

Bright future to shine on Strongbow's South Crofty tin project in Cornwall

Website: www.strongbowexploration.com

The electric vehicle (EV) revolution has galvanised battery metals such as lithium, cobalt and nickel – and now the tin market is becoming aware that it, too, might be a beneficiary.

The International Tin Association (ITA) has just released a report on the use of tin in lithium-ion batteries.

The takeaway is that this additional use beyond soldering and packaging could generate a demand surge of up to 60,000 tonnes per year by 2030. This might not sound like much, but keeping in mind last year's global consumption of about 357,000 tonnes, it represents a significant increase.

The shift in outlook for tin started in March last year when Rio Tinto Ventures published findings from a Massachusetts Institute of Technology (MIT) study at a Battery Metals conference in Australia, which projected that tin would be most impacted, relative to market size, by increases in

metals demand from new technologies.

The study indicates the steady, rising trend of tin consumption in electronics and strong new indications of use in emerging technologies. Coupled with a static supply curve, tin prices are expected to continue strengthening.

Prices of the metal have steadily climbed, rising from \$18,750 per tonne in November 2018 to current levels of \$21,275 per tonne – a 13.5% rise. The price climb appears to be stimulated by the return of instability

in the world's top exporter, Indonesia, and coincided with a significant downturn in tin production from Myanmar, which has dominated feedstock for China's tin smelters over the last five years.

Imports of tin concentrates from Myanmar fell by 26% to 184,000 tonnes in the first 10 months of 2018.

Global stockpiles tracked lower, falling from 1.9m tonnes in early July 2017 to around 400,000 tonnes in November 2018 – resulting from declining grades from newly mined material according to the ITA.

Tin is recognised as a strategic mineral, with neither the US or Europe having any primary mined tin production. Significant investment and exploration effort is required to ensure domestic supplies to the growing high tech economy.

STRONGBOW TO CAPITALIZE ON SURGING DEMAND FOR TIN
Strongbow Exploration, quoted on the TSX Venture

INTRODUCING STRONGBOW EXPLORATION...

AIMING TO BUILD A PORTFOLIO OF STRATEGIC METALS ASSETS IN NORTH AMERICA AND THE UK WITH ITS FLAGSHIP PROJECT THE PAST PRODUCING SOUTH CROFTY UNDERGROUND TIN MINE IN CORNWALL

Shares Spotlight

Strongbow Exploration

Exchange, hopes to capitalise on surging demand for tin and higher prices.

Strongbow's flagship project is the high-grade South Crofty property, which includes 26 former producing mines within a 1,490-hectare mining licence in Cornwall on the southwestern tip of Great Britain.

Tin is embedded in Cornwall's DNA - the metal has been mined in the region for thousands of years. Until just a few decades ago, Cornwall was the global production centre, with over 2,000 mines documented. But the tin price collapse in the mid-1980s laid waste to Cornwall's tin mining industry, and production moved elsewhere.

The South Crofty mine outlasted all the others but shut its doors and turned off the pumps in 1998, succumbing to 13 years of low tin prices.

Since Strongbow took on the project in 2016, it has updated the resource estimate. The resource was split into two: the high-grade tin-only lower mine resource and an upper mine resource that also has copper and zinc. The company plans to mine the lower resource first. It hosts 1.66 million tonnes Indicated at 1.81% tin and 740,000 tonnes Inferred at 1.91%. The upper mine resource has 257,000 tonnes grading 0.70% tin, 0.79% copper and 0.58% zinc Indicated (0.99% tin equivalent) and 464,000 tonnes grading 0.67% tin, 0.62% copper and 0.63% zinc (0.91% tin equivalent inferred).

At 1.8% tin in the tin-only lower mine resource, South Crofty is one of the highest-grade undeveloped tin



Owen Mihalop (2nd from the right) inspecting the pump to be used in the mine dewatering.

projects in the world.

In 2017, Strongbow published a PEA (preliminary economic assessment) on South Crofty that showed positive economics. At a 5% discount rate, South Crofty has an after-tax net present value of \$130.5m and an after-tax IRR of 23.4% (at metal prices of \$10 per pound of tin, \$2.65 per pound of copper and \$0.90 per pound of zinc). Tin is currently trading at \$9.71 per pound, copper at \$2.89 per pound, and zinc has moved higher at \$1.23 per pound.

FULLY PERMITTED SOUTH CROFTY BEING MOVED TO A PRODUCTION DECISION

The project has a valid mine permit (to 2071) and planning permission to construct a new process plant. After receiving a water discharge permit in October 2017, the project is now fully permitted.

In January 2018, Strongbow completed the sale of a 1.5% Net Smelter Returns Royalty to its largest shareholder, Osisko Gold Royalties, for CAD\$7.17m. Construction of the water treatment plant is expected to be completed in 2019. Strongbow plans to bring the project to a production decision and complete a

feasibility study in parallel with the mine dewatering process.

Strongbow is currently working on a dual listing on the AIM Exchange. To that extent, Strongbow entered into a financing and offtake agreement with Orion Mine Finance in November 2018 for the South Crofty tin project conditional on the AIM listing and Orion making an equity investment of no less than \$3m in common shares of Strongbow as part of the listing.

Also, Cornwall Council recently voted overwhelmingly in support of a £1m investment into Strongbow Exploration Inc., subject to Strongbow completing a dual listing on the London's AIM Exchange.

The listing on the AIM Exchange is expected to be completed soon and Strongbow will continue on its pathway to production once again at the South Crofty tin mine with the aim of bringing