

## Spruce Ridge Announces Revocation of Cease Trade Order and Provides Property Update

**Toronto, Ontario – August 4, 2023 – Spruce Ridge Resources Ltd.** (“**Spruce Ridge**” or the “**Company**”) (TSX-V: SHL) is pleased to announce that on August 4<sup>th</sup>, 2023 the Ontario Securities Commission (the “**OSC**”) granted a full revocation of the failure-to-file cease-trade order (the “**CTO**”) issued against the Company on September 2, 2022. The Company had been subject to the CTO for failure to meet the deadlines to file the annual audited financial statements, CEO and CFO certifications, and management discussion and analysis (the “**Annual Filings**”).

The Company completed the filing of the Annual Filings on March 2, 2023. The Company also filed financial statements and management’s discussion and analysis for the interim periods ended July 31, 2022, October 31, 2022, and January 31, 2023. After a review of the Company’s continuous disclosure record by the OSC, the Company has also been advised of its failure to file the letter from the former auditor, and the statement of executive compensation for the year ended April 30, 2022. Copies of all these filings have now been filed and are available under the Company’s SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

Spruce Ridge is working actively with the TSX Venture Exchange to revoke the trading halt imposed on its common shares. The timing and success of this application is currently unknown, but the Company is working diligently to ensure that its securities resume trading as soon as possible. The Company confirms that its business has not changed and that the Company remains active and well financed with all properties in good standing.

### Update on Great Burnt Technical Report

The Company wishes to comment on its disclosure found in Technical Report entitled “*Updated Mineral Resource Estimate, and Preliminary Economic Assessment (PEA) Of The Great Burnt Copper-Gold Property, Central Newfoundland*” (the “**Report**”) as requested by the OSC. Page 127 of the Report lists the formula:  $CuEq\% = Cu\% + (Au\text{ g/t} \times 0.687)$ . The Company notes that the value 0.687 (not specifically defined in the Report) is the ratio between 1 gram of gold to 1% Cu net of recovery and payables, and at \$3.62/lb Cu at 95% recovery and 95% payable would be worth approximately US\$73.03 per 1%. At \$1,650/oz Au at 95% recovery and 98% payable it would be worth approximately US\$49.39 per gram. The ratio between \$49.39/\$72.03 results in the value of 0.687 which was used to convert gold to copper equivalent. The resource estimate in section 14 was completed about a year prior to the PEA and the metallurgical testwork recorded a recovery of 55% for Au. The economic model in section 22 of the Report uses 55% Au recovery. For more information, readers are encouraged to consult the full text of the Report found on the Company’s SEDAR+ page at [www.sedarplus.ca](http://www.sedarplus.ca).

### Update on Audit Committee Composition

The Company is pleased to confirm the composition of its current audit committee, which consists of H. Vance White (Chair), Stephen Balch, and Birks Bovaird. Messrs. White and Bovaird are independent within the guidelines prescribed by *National Instrument 52-110 – Audit Committee*. Mr. Balch is not independent by virtue of his position as a senior officer of the Company. The majority of the Audit Committee is thus independent.

### Update on Dispute with Former CEO

Upon taking control of the Company’s records in August of 2022, current management was notified of funds (the “**Receivable**”) owed to the Company by the former President and CEO. Part of the Receivable

was secured by a pledge of shares of another publicly traded company (the “**Pledge**”) between the former President and CEO and the Company, and the funds were reported as a miscellaneous receivable on the Company’s most recent financial statements and management’s discussion and analysis for the nine months ended January 31, 2023. To date, the former President and CEO has not repaid the Receivable. After reviewing the accounting records, current management does not believe the funds were advanced for legitimate business purposes. Further, after reviewing the matter with their legal counsel, current management is of the opinion that the Pledge is unenforceable.

Current management has been negotiating with the former President and CEO to reach acceptable repayment terms which would not have a negative impact on the Company. Despite best efforts, current management has been unable to reach an acceptable settlement and has commenced litigation to recover the Receivable and costs by filing a statement of claim with the Ontario Superior Court of Justice on April 5, 2023. The Company continues to seek full repayment of the Receivable.

Due to these factors, subsequent to filing of the January 31, 2023 financial statements and MD&A, there is now greater uncertainty surrounding the timing of recovery and quantum of the Receivable. As a result of this, management has assessed the receivable for impairment and now intends to impair the full amount of the miscellaneous receivable in the upcoming annual financial statements for the year ended April 30, 2023 which is an amount of \$631,030. Current management continues to seek a resolution that will minimize negative impacts on the Company, and will update shareholders as these matters progress.

#### **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 future plans for the Company, statements and information regarding the anticipated timeline for revocation of the trading halt, collection of amounts owing by the former President and CEO, economic assessments of the Company’s mineral properties, plans to update future financial statements, including impairing the Receivable, and other forward-looking information. Forward-looking statements are based on various assumptions including with respect to the anticipated actions of securities regulators, management plans and timelines, 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: delays or failures to resume trading on the facilities of the TSX Venture Exchange; an inability to collect the amounts owing by the former President and CEO in a timely fashion or at all; an inability to develop and successfully implement exploration strategies; the inability to successfully recover mineral property interests; general business, economic, competitive, political and social uncertainties; the lack of available capital; impact of COVID-19 or the evolving situation in Ukraine

on the business of the Company; 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](http://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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