Silver Spruce Provides Update on Kay Mine Project

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BRIDGEWATER, NOVA SCOTIA--(Marketwired - Nov 7, 2017) - Silver Spruce Resources Inc. ("Silver Spruce" or the "Company") (TSX VENTURE:SSE)(FRANKFURT:S6Q) is pleased to provide an update on field activities at the Kay Mine volcanogenic massive sulphide ("VMS") project ("Kay" or the "Property") in Yavapai County, central Arizona, USA.

During site visits in September and October 2017, two Company representatives, including its internal Qualified Person (QP), have identified and sampled sulphide mineralization from the underground development/production dumps, documented global positioning (GPS) data for geological base maps and historical exploration activity, and conducted tours of the Property with prospective joint venture representatives from production-oriented international mining companies.

The majority of the sulphide-bearing samples were collected from the historic development/production dumps at Shaft #4. Examination of the mineralized material indicated disseminated to semi-massive to massive sulphides, consisting of pyrite, chalcopyrite and galena in banded, lenticular and breccia to replacement textures. Compositional layering from <1mm to 2cm in thickness were comprised of pyrite-dominant and base metal-bearing units. Coarse-grained pods and veinlets of chalcopyrite from 1-3cm also infill silicified rhyolite breccias.

"We are impressed by the samples of massive sulphide obtained from the dumps, especially given the very limited shipments of historical mine development material, and enthusiastic about the potential to document and expand the historical resource," stated Karl Boltz, Silver Spruce President and CEO. "The Kay Mine is a polymetallic production opportunity in a geological trend that launched Freeport predecessor, Phelps Dodge, and which has resurfaced after more than thirty years of inactivity."

The Company has developed a two-phase budget to conduct property-scale geophysics to document the two Kay deposits and to target potential downstrike, stacked and folded sulphide accumulations, and to drill up to 6,000 metres to verify and infill the historical drill hole pattern.

Rock samples were collected from exposures across the Kay patent lands and BLM claims, and included altered massive to pillowed andesite to rhyolite metavolcanics, intercalated with tuffs and metasediments, hematite oxide and siliceous iron formation, siliceous exhalite and sulphide-bearing metavolcanics.

The metavolcanic and metasedimentary lithologies displayed evidence of moderate to intense quartz-sericite-chlorite-hematite and possible jarosite alteration and replacement. Sulphides were associated primarily with rhyolite-dacite which exhibited well developed wavy schistosity and angular breccia textures accompanied by dark blue-grey silicification and quartz-sericite±chlorite overprint. Quartz, gypsum and quartz-tourmaline veins transect the above units parallel to and oblique to the principal shear fabric. The geology was characterized by steeply dipping orientation with tight fold and/or macro-boudinage features, weakly to intensely schistose fabrics, and intersecting sets of crenulation folds in NNW and WSW trends, all consistent with past mapping efforts. No evidence of discrete top directions was confirmed due to the level of rock deformation.

Selected samples of the mineralized and altered rock types were sawn for microscopic analysis, photography, and process mineralogy with portions retained for precious metal assays and multi-element geochemistry for base metals at an accredited commercial laboratory in Vancouver, Canada. Samples were collected by the Company's QP, packaged and shipped in sealed pails by commercial carrier to northern Washington, and delivered by the QP to British Columbia for sample description and preparation of the assay splits. The samples will be shipped by courier to the analytical facility during the week of November 7th .

Field reconnaissance confirmed vehicle access routes, shafts and historical drill collar locations, with exposed casing and caps, with hand held GPS points and tracks, and selectively validated the outcrop location accuracy of the geological mapping by Exxon Minerals ("Exxon") and the Arizona Geological Survey conducted between 1972 and 1984. Access to the four historical shafts (#1 production, #2 exploration south, #3 exploration north, and #4 production) was identified. Shaft #4 was not exposed at the current surface level though the concrete footings for the hoist remain surrounded by an extensive dump comprised of mine development and limited production material. Shaft #1 was located but not examined during the field visit. The production shafts are separated by less than 200 metres, with Shaft #4 vertical and Shaft #1 dipping 65ºW. The exploration/ventilation Shafts #2 and #3, both open with steel covers, were located 1000 metres apart along strike with the N20E orientation of the principal lithologies.

The Kay VMS deposits were developed for production on eleven levels and accessed via four shafts prior to 1957, when the pumping station was damaged and the mine was flooded. Records obtained by Silver Spruce indicate that approximately 1,550 tons of ore grading 5.6% Cu, with individual bulk samples from 2.95-9.47% Cu, with Pb, Zn, Au and Ag credits, was mined on the 250 foot and 500 foot levels from 1949 to 1953, and shipped to various smelters in Arizona and Texas. An estimated 15,000 tons of low grade material was reported on the surface dumps in 1956. The last production of 70 tons grading 5.7% Cu selected from the surface dumps was shipped by a private owner in 1966.

In 1972, Exxon acquired the project with the goal of commencing production of the known high-grade Cu-Zn-Pb-Ag-Au ores. Exxon's internal geological reports referred to the mineralization defined by drilling and historical underground exploration, under the then existing mining standards, as "proven and probable ore" of 6.4 million tons with a potential of over 20 million tons. These resource estimates and terminology are to be considered historical and not compliant with current NI43-101 guidelines.

The Company believes that the previous work conducted by Exxon was completed to a high standard of competency and credibility. Silver Spruce is developing exploration programs to document the tonnage and grade of the Kay mineralization and develop a resource estimate to conform to the present National Instrument 43-101 standards.

Silver Spruce has paid the claim fees on its BLM unpatented claims through August 2018 and is investigating the cost, logistics and permitting requirements to de-water the mine workings for direct access to the mineralization.

Qualified Person

Mr. Greg Davison, MSc, PGeo, professional geologist and the Company's internal 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.

Contact

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