

Strongbow exploration settles £1,500,000 loan from Osisko Gold Royalties



Strongbow Exploration Inc. (TSX-V: SBW)

Reported that it has reached agreement with [Osisko Gold Royalties](#) for the settlement of a \$1,500,000 loan to the Company in return for the transfer of a royalty on Westhaven Ventures Inc. Shovelnose property.



STRONGBOW SETTLES \$1,500,000 LOAN FROM OSISKO GOLD ROYALTIES

Vancouver, May 8, 2019

[Strongbow Exploration Inc. \(TSX-V: SBW\)](#) (“Strongbow” or the “Company”) is pleased to report that it has reached agreement (the “Royalty Purchase Agreement”) with Osisko Gold Royalties for the settlement of a \$1,500,000 loan to the Company in return for the transfer of a royalty on Westhaven Ventures Inc. (“Westhaven”) Shovelnose property.

Background

- On March 16, 2016, Strongbow announced that it had drawn down \$1,500,000 from a Line of Credit (the “Loan”) with its largest shareholder Osisko Gold Royalties, for the purchase of the Mactung and Cantung Royalties.
- The Mactung Royalty is a 4% Net Smelter Return Royalty on the Mactung tungsten project, which is located approximately 390km northeast of Whitehorse, Yukon, and approximately 790km west northwest of Yellowknife, NWT. The Mactung project straddles the border between Yukon and NWT. One half of the Mactung Royalty may be purchased by the property owner (to reduce the royalty to 2%) at any time for \$2,500,000.
- The Cantung Royalty is a 1% Net Smelter Return Royalty related to the Cantung tungsten project, which is located in western NWT, approximately 390km east northeast of Whitehorse, Yukon, and approximately 720km west of Yellowknife, NWT.
- Strongbow also holds a 2% NSR Royalty on Westhaven’s Shovelnose gold project (the “Shovelnose Royalty”), located in British Columbia. One half of the Shovelnose Royalty may be

purchased by the property owner (to reduce the royalty to 1%) at any time for \$500,000.

Richard Williams, Strongbow CEO, stated: *"We are very pleased with this agreement, which allows Strongbow to clean up its balance sheet and retain the Mactung and Cantung royalties, which are aligned with the Company's strategy of being a strategic metals company. Separately, Osisko has also committed to participating in any financing completed in association with Strongbow's planned listing on AIM. We thank Osisko for its continued support of the Company's endeavours."*

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Summary Terms of the Royalty Purchase Agreement

Pursuant to the terms of the Royalty Purchase Agreement, Strongbow and Osisko have agreed that the Company will transfer ownership of the Shovelnose Royalty to Osisko for a purchase price equal to the amount of the Loan provided by Osisko to the Company, and the purchase price will be paid by Osisko by way of set-off against the outstanding debt in full satisfaction of the Loan, on and subject to the terms and conditions set out in the Royalty Purchase Agreement.

Closing of the transactions contemplated by the Royalty Purchase Agreement is subject to approval of the TSX Venture Exchange.

The transactions contemplated by the Royalty Purchase Agreement will be a "related party transaction" within the meaning of Multilateral Instrument 61-101 Protection of

Minority Security Holders in Special Transactions ("MI 61-101") as a result of Osisko holding 28% of the Company's outstanding common shares. Related party transactions require a formal valuation and minority shareholder approval unless exemptions from these requirements are available. Strongbow is relying on the exemption from the formal valuation requirement in section 5.5(b) of MI 61-101 (as a result of its shares being listed on the TSX Venture Exchange) and the exemption from the minority approval requirement in section 5.7(a) of MI 61-101 (as neither the fair market value of the Shovelnose Royalty, nor the fair market value of the Loan, exceeds 25% of the Company's market capitalisation).

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ON BEHALF OF THE BOARD OF DIRECTORS

"Richard D. Williams"

Richard D. Williams, P.Geo