

August 8, 2019

CSE: SHP

Shoal Point Energy Announces Closing of Private Placement

Shoal Point Energy Ltd. (CSE – SHP) today announced the closing of the Company’s previously announced (August 1, 2019) non-brokered Private Placement. A total of 14,831,250 units were placed for total gross proceeds of \$1,186,500.

Each unit, priced at \$0.08 per Unit, consisted of one share and one-half share purchase warrant. Each full warrant is exercisable at a strike price of \$0.15 with an expiry on the third anniversary of the date of closing of the transaction. These proceeds will be used for general working capital and to fund the Company’s obligations on the Mount Evans prospect in Kansas.

Portions of the private placement were subject to finder’s fees.

A director of the Company is a subscriber for Units in the Private Placement, and as such that director’s portion constitutes a related party transaction under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”). His participation in the Private Placement is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 because the fair market value of the subject matter of the transaction does not exceed 25% of the Company’s market capitalization. As a portion of the Private Placement is a related party transaction and was announced less than 21 days before its closing, MI 61-101 requires the Company to explain why the shorter period was reasonable or necessary in the circumstances. In the view of the Company it was necessary to immediately close the Private Placement in order to have the funds available for a cash call under a farm-in agreement and therefore, such shorter period was reasonable and necessary in the circumstances.

On behalf of the Board of Directors,

“Mark Jarvis”

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