

Spruce Ridge Sells Its Interest in the Crawford Nickel-Cobalt Sulphide Project

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PUSLINCH, October 1, 2019 - Spruce Ridge Resources Ltd. (TSXV:SHL) - ("Spruce Ridge" or the "Company") is pleased to announce that it has agreed to sell its interest in the Crawford nickel-cobalt sulphide project to Canada Nickel Company which is being created by [Noble Mineral Exploration Inc.](#) ("Noble"). Spruce Ridge will retain its interest in various VMS targets located in Crawford Township.

[Noble Mineral Exploration Inc.](#) (TSX-V NOB) today announced its plan to:

- create the Canada Nickel Company ("Canada Nickel"), which will own a consolidated 100% interest in the Crawford nickel-cobalt sulphide project, and
- distribute a significant portion of Noble's interest in Canada Nickel to Noble shareholders and qualify Canada Nickel as a new publicly entity.

Canada Nickel will be led by Mark Selby, who will be appointed Chairman & CEO. The Company also announced the plan to complete a fully-subscribed \$5 million private placement into Canada Nickel, subject to regulatory approval, to fund the cost of the Crawford project consolidation and continue exploration and mineralogical work to advance the project.

Mark Selby was most recently President & CEO of RNC Minerals, where he led the development of the Dumont nickel-cobalt project through to a fully permitted, construction ready project. Before RNC, he held senior management roles at Quadra and Inco and he is recognized as a leading authority on the nickel market.

"I am pleased to lead Canada Nickel and advance Crawford, which is an exciting project. Coupled with the close proximity to significant infrastructure near Timmins, I believe this will allow me to leverage all the experience and insights we learned in advancing Dumont," said Mr. Selby. "The timing of this discovery is excellent. We are in a robust nickel market increasingly driven by demand for nickel from the electric vehicle (EV) market which will require new nickel projects to be built over the coming decade. I am encouraged by the strong support we have received from a number of new and existing investors who have committed to \$5 million in financing which will allow us to execute the next phase of drilling and metallurgical work for the project."

John Ryan, Spruce Ridge President and CEO commented: "What drew Spruce to this property originally was that it was underexplored, close to the Kidd Creek mine and had several priority targets from a recently flown EM/Mag survey. Our phase 1 drilling program in December 2018 was successful in that three of the four holes drilled intersected serpentinized dunite with persistent nickel values greater than 0.25% Ni over core lengths of up to 291 metres.

"We are pleased that Mark Selby will lead the project going forward. Mr. Selby has considerable experience in the global nickel industry, including development of the Dumont Nickel deposit."

Crawford Nickel-Cobalt Sulphide Project

The recent drilling program by Spruce Ridge (TSX-V SHL) and its Joint Venture partners, a group of private investors, Dr. K. Sethu Raman, Robert Hirschberg and Sam Sehota, was focused on the Crawford Ultramafic

Complex, a 3.5-kilometre long body of peridotite, dunite and their serpentinized equivalents.

Nickel mineralization in Crawford Township was originally discovered by Inco Limited during a 1960s exploration program that covered several townships north of the Kidd Creek Mine. The ultramafic complex was better defined by a helicopter-borne magnetic and electromagnetic survey and an airborne gravity survey, both conducted over the entire project area of 100 sq. km in 2017. Drill targets were selected based primarily on the magnetic outline of the serpentinized ultramafics. All four discovery holes totaling 1,818 metres intersected multi-hundred metre intervals of serpentinized dunite with persistent nickel values with two of the four holes ending in mineralization. (See Spruce Ridge news release March 4, 2019)

Highlights from the drilling:

- Hole CR18-01 intersected 558 m of 0.26% nickel, 0.013% (127 ppm) cobalt, (ended in mineralization)
- Hole CR18-03 intersected 318 m of 0.25% nickel, 0.013% (126 ppm) cobalt
- Hole CR18-04 intersected 208.5 m of 0.32% nickel, 0.013% cobalt (135 ppm) (ended in mineralization)

Drilling on the project has resumed both east and west of the existing drilling. And to infill the existing drilling to test the southern contact.

