

BRIDGEWATER, NOVA SCOTIA--(Marketwired - Jul 19, 2017) - [Silver Spruce Resources Inc.](#) ("Silver Spruce" or the "Company") (TSX VENTURE:SSE)(FRANKFURT:S6Q) is pleased to announce it has closed the Purchase Agreement with Cedar Forest LLC (the "Vendor") for 100%, free of any royalty, of the Kay Mine parcel of 70.84 acres of patented claims near Black Canyon City, Arizona, USA.

Terms of Purchase

The original asking price for the 70.84 acre parcel of patented ground was US\$977,000 in cash. Upon execution of the Purchase Agreement to acquire 100% interest in the patented claims, free of any royalties, Silver Spruce paid a non-refundable deposit of US \$50,000 to the Vendor and completed its due diligence process which included a site visit, an appraisal of the fee simple surface land value, a fee simple surface title opinion, an extensive mining title search, an analysis of the mining rights held with the patented claims titles and a legal opinion of the mineral title rights, conducted by a prominent mining attorney in Arizona.

Subsequently, the Company secured a US\$450,000 debenture, and the Vendor agreed to accept shares in the Company in lieu of US\$500,000 cash.

The Company has received Exchange approval for the acquisition.

The Company has now paid the remaining US \$450,000 cash and issued 8,649,142 shares to the Vendor at a deemed price of CAD \$0.075 per common share, which completed the terms of purchase, and closed escrow.

"Silver Spruce is excited to complete our purchase of 100% of the Kay Mine parcel of patented ground, royalty free. The Company has successfully staked an additional 400 acres of unpatented claims and now controls all of the known areas of mineralization at the project that have been identified over the last 120+ years by companies such as the Kay Copper Company, Exxon Minerals, Rayrock (acquired by Glamis) and American Copper and Nickel (a subsidiary of INCO, now Vale)," stated Dr. Brian Penney, Chairman of Silver Spruce Resources Inc.

"The Company looks forward to initiating its work programs at the Kay Mine project," said Karl J. Boltz, President & CEO. "We are eager to produce a maiden NI 43-101 on the project and to assimilate the available data into a GIS database, conduct modern geophysical studies, geologic mapping and geochemical sampling, the twinning of select Exxon drill holes and downhole geophysics, with the goal of qualifying the substantial historical resource stated in the Exxon Minerals' internal reports from the 1970's and 80's."

The Kay Mine Project

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 past-producing mineral deposits. A two-page Executive Summary of the Kay Mine Project is available here: <http://www.silverspruceresources.com/s/KayMine.asp>

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 that was developed in several thousand feet of workings on eleven levels. 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 (50 g/t) silver and 0.082 ounces per ton (2.55 g/t) gold. The estimate was made using assay data from historic mine level plan maps and Exxon drill hole intercepts. Exxon also reported the deposits to be open down dip, with significant additional potential for the discovery of new deposits at the project.

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 hole 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.

Qualified Person

Mr. Leonard J. Karr, professional geologist and the Company's independent Qualified Person is responsible for the technical content of this press release within the meaning of National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"), under TSX guidelines.

About Silver Spruce Resources Inc.

[Silver Spruce Resources Inc.](#) is a well-positioned Canadian junior exploration company pursuing exploration and development of the past producing Kay Mine volcanogenic massive sulfide ("VMS") project in Arizona, USA, and the exploration 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.

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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