BRIDGEWATER, NOVA SCOTIA--(Marketwired - Dec 1, 2016) - Silver Spruce Resources Inc. (TSX VENTURE:SSE)(FRANKFURT:S6Q) ("Silver Spruce" or the "Company") is pleased to announce that it has signed a binding and exclusive Letter of Intent to purchase and explore a submittal prospect near Chinipas, in far western Chihuahua State, of over 300 hectares, where field crews sampled 8.42 grams per tonne (g/t) Gold (Au), 8.04 g/t Au and 3.95 g/t Au in chip channel samples from mineralized outcrop in late September.

The Company will purchase the concession and will continue to investigate the potential of the surrounding ground for opportunities to stake additional ground that will be included in the "Encino De Oro" ("Golden Oak") project land position, if lying within 2 kilometres of the existing claim boundaries. The terms of the purchase agreement are as follows:

A Deposit of 10,000 (U$500) pesos was made upon signing of the LOI

Year One - U$5,000 payment, less the initial deposit, once the formal Mexico contract is finalized

Year Two - U$10,000

Year Three - U$15,000

Year Four - U$20,000

TOTAL - U$50,000 over four years

The owner will keep a 3% (three per cent) Gross Production Royalty (GPR) on the claim and any additional claim(s) staked by the Company within the two kilometre area of interest. The Company retains the right to purchase the GPR for U$1 million for each per cent.

The Company agrees to maintain the claim in good standing until the purchase payments are completed.

The Company also preserves the unilateral right to return the project to the owner, with no additional responsibilities, if the project does not continue to deliver positive results.

"It is remarkable to find a property with high values of gold in outcrop, within short walking distance from a well travelled road, that has no workings or evidence of prior exploration activities," declared Mr. Leonard J. Karr, professional geologist and a third party Qualified Person for Silver Spruce.

"The low cost of entry and the good gold grades in outcrop make this a very reasonable acquisition with considerable upside potential," stated Karl J. Boltz, President and CEO. *"We can devote the majority of funding to exploration work and look forward to additional assays before Christmas and to mobilizing field crews in January."*

Encino De Oro Property Description

The geology consists of upper sequence rhyolitic tuffs that are deposited directly on Mesozoic limestones and calcareous shales. The lower sequence andesite appears to have been mostly removed by erosion and only thin remnants remain.

An initial property examination in late September 2016 confirmed that an outcrop of strongly silicified rhyolite tuff contains gold grades ranging from 3.95 g/t to > 8 g/t in three samples over 3 m in width. Leonard Karr examined this outcrop on November 17, 2016 and based on strength of silicification, quartz veining and iron oxides after pyrite found the values credible. This immediately elevated the Company's confidence in the vendor's statements concerning other multigram gold assays in the area, and Silver Spruce immediately began a reconnaissance mapping and sampling program on the property.

Eleven samples were taken in the first preliminary visit to the prospect in late September, and an additional 35 samples were taken during late November, with assays pending.

History of the Chinipas Municipality

The Municipality of Chinipas has a rich history in the processing of ores from the adjacent Palmarejo Municipality and mine area since the early 1800's. In the late 1800's, European engineers came to Chinipas to build and improve three mills that were devoted to the processing of ore mined at Palmarejo, just east of Chinipas. A narrow gauge railroad was constructed to haul the ore down from the Palmarejo mine to the Chinipas valley, where it was milled using hydraulic power to run the stamp mills. A twelve inch iron waterline paralleled the railroad to bring water down from the mine area under great pressure, and an aqueduct was built from Agua Caliente to Chinipas, over 30 kilometres, to bring additional water to the mills in Chinipas.

The focus of mining activity in the Chinipas region has been primarily concentrated on the processing of ore, although some exploration and production from mines in the municipality has occurred. The region is has seen comparatively less modern exploration activities, as compared with other Mexico mining districts, although it is well mineralized. Silver Spruce recognized the potential of the region and has initiated a regional reconnaissance program to investigate the potential of numerous mineralized workings and submittals from local residents and miners. The Encino De Oro project is now the second project for the Company in the Chinipas region with the potential for a significant precious metals discovery.

Pino De Plata Updates

The Company is pleased to inform shareholders that it has formalized the Mexico purchase contract and executed a modified purchase contract on the Pino De Plata project whereby the owners have agreed that all property payments to the owners will be delayed until the Company can access the project to finish building the drill roads and pads, in preparation for drilling. The Company anticipates receiving these approvals in due course.

Qualified Person

Mr. Leonard J. Karr, professional geologist and a Qualified Person, under TSX guidelines, is the author of the Company's NI 43-101 report on the Pino de Plata project, dated 7 July 2015, and is responsible for the technical content of this press release.

About Silver Spruce Resources Inc.

Silver Spruce Resources Inc. is a well-positioned Canadian junior exploration company pursuing development of the Pino De Plata epithermal silver/ base metal/ gold project located in the prolific Sierra Madre Occidental region of western Chihuahua State in Mexico. The company has recently completed an exploration assessment on the property. Silver Spruce also retains a portfolio of uranium and rare earth element properties in Labrador.

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. The company seeks Safe Harbour.

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