ridge Shares**") currently outstanding, and ignoring the effect of rounding for fractional interests, one (1) CNC Share will be paid under the Dividend for every 71.14 Spruce Ridge Shares held on the Record Date (0.014 CNC Shares per Spruce Ridge Share).

The Dividend is final and not subject to adjustment. As the amount of the Dividend represents a distribution greater than 25% of the common shares of the Company (the "**Common Shares**") as at the declaration date, it will be subject to the "Due Bill" trading requirements of the TSX Venture Exchange (the "**Exchange**"). Accordingly, the Exchange has required that the Common Shares trade on a "Due Bill" basis from October 28, 2021, until the close of trading on the Payment Date (the "**Due Bill Period**"). This means that sellers who sell Common Shares during the Due Bill Period shall also sell their entitlement to the Dividend to the respective purchasers of such Common Shares. The Common Shares will commence trading on an ex-distribution basis (i.e. without an attached "Due Bill" entitlement to the Dividend) from the opening of trading on November 8, 2021 (i.e. the next trading day after the Payment Date). The Due Bills will be redeemed on November 9, 2021, once all trades with attached Due Bills entered during the Due Bill Period have settled.

Shareholders should note that after the distribution of Canada Nickel shares to Spruce Ridge shareholders, **Spruce Ridge will continue to hold 5,600,000 Canada Nickel shares**

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 recently 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. 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. Spruce Ridge Resources sold its interest in the Crawford Nickel-Cobalt Sulphide project to Canada Nickel Company Inc. but retained ground which contains VMS and gold targets. In 2015, Spruce Ridge optioned its Viking/Kramer gold properties in Western Newfoundland to Anaconda Mining Inc.

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Forward-Looking Statements

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. 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 intention to complete the transactions, and the Company's objectives, goals or future plans. Factors that could cause actual results to differ materially from such forward-looking information include, but are not limited to an inability to complete the transactions, failure to identify mineral resources, failure to convert estimated mineral resources to reserves, delays in obtaining or failures to obtain required regulatory, 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, 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.

This news release does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of any of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful, including any of the securities in the United States of America. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act") or any state securities laws and may not be offered or sold within the United States or to, or for account or benefit of, U.S. Persons (as defined in Regulation S under the 1933 Act) unless registered under the 1933 Act and applicable state securities laws, or an exemption from such registration requirements is available.