Table 1 - Recent Drilling Results

CRAWFORD NICKEL PROJECT - 2018 DIAMOND DRILLING RESULTS

DDH ID	From	To	Length	Ni (%)	Co (ppm)	Pt (g/t)	Pd (g/t)	Au (g/t)	S (%)
SUMMARY OF INTERVALS PASSING 0.20% Ni CUTOFF									
CR18-01	36.00	594.00 eoh	558.00	0.261	127	0.010	0.016	0.002	0.051
includes	234.00	525.00	291.00	0.293	118	0.011	0.020	0.002	0.062
includes	238.50	393.00	154.50	0.320	120	0.012	0.029	0.001	0.086
includes	238.50	283.50	45.00	0.384	144	0.019	0.061	0.001	0.140
CR18-02	24.00	175.50	151.50	0.224	126	0.005	0.005	0.001	0.029
CR18-03	288.00	606.00 eoh	318.00	0.248	126	0.019	0.028	0.003	0.029
includes	475.50	606.00 eoh	130.50	0.299	140	0.028	0.055	0.006	0.033
includes	492.00	547.50	55.50	0.324	139	0.028	0.096	0.005	0.039
includes	492.00	516.00	24.00	0.333	140	0.060	0.201	0.011	0.022
CR18-04	193.50	402.00 eoh	208.50	0.324	135	0.018	0.028	0.003	0.181
includes	205.50	402.00 eoh	196.50	0.332	135	0.010	0.027	0.002	0.183
includes	208.50	285.00	76.50	0.358	156	0.017	0.041	0.001	0.246
includes	208.50	220.50	12.00	0.532	220	0.030	0.070	0.001	0.512
Dumont Deposit average grade for comparison				0.270	107	0.009	0.020	n/a	n/a

Note: eoc = End of Casing; eoh = End of Hole

Note: the lengths reported are core lengths and not true widths. The Company has insufficient information to determine the attitude, either of the ultramafic body or of mineralized zones within it. True widths will be less than the core lengths by unknown factors.

Crawford Nickel-Cobalt Location

Initial Mineralogical Results (see release dated June 11, 2019)

Twelve samples of drill core were selected from 1.5-metre analyzed intervals from the recent 1,818-metre, four-hole drill program, to cover a range of nickel, cobalt and palladium contents as well as differing degrees of serpentinization and a range of sulphur contents. Polished thin sections were made from the core samples and were examined under reflected-light microscope and a scanning electron microscope (SEM), which provided chemical analyses of individual mineral grains to aid in their identification. The following minerals were identified as carrying most of the nickel and cobalt (in order of decreasing abundance): pentlandite (nickel-iron sulphide - 50%), heazlewoodite (nickel sulphide - 35%), awaruite (nickel-iron alloy - 15%) and minor godlevskite (nickel sulphide with minor iron). In addition to the mineralogical identification study, an analysis was performed on pulp samples of the 12 core intervals from which the mineralogy samples were taken. Table 2 shows a comparison between the Peroxide Fusion analysis and the Aqua Regia analysis for cobalt and nickel and establishes the potential percentages of "Liberation" of these key elements.

Table 2 - Peroxide Fusion vs. Aqua Regia Analysis for Nickel & Cobalt

DDH No.	From	To	Length	Co ppm FUS-ICP	Co ppm AR-ICP	percent liberated	Ni % FUS-ICP	Ni % AR-ICP	percent liberated	S % FUS-ICP
CR18-01	165.0	166.5	1.5	240	193	80%	0.669	0.431	64%	0.28
CR18-01	238.5	240.0	1.5	120	105	88%	0.297	0.203	68%	0.02
CR18-01	243.0	244.5	1.5	170	149	88%	0.487	0.332	68%	0.15
CR18-01	286.5	288.0	1.5	150	130	87%	0.345	0.232	67%	0.18
CR18-01	423.0	424.5	1.5	120	85	71%	0.317	0.203	64%	0.03
CR18-01	588.0	589.5	1.5	110	87	79%	0.272	0.178	65%	0.01
CR18-03	508.5	510.0	1.5	140	108	77%	0.332	0.217	65%	0.01
CR18-03	535.5	537.0	1.5	140	109	78%	0.337	0.227	67%	0.07
CR18-03	594.0	595.5	1.5	150	110	73%	0.349	0.205	59%	0.05
CR18-04	165.0	166.5	1.5	120	52	43%	0.182	0.050	27%	< 0.01
CR18-04	216.0	217.5	1.5	260	206	79%	0.647	0.423	65%	0.60
CR18-04	337.5	339.0	1.5	130	103	79%	0.427	0.275	64%	0.20
Mean Co liberation						77%	Mean Ni liberation		62%	

