

# Spruce Ridge Resources Ltd.

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**PRESS RELEASE 2015 - 02**

**September 4, 2015**

## **SPRUCE RIDGE ACQUIRES GREAT BURNT COPPER DEPOSIT, NEWFOUNDLAND, AND ANNOUNCES SHARES FOR DEBT SETTLEMENT**

**Wellington County, Ontario – September 4, 2015** – Spruce Ridge Resources Limited (TSXV: SHL) ("Spruce Ridge") is pleased to announce further to our announcement dated February 27, 2015 that it has acquired 100% interest in the Great Burnt Copper Property in Central Newfoundland from Pavey Ark Minerals Inc. ("Pavey Ark"), subject to regulatory approval. The Great Burnt Copper Property consists of one mining lease and 5 mineral exploration licences (156 contiguous claim units) with a total area of 4,065 ha. The Property includes the Great Burnt Copper Deposit, a copper-rich volcanogenic massive sulphide (VMS) deposit, as well as the North Stringer Zone, and the South Pond Copper Deposit, and several exploration targets.

P&E Mining Consultants Inc. ("P&E") of Brampton, Ontario completed a NI43-101 Technical Report and Resource Estimate on the Great Burnt Property for Pavey Ark which has been filed on [www.sedar.com](http://www.sedar.com). The report dated January 12, 2015 and entitled, Technical Report and Resource Estimate on the Great Burnt Copper Property, Central Newfoundland, was prepared by Eugene Puritch, P.Eng., President of P&E, an independent "Qualified Person", for the purposes of NI43-101. P&E has estimated that the Property has Indicated Resources of 441,100 tonnes at 2.50% Cu (24.3 million lbs of Cu) plus Inferred Resources of 829,300 tonnes at 2.11% Cu (38.6 million lbs of Cu) at a 1.0% Cu cut-off. P&E considers that the Great Burnt Copper Property contains a significant copper resource and merits further evaluation. P&E's recommendations include an initial exploration program budgeted at \$268,000 comprising re-assaying existing drill core for gold at the South Pond Copper Deposit, 600 m of diamond drilling to test priority targets, initial metallurgical testwork, and a preliminary economic analysis (PEA) to evaluate developing a surface starter pit and underground mining operation on the Property. P&E has identified several exploration targets on the 14-km-long favourable metavolcanic and metasedimentary stratigraphy. In addition to the VMS copper mineralization, the targets include the South Pond Gold Zone that, with the South Pond Copper Deposit, presents over 2 km strike length of near-surface gold-copper mineralization. The NI43-101 report can be viewed at [www.paveyarkminerals.com](http://www.paveyarkminerals.com).

Spruce Ridge will pay \$390,000.00 plus issue 200,000 common shares and 300,000 Warrants. Pavey Ark acknowledges the receipt of \$25,000 deposit from Spruce Ridge, which Pavey Ark shall apply to payment on account of the purchase price with the balance of \$365,000 as a non-convertible loan, with principal and interest at 8% (annually) amortized over 36 months with payments starting August 2015. Pavey Ark will retain a 0.5% Net Smelter Royalty on any production from Mining Lease ML211 and that part of Exploration Licence 21732M that was part of former Exploration Licence 10210M; and a 2% net smelter royalty on any production from the Mineral Exploration Licenses numbered 6682M, 6683M, 9881M, 20961M and that part of 21732M that was not part of former Exploration Licence 10210M. In the event that the loan is paid in full prior to December 31, 2015, the 2% net smelter royalty on and production from the Mineral Exploration Licenses numbered 6682M, 6683M, 9881M, 20961M and that part of 21732M that was not part of former Exploration Licence 10210M will be reduced to 1.5%.

The 200,000 common shares will have a deemed value of \$10,000 or \$0.05 per share and will be subject to a four month hold from the date of issue. The 300,000 warrants will have an exercise price of \$0.10 per common share for a period of five years from the date of issue. The Warrants are subject to the right of the Company to accelerate the exercise period. If after four months and one day from the issuance of the Warrants, common shares of the Company trade at or above CDN \$0.15 for a period of 20 consecutive trading days, the Company may notify the warrant holder to exercise the Warrants at a date no later than 30 calendar days after this notification date or forfeit any unexercised warrants at that time.

