

MONTREAL, QUEBEC--(Marketwired - Jul 26, 2016) - [Sphinx Resources Ltd.](#) ("Sphinx" or the "Corporation") (TSX VENTURE:SFX) is pleased to announce the adoption of the exploration project generator model to maximize long term shareholder value.

Exploration

The Corporation has a team of recognized mine finders with significant experience in exploration project generation. Sphinx aims to generate or acquire quality projects with good social acceptability, low cost exploration by ensuring year-round ground access, and a focus on precious metals. The Corporation will maintain a diverse portfolio of projects with various levels of advancement in different high grade metamorphic terranes, which have been often overlooked for their precious metals potential. Sphinx will concentrate first on Quebec with potential expansion into other Canadian provinces.

Over the last 3 years, Sphinx has concluded 10 agreements with reputable partners including the recent option and joint venture agreement with SOQUEM Inc. for the Calumet-Sud zinc project and the acquisition of the Chemin Troilus gold-copper project from Les Ressources Tectonic Inc. The Corporation is actively identifying new projects and strategic partners.

The Niobium Space

In the last two years, Sphinx has developed strong knowledge in the niobium space. Consequently, with the objective of enhancing shareholder value, Sphinx has entered into an agreement with Eco-Niobium Resources Inc. ("Eco-Niobium") providing for a strategic investment in Eco-Niobium of up to \$250,000 by way of a non-brokered private placement of unsecured convertible debentures of Eco-Niobium ("Debentures").

The Debentures will each mature 36 months after their respective issuance and bear interest at a rate of 3% per year. At maturity, both principal and accrued but unpaid interest under the Debentures must be repaid in cash. The Debentures can be converted at any time and from time to time prior to maturity, in whole or in part, into Class A common shares of Eco-Niobium (the "Eco-Niobium Shares") at the option of Sphinx or Eco-Niobium, and at a conversion price per share of \$5.00 (subject to customary adjustments). The investment will take place in three tranches, with the first tranche in the principal amount of \$85,000 expected to close on or about September 30, 2016. The second and third tranches, which are at the option of Sphinx, are expected to close as follows assuming Sphinx would exercise its option: (i) the second tranche by no later than October 31, 2016, for a principal amount of \$85,000; (ii) and the third tranche by no later than December 31, 2016, for a principal amount of \$80,000. Each closing is subject to customary closing conditions, including: (a) the TSX Venture Exchange (the "TSX-V") and the shareholders of Sphinx having authorized the investment in accordance with the policies of the TSX-V; (b) no default having occurred on or prior to such closing; and (c) all of the shareholders of Eco-Niobium having undertaken in writing to sign a shareholders' agreement with Sphinx and Eco-Niobium (the "Shareholders' Agreement") upon conversion of the Debentures.

The Shareholders' Agreement includes customary provisions for private companies, including pre-emptive rights on future share issuances by Eco-Niobium, restrictions on share transfers, a right of first refusal on share transfers, a drag-along provision and a tag-along provision. Pursuant to the Shareholders' Agreement, Sphinx will have the right to nominate three directors on a board of seven. The other directors will be nominated by the controlling shareholders of Eco-Niobium. Sphinx will also have veto rights on certain important decisions, including any material change to the nature of Eco-Niobium's business, any steps to wind-up or dissolve Eco-Niobium, any change in the number of directors, and the employment of any person with an annual salary in excess of \$300,000. All shareholders will be subject to a three-year non-competition obligation in the domain of development, exploration and exploitation of niobium mines. Eco-Niobium will be required to hire as its accountant the financial director selected by Sphinx.

The TSX-V has conditionally approved the investment. The investment may not close until the TSX-V has given its final approval once all its conditions have been satisfied, which must be satisfied on or prior to September 30, 2016 and include the approval by the shareholders of Sphinx, excluding the votes of non-arms' length parties. The investment is a non-arms' length transaction under the policies of the TSX-V as a result of three directors being also directors of Eco-Niobium, namely Normand Champigny, Kerry E. Sparkes and John W. W. Hick. Consequently, the votes attached to common shares of Sphinx held by these gentlemen will be excluded. Sphinx intends to seek this disinterested shareholder approval at its next Annual General and Special Meeting currently scheduled to be held on September 29, 2016. Additional details on the investment and this approval will be communicated to shareholders when Sphinx sends its management proxy circular.

Prior to obtaining such disinterested shareholder approval, the TSX-V has authorized Sphinx to provide a bridge loan to Eco-Niobium. This bridge loan has a principal amount of \$85,000, bears interest at the rate of 3% per annum and matures in 36 months. The bridge loan is not convertible into Eco-Niobium Shares and is secured by a movable hypothec on all present and future movable assets of Eco-Niobium. To the extent Eco-Niobium would acquire in the future any immovable assets or mining rights, it has agreed to grant to Sphinx an immovable hypothec on such assets and rights. The Debentures provide Sphinx with the option to pay the aggregate principal amount of \$85,000 of the first tranche of the Debentures by cancelling the bridge loan, waiving any accrued interest and discharging any hypothec granted by Eco-Niobium.

Assuming all conditions of the TSX-V and all closing conditions are satisfied and the three closings occur, once the Debentures will have been converted into Eco-Niobium Shares, Sphinx will hold 5% of the outstanding Eco-Niobium Shares on a

fully-diluted basis. In the event that only one or two closings take place, the percentage of Eco-Niobium Shares held by Sphinx will be pro-rated accordingly. Pursuant to the Shareholders Agreement, Eco-Niobium will agree to seek an initial public offering of the Eco-Niobium Shares on the TSX-V no later 24 months following the signature of the Shareholders' Agreement.

The net proceeds of the Debentures will be used for general corporate purposes and to advance mining projects of Eco-Niobium including the social acceptability aspects of a niobium project of the Oka area, which is conceptually distinct from the niobium mine project for Oka which has been proposed to date by Niocan Inc. ("Niocan"), as described on Eco-Niobium's web site www.eco-niobium.com.

Conference call

Sphinx will host a conference call on its strategy and the Eco-Niobium investment on Tuesday, July 26, 2016 at 2 pm Eastern Time. To participate in the call, dial 1-855-453-6954 with the conference ID 8555227. A playback will be made available two hours after completion of the call and the access code will be available of the Corporation's web site at www.sphinxresources.ca.

The technical information presented in this press release has been approved by Normand Champigny, President, Chief Executive Officer of Sphinx, and a Qualified Person as defined by NI 43-101.

About Eco-Niobium

Eco-Niobium is a private corporation and its mission is the social acceptability and sustainability of hydraulic, energy, agriculture, and mineral resources development in Oka. Eco-Niobium is proposing an exclusive and innovative alternative to Niocan with respect to a potential niobium project. In the Oka area, Eco-Niobium has no rights to or interest in Niocan's mining lease and claims, nor does it have any other applicable mining rights.

About Sphinx

Sphinx is engaged in the generation and acquisition of exploration projects in Québec and Canada which is recognized as an attractive mining jurisdiction worldwide.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

This press release may contain forward-looking statements that are subject to known and unknown risks and uncertainties that could cause actual results and activities to vary materially from targeted results and planning. Such risks and uncertainties include those described in Sphinx's periodic reports including the annual report or in the filings made by Sphinx from time to time with securities regulatory authorities.

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