Canada Nickel - \$5 million Private Company Financing

A \$5 million private placement of common shares and flow through common shares into Canada Nickel has been fully subscribed and is expected to close on or before October 15, 2019. Under this private company financing, it is expected that Canada Nickel will issue 13 million common shares at \$0.25 per share and 5

million flow through shares at \$0.35 per share. The proceeds of the private placement will be used to fund the joint venture consolidation described above, mineral exploration of the Crawford project, and working capital requirements ancillary thereto. This financing will be completed by way of a private placement to qualified investors.

100% Crawford Project Consolidation

The planned consolidation of the Crawford properties will be implemented under the terms of a binding letter of intent that has been entered by Noble, Mr. Selby, [Spruce Ridge Resources Ltd.](#) (TSX-V SHL) and certain private investors (the "Investors") under which, subject to certain specified conditions including required regulatory and shareholder approvals:

(Please note that for illustrative purposes consideration values below are based on Noble and Spruce Ridge closing prices as of September 27, 2019 of \$0.09 and \$0.065 respectively and a Canada Nickel value of \$0.25 per share based on the private placement value.)

- Spruce Ridge will sell its joint venture interest in the Crawford project (the current joint venture arrangements regarding the Crawford JV Agreement are described below) on the following terms:
 - Noble will pay \$1 million in cash to Spruce and cause Canada Nickel to issue 20 million common shares of Canada Nickel to Spruce for total consideration valued at \$6 million;
 - Noble will issue 10 million units to Spruce, each unit valued at \$0.09 to be comprised of one common share of Noble and one-half of a common share purchase warrant of Noble (exercisable for three years at \$0.15 per share) for a total consideration valued at \$900,000;
 - Spruce will issue 2 million common shares (each common share valued at \$0.065) to Noble as part of the share consideration to be paid pursuant to the Crawford JV Agreement which is being terminated as part of the project consolidation for a total consideration valued at \$130,000; and
 - As consideration for receiving the above 2 million common shares from Spruce, Noble will transfer certain assets to Spruce (unrelated to the Crawford project) subject to 25% earn-in rights.
- The Investors have agreed to relinquish their joint venture interest in the Crawford project (the current joint venture arrangements regarding the Investor Agreement are described below) on the following terms:
 - Spruce will transfer 10 million common shares of Canada Nickel (each common share of Canada Nickel valued at \$0.25) received from Noble (representing a 20% interest in Canada Nickel post-financing) to the Investors for a total consideration valued at \$2.5 million; Spruce will hold the remaining balance of 10 million shares of Canada Nickel (also representing a 20% interest post-financing); of which 5 million will be distributed to Spruce Ridge shareholders subject to shareholder approval; and
 - Spruce will issue 10 million units to the Investors for a total consideration valued at \$650,000, each unit (valued at \$0.065) to be comprised of one common share of Spruce and one-half of a common share purchase warrant of Spruce (exercisable for three years at \$0.10 per share) as full and final settlement of obligations pursuant to the Investor Agreement.
- Noble will receive 12 million common shares of Canada Nickel for a total consideration valued at \$3 million (representing a 24% interest in Canada Nickel post-financing) and \$2 million in cash for an aggregate consideration valued at \$5 million. Of the shares of Canada Nickel received by Noble, 10 million will be distributed to Noble shareholders.

It is anticipated that neither of the transactions required to complete the planned consolidation of the Crawford properties will qualify as a "related party transaction" (as such term is defined in Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transaction which is incorporated by reference into the policies of the TSX Venture Exchange under Policy 5.9).