John Ryan, president and CEO of Spruce Ridge stated that, *"in the present mining market where so many junior resource companies are unable to raise capital, Spruce Ridge has determined that, in order to attract future investment, it needs projects that show potential for cash flow in the near-to medium-term without requiring massive investment in infrastructure. The Great Burnt property offers near-surface indicated and inferred mineral resources that appear to meet these criteria. Spruce Ridge intends to aggressively advance the project along the path recommended in P&E's 43-101 report, with the objective of working towards a possible production situation, subject to financing."*

Pavey Ark, a private Ontario company, is a mineral exploration project generator in eastern and central Canada with several advanced base and precious metal exploration properties. Information on Pavey Ark is available at [www.paveyarkminerals.com](http://www.paveyarkminerals.com).

Eugene Puritch, P.Eng., President of P&E, is the independent qualified person responsible for preparing the Great Burnt Property mineral resource estimate for Pavey Ark. Mr. Puritch has reviewed and approved the technical contents of this press release as they pertain to the Great Burnt Property.

### Shares for Debt

Subject to TSX Venture Exchange approval, the Company will undertake an exchange of existing debt in the amount of \$200,000 for 4,000,000 common shares at a deemed price of \$0.05 per share to a "non-arm's length" individual, John Ryan, President and Chief Executive Officer of the Company. Mr. Ryan has loaned the Company a total of \$424,392 as at the date of this press release pursuant to a non-interest bearing loan which has no set terms of repayment. Pursuant to this debt settlement, the outstanding amount of this loan will be reduced to \$224,392, and John Ryan will hold a total of 8,229,722 shares inclusive of the debt settlement shares representing ownership of 15.3% of the 53,716,122 shares of the Company which will be outstanding upon completion of the debt settlement. John Ryan currently owns 4,229,722 shares of the Company and the Company currently has 49,716,122 shares issued and outstanding.

The disinterested directors of the Company have approved this debt settlement and it is subject to Exchange approval. The securities to be issued will be subject to a hold period of four months and one day.

The participation in the debt settlement by a "related party" of the Company, namely, John Ryan, President and Chief Executive Officer, who is an insider of the Company, constitutes a "related party transaction" as such term is defined by Multilateral Instrument 61-101- Protection of Minority Security Holders in Special Transactions ("MI 61-101"), requiring the Company, in the absence of exemptions, to obtain a formal valuation for, and minority shareholder approval of, the "related party transaction". The Company is relying on the exemptions from the formal valuation and minority approval requirements of MI 61-101 pursuant to which a formal valuation and minority approval are not required in the event that at the time the transaction is agreed to, neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the transaction, insofar as it involves interested parties, exceeds 25 per cent of the Company's market capitalization.

For the purposes of National Instrument 62-103 early warning reporting, the address of Mr. John Ryan is 7735 Leslie Road West, Puslinch, ON N0B 2J0. Prior to the debt settlement, John Ryan held 4,229,722 shares and 500,000 management incentive options. Upon completion of the debt settlement, John Ryan will own 8,229,722 Common Shares representing approximately 15.3% of the 53,716,122 common shares issued and outstanding after the debt settlement, and approximately 16.1% of the issued and outstanding common shares if John Ryan exercises the 500,000 management incentive options held by him. Mr. Ryan acquired the common shares for investment purposes, and has no current intention to increase the beneficial ownership of, or control or direction over, securities of the Company.

### About Spruce Ridge Resources

Spruce Ridge Resources has a 100% interest in the Kramer/Viking gold property in western Newfoundland which hosts NI43-101 indicated resources of 98,000 ounces of gold @ 0.95 g/t Au cutoff and an additional 45,000 ounces gold inferred @ 0.66 g/t Au cutoff. It also has a gold property in the Beardmore-Geraldton greenstone belt of northwestern Ontario and a 50% joint venture with Americas Silver Corporation (formerly Scorpio Mining Corporation) on property that contains tailings with low grade gold and silver from the Drumlummon Mine in Montana. Timothy Froude, P. Geo., a "Qualified Person" under National Instrument 43-101 has reviewed and approved the technical contents of this press release as it pertains to the Kramer/Viking Gold property

*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.*

*For further information please contact:*

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CAUTIONARY STATEMENT: 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 regarding 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, 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.