

Strongbow Announces Closing of \$7.17 Million Note Financing From, and Grant of Royalty Option to, Osisko Gold Royalties

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VANCOUVER, British Columbia, Jan. 29, 2018 (GLOBE NEWSWIRE) -- Strongbow Exploration Inc. ("Strongbow" or the "Company") (TSX-V:SBW) is pleased to announce the closing of its previously announced \$7.17 million secured note financing (the "Note Financing") from [Osisko Gold Royalties Ltd.](#) ("Osisko"), the Company's largest shareholder, which would be convertible into a 1.5% net smelter returns royalty (the "Royalty") on all metals and minerals produced from Strongbow's South Crofty tin project in Cornwall, UK (the "South Crofty Project"); see Company's news releases dated August 30, 2017 and January 18, 2018.

Under the Note Financing, the convertible note (the "Note") is secured by a first ranking lien on the assets of Strongbow and its subsidiaries. If an event of default occurs under either the Note or the Royalty Agreement (as defined below), Osisko is to have the right to realize upon its security and become the owner of all such assets. Osisko may not make a demand on the Note until the commencement of commercial production at the South Crofty Project (or otherwise upon the occurrence of an event of default). No interest is to be payable on the principal amount outstanding under the Note until December 31, 2021 (or otherwise on the occurrence of an event of default), after which time interest will accrue at an annual rate of 10%. If commercial production is not achieved at the South Crofty Project by December 31, 2025, all amounts owing under the Note would become due and payable.

In addition, in connection with this transaction, Strongbow and Osisko have entered into a governance and financing agreement (the "Governance and Financing Agreement") containing, among other things, the grant to Osisko of an option to purchase the Royalty in exchange for the Note (the "Royalty Option"). If, as and when Osisko exercises the Royalty Option, Strongbow and its affiliates will enter into a royalty agreement with Osisko (the "Royalty Agreement"), and Strongbow's performance and payment obligations will continue to be secured by the first ranking lien of Osisko. Once Strongbow has made royalty payments in excess of \$7.5 million, the scope of the first ranking liens will be reduced.

Osisko is a related party of Strongbow by virtue of beneficially owning, directly or indirectly, approximately 30.61% of the outstanding common shares of Strongbow and accordingly, the Note Financing and the grant of the Royalty Option each constitute a "related party transaction" within the meaning of *Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions* ("MI 61-101") and the policies of the TSX Venture Exchange (the "TSXV"). The Company relied upon the exemption from the requirement to obtain a formal valuation found in paragraph (b) of Section 5.5 of MI 61-101, as Strongbow's common shares are listed on the TSXV. Strongbow obtained minority shareholder approval of the Note Financing and the grant of the Royalty Option at its shareholders' meeting held on January 15, 2018.

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ON BEHALF OF THE BOARD OF DIRECTORS

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