Osprey Signs Letter of Intent to Acquire Past-producing Caribou Gold Mine in Nova Scotia

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Vancouver, June 26, 2017 - Osprey Gold Development Ltd. (the "Company" or "Osprey") (TSXV: OS) is pleased to announce it has entered in to a binding Letter of Intent (the "LOI") with John Logan Enterprises Ltd. ("Logan"), setting forth the terms under which Logan has agreed to grant Osprey an option (the "Option") to acquire a 100% interest (subject to certain royalties) in 16 contiguous mining claims (256 hectares) hosting the past-producing Caribou Gold Property (the "Caribou Property") located 80 km northeast of Halifax, Nova Scotia (see accompanying map for specific property location and details). The LOI is subject to due diligence, definitive documentation governing the Option, and regulatory approval.

Company President Cooper Quinn said, "The proposed Caribou acquisition continues Osprey's strategy of adding projects in Nova Scotia's high-grade gold camps with outstanding exploration potential based on specific geological or structural attributes. A recent due diligence site visit, and historic reports, show there appear to be large areas of favorable Halifax Group argillites that will be explored for zones of disseminated gold. Argillites are the primary host for disseminated gold grades that, along with higher grade quartz veins create zones of gold mineralization broad enough to allow for open pit extraction at the region's Atlantic Gold's Moose River Consolidated ("MRC") project. The MRC processing facility and Touquoy resource are located approximately 13 kilometers by existing roads south of the Caribou Project. Disseminated gold potential will be investigated in addition to the known high-grade veins that were mined in the past plus more recently discovered zones of high grade gold in quartz stock works."

About the Caribou Property

- Strategically located, 8 kilometers north of Atlantic Gold's Touquoy Mine and Moose River Consolidated mill site and completely surrounded by Atlantic Gold claimholdings (see Figure 1 below);
- Historic drill results in stockwork zones include 11.2 metres grading 10.86 grams per tonne ("g/t") gold in Hole CM-98-01 and 9.8 metres grading 12.2 g/t gold in Hole SB-88-11;
- Project area includes broad areas of Halifax Group argillites, a favored host rock for disseminated gold and which at the Caribou Project are largely unexplored;
- Reported past production of over 100,000 gold ounces between 1869 and 1955, as reported in a historical technical report prepared for Scorpio Gold Corp. by Guy Mac Gillivray, P.Geo. of W.G. Shaw and Associates Limited in a report dated October 8, 2008 (the "Historical Report");
- An inferred historic resource of 94,763 ounces of gold in 350,305 tonnes grading 8.81 g/t gold, uncut (the "Historic Estimate"); and
- Using a grade cap for gold of 47.0 g/t (to compensate for nugget effect) the Historical Estimate for the Caribou Gold Property is 350,305 tonnes grading 5.83 g/t gold, or 67,425 ounces of gold;

The reader is cautioned that a qualified person has not done sufficient work to classify this Historical Estimate as current resources and Osprey is not treating this Historical Estimate as a current mineral resource. While this estimate was prepared in accordance with National Instrument 43-101 and the "Canadian Institute of Mining, Metallurgy and Petroleum Standards on Mineral Resources and Mineral Reserves Definition Guidelines" in effect at the time, there is no guarantee that it would be consistent with current standards and it should not be regarded as consistent with current standards. The Historical Estimate is relevant to obtain a reference to mineral potential present on the property. The Company has not undertaken any verification of the historical data upon which the historical estimates are based on.

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Figure 1 - Location map for Caribou Project, Halifax County, Nova Scotia

The Historical Report discloses that underground production from the Caribou district was first recorded in 1869. Since then approximately 108,250 ounces of historical gold production has been documented from the property in various production records and reports. Mining and milling records indicate an average mined grade of approximately 13 g/t, with local areas of 68 g/t. The Historic Estimate includes distinctive zones of gold in stockwork veining hosted by shears within the anticline. These contain broader zones of high grade gold than normally seen in the camp.

Lode gold mineralization is interpreted to be controlled by a north-northwest striking low angle axial structure that cuts the 35 km-long Caribou-Cochrane Hill Anticline.

Osprey intends to plan exploration programs to test the argillites, extend known high-grade veins, and expand and test for new zones of stockwork veining.

Location maps for the Caribou Property can be found at the Company's website, www.ospreygold.com.

Terms of the LOI

The terms of the LOI set forth the basic terms and conditions upon which Osprey and Logan intend to move forward with the acquisition (the "Transaction") by Osprey of the Option to acquire a 100% in the Caribou Property in consideration for aggregate payments of $900,000 and 100,000 common shares of Osprey, payable over a period of three years as follows:

- A $10,000 non-refundable deposit on signing the LOI;
- $190,000 and 100,000 common shares of Osprey on Closing;
- $200,000 and minimum work expenditure commitment of $100,000 within one year of Closing;
- $200,000 and an additional minimum work expenditure commitment of $100,000 within two years of Closing;
- $300,000 and an additional minimum work expenditure commitment of $100,000 within three years of Closing

Upon completion of the Transaction and earning its interest in the Caribou Project, Osprey shall grant Logan a 3.0% Net Smelter Royalty ("NSR") payable upon commencement of commercial production. Osprey retains the right to buy down 1.0% of the NSR for $500,000, and an additional 1.0% for an additional $750,000.

Completion of the Transaction is subject to certain customary conditions including without limitation, of satisfactory due diligence in respect of the Caribou Project, execution of definitive transaction documents and receipt of all necessary corporate and regulatory approvals, including the approval of the TSX Venture Exchange.

About Goldenville and Osprey

Osprey is focused on exploring historically producing gold properties in Nova Scotia, Canada. Osprey has the option to earn 100% (subject to certain royalties) in four properties, including the Goldenville Gold Project, Nova Scotia's largest historic gold producer. Goldenville hosts a current Inferred Resource of 2,800,000 tonnes at 3.20 grams per tonne ("g/t") gold for 288,000 ounces of gold (2,800,000 tonnes at 4.96 g/t gold for 447,000 ounces of gold uncapped) near the town of Sherbrooke, NS. All four properties in

Osprey's current portfolio have a history of high-grade gold production. A copy of the Company's technical report titled "Technical Report on the Goldenville Property, Guysborough County, Nova Scotia Canada" prepared by Brandon Macdonald, P.Geo., dated effective February 15th, 2017 is available under the Company's profile at www.SEDAR.com.

The technical information in this release has been reviewed and approved by the Company's Vice President of Exploration Perry MacKinnon, P.Geo, a 'Qualified Person' under NI 43-101.

Additional information regarding Osprey and the Goldenville property is available under the Company's profile at www.sedar.com and at www.ospreygold.com.

For further information please contact:

ON BEHALF OF Osprey Gold Development Ltd.,

"Cooper Quinn"

Cooper Quinn, President and Director

For further information please contact Osprey at (236)521-0944 or cooper@ospreygold.com

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