BRIDGEWATER, NOVA SCOTIA--(Marketwired - Mar 21, 2017) - Silver Spruce Resources Inc. ("Silver Spruce" or the "Company") (TSX VENTURE:SSE)(FRANKFURT:S6Q) is pleased to announce it has entered a Purchase Agreement with Cedar Forrest, LLC (the "Vendor") to acquire 100% ownership of 70.84 acres of patented claims covering the past-producing Kay Mine, located in Yavapai county, Arizona, roughly 50 miles north of Phoenix. The Kay Copper Company and others produced Au-Ag-Cu-Pb-Zn ore on the property intermittently from 1916 until 1956. Exploration conducted from 1972 to 1982 by Exxon Minerals Company, a subsidiary of Exxon Petroleum, indicates that substantial additional mineralization exists down dip and potentially along strike from the previously producing mineral deposits.

Known mineralization occurs in two zones of massive sulfide, the North and South Zones, extending from the surface to at least 2100 feet in depth. Mineralization is open at depth. A November 1982 internal Exxon Minerals Company report by M. L. Fellows stated that the deposit contains a resource of "Proven and Probable ore" with a tonnage of 6.4 million short tons grading an estimated 2.2% copper, 3.03% zinc, 1.6 ounces per ton silver and 0.082 ounces per ton gold. The estimate was made using assay data from historic mine level plans and Exxon drill hole intercepts. Exxon's use of the word "ore" is not to be construed in the strict sense.. After examining mine assay level plans and Exxon drill hold data, Silver Spruce has concluded that "Indicated Mineral Resource" is the appropriate term for Exxon's historical estimate. Additional drilling is needed to verify this estimate. The Qualified Person for Silver Spruce has not conducted sufficient work to definitively classify Exxon's resource estimate to be compliant with NI-43-101 resource definitions. The issuer is not treating the historical estimate as current mineral resources or mineral reserves. Exxon also reported the deposits to be open down dip, with significant additional potential for the discovery of new deposits.

"We are excited to have this opportunity to purchase, explore and develop resources at the Kay Mine property, located near Black Canyon City, Arizona, a very mining supportive community. We intend to apply geophysical methods that did not yet exist in the early 1980's and to drill the Historic Estimate outlined by Exxon," stated Karl J. Boltz, President and CEO.

Kay Mine History

The Kay Mine was discovered prior to 1900 and was mined on a small scale up to 1916, producing some 700 tons of ore, 470 tons of which ran 9.1% copper, 1.06 ounces per ton silver and 0.072 ounces per ton gold. It was during this period that the No. 1 shaft was sunk. The major underground development of the mine took place between 1918 and 1923 when the No.1 shaft was deepened and the 1200 foot vertical No. 4 shaft (with an internal winze to 1500 feet) was sunk and several thousand feet of development drifts were driven, but no ore was shipped. The property was acquired for back taxes in the late 1940's. It was leased in 1949 by the Black Canyon Copper Corp. which shipped 1,000 tons of high grade ore that year.

In 1950, Shattuck-Denn Mining Company and New Jersey Zinc dewatered and rehabilitated the number 4 shaft and conducted surface and underground exploration until 1952. This was the first time since 1929 that the mine was dewatered and made accessible. During this time, 1,571 tons of ore were shipped from underground workings and from dump material, the total averaging 5.67% Cu, 0.98 ounces per ton Ag and 0.059 ounces per ton Au.

In 1955, Republic Metals Company shipped a few hundred tons from above the 350' level in the number 4 shaft. About this time a cave-in destroyed the pump station and the mine was allowed to flood. The underground workings have been inaccessible ever since and no underground production or development has been done since then. Only about 4,000 tons of ore was documented to have been produced at the Kay Mine property, largely due to the intermittent production in between periods of litigation.

The property was acquired in 1972 by Exxon Minerals Company. Between 1972 and 1982 Exxon conducted an extensive exploration program consisting of geologic mapping, sampling, ground and airborne geophysics and drilling. Exxon drilled 23 core and rotary holes totaling 26,554 feet. Exxon expended roughly $1,500,000 during this time.

Terms of Purchase

Upon execution of the Purchase Agreement to acquire 100% interest in the patented claims, free of any royalties, Silver Spruce has paid a non-refundable deposit of US $50,000 to the Vendor.

The Company will pay US $450,000 cash to the Vendor within 75 days.

The Vendor will carry a two-year, 6%, convertible debenture for the principle amount of US $477,000 which is the balance of the total purchase price.

The interest on the debenture will be paid monthly, and the principle may be converted into common shares of the Company at an exercise price of CAD $0.225 per common share, at any time during the term of the debenture.

This acquisition is subject to Exchange acceptance.

A finder's fee will be paid to a party that is Arm's Length to Silver Spruce and to the Vendor, subject to TSXVSE approval.

The Finder is Rift Exploration LLC, and will be paid 7.5% of the purchase price, paid in common shares of the Company.

Due Diligence

The Company has rapidly and efficiently conducted due diligence activities on the project, since January 30, 2017. These activities included a site visit, an appraisal of the fee simple surface land value, a fee simple surface title opinion, an extensive mining title search and analysis of the mining rights held with the patented claims titles and a legal opinion of the mineral title rights by a prominent mining attorney in Arizona.

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 and the Encino De Oro epithermal silver/ base metal/ gold projects located in the prolific Sierra Madre Occidental region of western Chihuahua State in Mexico. 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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