Noble and Spruce Ridge are parties to a joint venture agreement dated May 4, 2018 (the "Crawford JV Agreement") under which Spruce has the right, subject to the terms and conditions thereof, to earn up to a 75% undivided interest in the Crawford project. Spruce and the Investors entered into an agreement relating to the Crawford JV Agreement, dated September 9, 2018 (the "Investor Agreement") under which the Investors have the right to earn up to a 37.5% undivided interest in the Crawford project (with Spruce retaining a 37.5% undivided interest therein). For a description of the existing joint venture agreements between Noble, Spruce Ridge and the Investors, please refer to Noble news release dated May 8, 2018 and Spruce Ridge release dated September 27, 2018 (both available under the applicable corporate profiles on www.sedar.com). The Crawford JV Agreement and the Investor Agreement are being terminated pursuant to the consolidation of the Crawford properties as described above.

Special meeting - Distribution of Canada Nickel Shares

A special meeting of the shareholders of Noble is expected to be called to approve the distribution of the Canada Nickel common shares received as part of the transactions described and other matters relating thereto.

Timing - Property Consolidation, Share Distribution & Canada Nickel Qualification as Public Entity

Subject to the receipt of regulatory and shareholder approval, it is expected that the consolidation of the Crawford properties will be completed on or prior to October 31, 2019, and that the distribution of the Canada Nickel common shares to Noble shareholders and qualification of Canada Nickel as a public entity will be completed on or prior to December 31, 2019.

It is expected that Canada Nickel will have 50 million shares outstanding following the transactions and private placement described above which may be summarized as follows (after the distribution of Canada Nickel common shares to the shareholders of Noble and Spruce Ridge):

	Canada Nickel Common Shares
Noble	2,000,000 (4%)
Noble Shareholders	10,000,000 (20%)
Spruce Ridge	5,000,000 (10%)
Spruce Ridge Shareholders	5,000,000 (10%)
Investors	10,000,000 (20%)
Private Placement Group	18,000,000 (36%)
Total	50,000,000 (100%)

QA-QC Protocol:

The Company relied heavily on internal QA/QC analytical procedures used by ActLabs which included the use of between 10 and 16 separate standards for different groups of elements in the ICP-OES peroxide fusion package (of which 3 included nickel and 4 included cobalt). Two standards were used for the fire assay procedures, one of which was included for every 20 samples in a batch. Duplicate analyses were performed on every fifth sample, and blanks were inserted after every tenth sample. Additionally, the company performed independent analysis of a duplicate pulp from approximately every fifth sample (184 out of 975 samples), using a portable X-Ray fluorescence instrument. Results accorded closely to those from the ActLabs ICP-OES peroxide fusion analyses. Cobalt and precious metal concentrations were too low to be reliably determined by portable XRF technology.

Security & Sample Preparation:

NQ size drill core was delivered in closed boxes by drill crews after every shift, to the Company's secure core shack in Timmins. Core was cut using a diamond saw in lengths of 1.5 metres, under the supervision of William MacRae, P.Geol., the project geologist. After every day of core cutting, Mr. MacRae personally delivered bagged and tagged samples to the Timmins laboratory of ActLabs.

Technical material in this news release has been prepared and/or reviewed and approved by Colin Bowdidge, Ph.D., P.Geol., a Qualified Person as defined in National Instrument 43-101. Analyses quoted in this news release were performed by Activation Laboratories Ltd. ("ActLabs") in their Timmins and Ancaster

facilities.

About Spruce Ridge Resources Ltd.

Spruce Ridge holds a 100% interest in the Great Burnt Copper-Gold Property in Central Newfoundland which covers a series of copper ± gold rich VMS deposits. In 2015, Spruce Ridge optioned its Viking/Kramer gold properties in Western Newfoundland to Anaconda Mining Inc. The Company also has a 50% joint venture with Americas Silver and Gold Corporation on property that contains tailings with low grade gold and silver from the Drumlummon Mine in Montana.

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Forward-Looking Statements

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