

Spruce Ridge Resources Announces Agreement with RAB Capital Holdings to Acquire Nickel Assets in Oregon

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TORONTO, Nov. 16, 2023 - [Spruce Ridge Resources Ltd.](#) ("Spruce" or the "Company") (TSXV: SHL) is pleased to announce that it has entered into a share purchase agreement (the "Agreement") with RAB Capital Holdings Limited ("RAB Capital"), an arm's length party of the Company, dated November 10, 2023 for the acquisition (the "Transaction") of all the issued and outstanding securities of RFN Holdings Limited ("RFN"). RFN is the holder of an 80% interest in Homeland Nickel Corporation ("HLN"), which holds a portfolio of mining claims in Oregon that comprise the Red Flat Property ("Red Flat") and the Cleopatra Property ("Cleopatra" and, collectively with Red Flat, the "Properties"), as well as an interest in some secondary deposits in the vicinity of the Properties (the "Deposits").

Steve Balch, interim President and CEO, stated, "Spruce is poised to enter the U.S. critical minerals market with two important properties containing significant resources of nickel with further expansion potential. We have now signed the definitive agreement to complete the acquisition. Together, Cleopatra and Red Flat have resources equivalent to over 1 billion pounds of nickel."

Cleopatra and Red Flat are nickel laterites with resources identified in soil and rock. The most recent work included unpublished NI 43-101 reports ("Evaluation of the Cleopatra Ni/Co Property Mining Potential, Curry County, Oregon, U.S.A.", A.J. Rancourt, 2009 and "Evaluation of the Red Flat Ni/Co Property Mining Potential, Curry County, Oregon, U.S.A", A.J. Rancourt, 2009) which identified total inferred resources at Cleopatra of 39.5 Mt grading 0.93% Ni and at Red Flat of 18.8 Mt grading 0.84% Ni both using a 0.7% Ni cut-off. While the resources were described as total inferred, resources were classified in the measured, indicated, and inferred categories for both properties. Additional mineralization is known to occur at depth at a lower grade. Total tonnage could also increase substantially by using a lower cut-off grade. The properties are road accessible. Cobalt is also present.

The historical resources are considered reliable as they were based on a substantial base of previous work with updated confirmation drilling, trenching, and assaying. Neither report included the assay certificates from the follow-up work. These certificates have since been obtained as part of an updated technical review that is now complete, including a property visit by an independent geologist.

A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves, and the Company is not treating the historical estimate as current mineral resources or mineral reserves. While the Company is confident in the historical work, until such time as the technical due diligence has been completed it is not treating the historical resources as current mineral resources. Future work would then be focused on upgrading the inferred resources to measured and indicated as well as expanding the resources by tonnage as both resources are open at depth.

Cleopatra and Red Flat Nickel Laterite Deposits

Nickel mineralization was discovered in Southwest Oregon in the 1930s with significant exploration occurring in the 1950s including auger-hole drilling and assaying. This led to the identification of surface resources of nickel-bearing laterite at both Cleopatra and Red Flat.

Nickel laterite is formed by the surface alteration of olivine-rich ultramafic rocks, most commonly peridotite. Nickel is concentrated in place within the upper 10 metres of the soil but also within enriched rocks that form within and below the soil line. Below the enriched rock, mineralized peridotite (sometimes serpentinized) is also present. The average depth of exploration at either property is currently less than 15 metres.

Transaction Terms

Pursuant to the terms of the Agreement, Spruce will acquire a 100% interest in RFN, with RFN being the holder of an 80% interest in HLN, by:

