

**July 15, 2019****Silver Spruce Announces Advanced Gold Project Acquisition**

**July 15, 2019 - Bridgewater, NS** - (TSXV:SSE) -- Silver Spruce Resources Inc. ("Silver Spruce" or the "Company") is pleased to announce that it has signed a binding Letter of Agreement ("LOA") with Prospeccion y Desarrollo Minero del Norte, S.A. de C.V. ("ProDeMin") to assume ProDeMin's option agreement to acquire 100% of the Cocula project, an advanced gold project in the Ameca mining district of Jalisco State, Mexico. The project is located within a very active exploration and mining region with several nearby projects including Agnico Eagle's El Barqueño exploration project and Endeavour Silver's Terronera development project. The LOA awards a Right Of First Refusal with a six-month due diligence period to Silver Spruce.

**The Cocula Project**

The Cocula project covers a 233.5 hectare land package that hosts part of a regional structural trend of gold, silver and base metal prospects. Cocula is an epithermal deposit with veins and breccia zones forming mineralized shoots hosted in intrusive rocks. The gold-rich breccia structure has a surface expression on the project of at least 800 metres along strike and is open in both directions and down dip. The project was previously explored by Timmins Gold, now Alio Gold, ("Timmins") until July 2011, when the company focused on its operating San Francisco mine.

**Cocula Mineralization**

Channel sampling by Timmins across the outcrop of the Cocula breccia returned 136m with 2.39 g/t Au, 19 g/t Ag, 1.07% Pb and 0.12% Zn. High grades of up to 25 g/t Au were reported for individual samples.

In 2008, Timmins drilled 27 RC holes (1,974 m) and confirmed the continuity of the Cocula breccia along 800m of strike, open in all directions. Some example intercepts are:

- Drill hole RCC-01 returned 7.5 m of 5.8 g/t Au within a longer interval of 37 m of 1.3 g/t Au, 13 g/t Ag, and 1.1 % Pb from the surface,
- Drill hole RCC-09 cut 10.5 m with 1.76 g/t Au and 13.5 m with 1.37 g/t Au within a larger interval of 54 m with 0.72 g/t Au, 8.9 g/t Ag, and 0.96% Pb, and
- Drill hole RCC-10 has an intercept of 37.5m with grades of 1.2 g/t Au; 13 g/t Ag and 1.34 % Pb that includes two narrow intervals of 3.0 m with 6.3 g/t Au and 7.5 m of 3.0 g/t Au.

**Non-Qualified Resource**

A very preliminary, non-qualified, manual, inferred resource estimation by Timmins yielded 108,081 ounces of gold in a global calculation with no cutoff, and about 75,000 ounces using a cutoff of 0.50 g/t gold plus additional values of silver, lead and zinc. The gold estimate was based on 1,552 assays for gold, from 27 reverse circulation drill holes and seven chip channel trenches. This resource was not calculated according to current NI 43-101 norms and should not be relied upon. The Company has not completed sufficient work to calculate a resource and is solely using this data as a guide for future exploration.

**Preliminary Metallurgy**

Preliminary metallurgical work cited in Timmins reports indicated generally good gold recoveries, including:

- Bottle rolls, -10 mesh, core: Au recoveries of 50-80%, Ag variable mostly over 70%.
- Bottle rolls, -10 mesh, trench samples: Au recoveries around 68%, Ag about 45%.
- Columns, up to 3/8 inch, trench samples: Au recoveries of 70% and Ag 35% over 31 days.

### **Binding Letter Of Agreement**

Key terms to purchase 100% interest include US\$160,000 due within two years of assumption of the ProDeMin contract; US\$330,000 due within year three; and US\$2.5 million due within year four. ProDeMin has an obligation to negotiate with concessions owners to delay payments and to accept cash and Company shares as payment.

The owners have retained a two percent Net Smelter Return royalty which is capped at US\$1.5 million and of which 1% can be purchased for US\$500,000.

Minimum work expenditures include US\$250,000 in the first two years and US\$500,000 within the following two years.

Silver Spruce has also agreed to reimburse ProDeMin US\$125,000 over two years for its previous option payments made to the owners, upon completion of the Company's financing requirements, and to issue 3 million of the Company's common shares to ProDeMin over four years.

### **Cocula Exploration Progress and Plans**

Field visits for the environmental/drill permit (Informe Preventivo) and the NI 43-101 technical report have been completed, and the Informe Preventivo has been submitted. Also, 16 samples of RC cuttings from the earlier drill program have been submitted to ALS Global for analysis to confirm the assay values for gold and other metals reported previously. This check sampling was designed to test some of the previously reported gold assays on individual samples as well as on intervals of adjacent samples. Negotiations for surface access agreements for the most important private parcels that cover the main Cocula exploration area have also been advanced and should be completed over the next few days.

Silver Spruce has commissioned a NI 43-101 report which will include confirmation of the Timmins sampling and drilling. ProDeMin has possession of the drill sample splits and pulps from the Timmins drilling campaign of which selected samples will be re-assayed. A field crew is on site taking due diligence samples including sampling of mineralized outcrop that will be included in the Qualified Person's preparation of the NI 43-101.

Silver Spruce has also commissioned an environmental crew and filed an Informe Preventivo ("IP") to permit its drill program at Cocula designed to confirm the Timmins drilling results, and to expand and qualify the Timmins resource to NI 43-101 standards. The approval of the IP is anticipated within the required twenty working days. Once the IP is approved, the drill program may commence. Drill roads and drill pads from the Timmins campaigns are accessible and will not require additional work.

The advanced condition of the Cocula project compels Management to focus the Company's resources on confirming the previous work by Timmins and to qualify the at-surface gold resource that may be amenable to near-term production via low-cost cyanide leaching techniques. Investigations into this production scenario have also begun.

### **Qualified Person**

Dr. Craig Gibson, Ph.D., CPG, is the Company's external Qualified Person for the Pino de Plata

project and is the Company's non-arms-length external Qualified Person for the Cocula Project and 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 Canadian junior exploration company pursuing development of the Pino de Plata project, located in the prolific Sierra Madre Occidental region of western Chihuahua State in Mexico. The Company has signed a binding Letter of Agreement to acquire 100% of the advanced Cocula gold project in Jalisco State, Mexico. Silver Spruce Resources Inc. continues to investigate opportunities that Management has identified or that have been presented to the Company for consideration.

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.

Contact:

Silver Spruce Resources Inc.

Karl Boltz, President/CEO/Director

(866) 641-3397

[info@silverspruceresources.com](mailto:info@silverspruceresources.com)

[www.silverspruceresources.com](http://www.silverspruceresources.com)

Copyright © 2019 by **Silver Spruce Resources Inc.** All rights reserved worldwide.

For more information, send questions and comments to [info@silverspruceresources.com](mailto:info@silverspruceresources.com)

*This page was created on Mon Jul 15, 2019 at 9:19:06 AM Pacific Time.*