- Making a \$50,000 cash payment to RAB Capital, which has already been completed, primarily for the reimbursement of costs incurred by RAB Capital prior to entering the Agreement;
- Transferring to RAB Capital 2,000,000 common shares in the capital of [Canada Nickel Company Inc.](#) (the "CNC Shares") held by Spruce, as follows:
 - 500,000 CNC Shares upon closing of the Transaction; and
 - 1,500,000 CNC Shares upon the earlier of (i) completion of the Concurrent Financing (as defined below) or (ii) ninety (90) days from the closing of the Transaction;
- Paying \$450,000, to be settled against RAB Capital's subscription for an aggregate \$450,000 in the Concurrent Financing (as defined below);
- Issuing to RAB Capital an aggregate of 10,000,000 common shares in the capital of Spruce upon closing of the Transaction;
- Granting to RAB Capital a 2.0% net smelter returns ("NSR") on the Properties and the Deposits, with an option to repurchase 50% of each NSR for \$2,000,000;
- Reimbursing RAB Capital a total of US\$37,957 for the cost of tenement renewals on the Properties paid for the year 2023/24;
- Reimbursing RAB Capital a total of US\$22,500 for the cost of preparation of audited financial statements;
- Assuming a pre-existing intercorporate loan between RAB Capital and HLN totaling approximately US\$36.74 million;
- Paying funds to RAB Capital upon reaching certain milestones, as follows:
 - \$1,000,000 cash payment upon filing a technical report on one or both of the Properties where a nickel resource is re-evaluated (or restated) to a standard in accordance with the requirements of *National Instrument 43-101 - Standards of Disclosure for Mineral Properties* ("NI 43-101");
 - \$2,000,000 cash payment upon completion of a NI 43-101 preliminary economic assessment on one or both of the Properties;
 - \$2,000,000 cash payment upon completion of a NI 43-101 feasibility study on one or both of the Properties;
 - \$10,000,000 cash payment upon announcement of a decision to commence construction on one or both of the Properties.

In addition to transferring its interest in RFN to Spruce, RAB Capital will subscribe for an aggregate \$450,000 in an upcoming non-brokered private placement of Spruce (the "Concurrent Financing"). The Concurrent Financing will comprise of the sale of up to 30,000,000 ("Units"), to be sold at \$0.05 per Unit for gross proceeds of \$1,500,000. Each Unit will consist of one common share ("Common Share") and one half of one common share purchase warrant. Each whole common share purchase warrant ("Warrant") will entitle the holder to acquire one Common Share for \$0.10 for a period of two years after the closing of the Concurrent Financing. All securities issued in conjunction with the Concurrent Financing will be subject to a hold period of four months and one day after closing.

The Company reserves the right to increase the size of the Concurrent Financing by up to 10%, to a maximum of 33,000,000 Units for gross proceeds of \$1,650,000. The Concurrent Financing is integral to the Transaction to permit the Company to pay the purchase price, reimburse RAB Capital the costs of tenement renewals and preparation of financial statements and to fund the first milestone payment in the event the milestone is achieved. Proceeds from the Concurrent Financing will be used to pay the purchase price of the Transaction, to fund exploration on the Properties, fund milestone payments pursuant to the Agreement and for general corporate purposes.

Closing of the Transaction and the Concurrent Offering is subject to approval by the TSX Venture Exchange (the "TSXV"). The Transaction is considered a "Fundamental Acquisition" under TSXV policies and accordingly, trading in the Company's shares has been halted until the earlier of satisfactory review of the Transaction by the TSXV or closing of the Transaction.

Stephen J. Balch, P.Geo., the Company's interim President and CEO, a "Qualified Person" under NI 43-101 has reviewed and approved the technical contents of this press release.

Cautionary Statement:

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 news release. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.

This news release contains statements that constitute "forward-looking statements". Forward-looking statements are statements that are not historical facts and include, but are not limited to, disclosure regarding possible events, that are based on assumptions and courses of action, and in certain cases, can be identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur, or the negative forms of any of these words and other similar expressions. Forward-looking statements include statements related to the acquisition of the Properties and the Deposit on the terms announced or at all, the potential of the Properties and the Deposits, future plans for the Company, and other forward-looking information. Forward-looking statements are based on various assumptions including with respect to the anticipated actions of securities regulators, stock exchanges, and government entities, management plans and timelines, as well as results of operations, performance, business prospects and opportunities. Although the forward-looking statements contained in this news release are based upon what management of the Company believes are reasonable assumptions on the date of this news release, such assumptions may prove to be incorrect. Forward-looking statements involve known and unknown risks and uncertainties, they should not be read as guarantees of future performance or results, and they will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results, performance or achievements to differ materially from the results discussed in the forward-looking statements, including, but not limited to: the settlement of definitive documentation and receipt of required regulatory approvals; the inability to complete the acquisition of the Properties or Deposits on the terms announced or at all; the closing of the Concurrent Financing in a timely fashion or at all; the Company's planned activities on the Properties; an inability to develop and successfully implement exploration strategies; general business, economic, competitive, political and social uncertainties; the lack of available capital; and other risks detailed from time-to-time in the Company's ongoing filings with securities regulatory authorities, which filings can be found at www.sedarplus.ca. The Company cannot assure readers that actual results will be consistent with these forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking statements in this press release. These forward-looking statements are made as of the date of this news release and the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise, unless otherwise required by law.

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