STRONGBOW EXPLORATION INC.

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

JULY 31, 2017

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

Reader’s Note

These consolidated condensed interim financial statements of Strongbow Exploration Inc. (“Strongbow”) for the three and six months ended July 31, 2017 have been prepared by and are the responsibility of Strongbow’s management.

Strongbow’s independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity’s auditor.

STRONGBOW EXPLORATION INC.
CONSOLIDATED CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	July 31, 2017	January 31, 2017
ASSETS		
Current		
Cash	$ 204,947	$ 1,721,363
Marketable securities (Note 5)	324,150	218,800
Receivables (Note 6)	12,985	72,450
Prepaid expenses	16,413	68,248
	558,495	2,080,861
Deposits	34,094	9,300
Property, plant and equipment (Note 8)	1,023,207	958,210
Royalties (Note 9)	992,335	992,335
Exploration and evaluation assets (Note 10)	5,106,976	4,386,969
	$ 7,715,107	$ 8,427,675
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 7)	$ 83,159	$ 276,362
Long-term liability (Note 11)	1,195,761	1,115,693
	1,278,920	1,392,055
CAPITAL AND RESERVES		
Capital stock (Note 12)	32,837,736	32,723,836
Commitment to issue shares (Note 10)	2,000,000	2,000,000
Share-based payment reserve (Note 12)	4,567,318	4,448,286
Investment revaluation reserve	1,639	13,289
Deficit	(32,970,506)	(32,149,791)
	6,436,187	7,035,620
	$ 7,715,107	$ 8,427,675

Nature and Continuance of Operations and Going Concern Assumption (Note 1)
Commitments (Note 16)
Subsequent Events (Note 19)

Approved and authorized on behalf of the Board on September 29, 2017:

"D. Grenville Thomas" Director *"Richard Williams"* Director

The accompanying notes are an integral part of these consolidated condensed interim financial statements.

STRONGBOW EXPLORATION INC.
CONSOLIDATED CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Three Months Ended		Six Months Ended	
	July 31, 2017	July 31, 2016	July 31, 2017	July 31, 2016
EXPENSES				
Accretion (Note 11)	$ 41,390	$ 17	$ 80,067	$ 108
Advertising and promotion	132,287	29,926	270,629	47,723
Depreciation (Note 8)	617	664	1,235	1,328
Insurance	11,266	4,544	22,164	8,939
Office, miscellaneous and rent	20,278	21,612	42,021	40,129
Professional fees	143,243	24,023	223,811	49,491
Generative exploration (recovery) costs	(117,000)	5,878	(111,039)	7,173
Regulatory and filing fees	7,652	3,513	14,586	24,071
Share-based compensation	45,117	15,437	119,032	42,309
Salaries and benefits	74,041	44,851	151,740	89,034
Total operating expenses	(358,891)	(150,465)	(814,246)	(310,305)
Foreign exchange gain (loss)	(1,148)	440	(6,468)	313
Interest income	-	-	-	619
Write-off of exploration and evaluation assets	-	-	-	-
Loss before income taxes	(360,039)	(150,025)	(820,714)	(309,373)
Income tax recovery	-	25,792	-	25,792
Loss for the period	(360,039)	(124,233)	(820,714)	(283,581)
Other comprehensive loss for the period				
Unrealized gain (loss) on marketable securities and investments	21,200	400	(11,650)	198,400
Total comprehensive loss for the period	$ (338,839)	$ (124,633)	$ (832,364)	$ (85,181)
Basic and diluted loss per share	$ (0.01)	$ (0.00)	$ (0.01)	$ (0.00)
Weighted average number of common shares outstanding	60,837,512	31,933,466	60,707,625	28,805,337

The accompanying notes are an integral part of these consolidated condensed interim financial statements.

STRONGBOW EXPLORATION INC.
CONSOLIDATED CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	For the Six Months Ended July 31, 2017	For the Six Months Ended July 31, 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (820,714)	$ (309,373)
Items not involving cash:		
Accretion	80,067	108
Depreciation	1,235	1,328
Generative exploration costs	(117,000)	1,096
Share-based compensation	119,032	42,309
Changes in non-cash working capital items:		
Decrease (increase) in receivables	59,465	(6,268)
Decrease in prepaid expenses	51,836	2,840
Increase in accounts payable and accrued liabilities	(53,687)	(5,036)
Net cash used in operating activities	(679,766)	(272,996)
CASH FLOWS FROM INVESTING ACTIVITIES		
Asset acquisition (Note 10)	-	(1,352,128)
Acquisition of exploration and evaluation assets (Note 10)	(810,377)	(160,960)
Acquisition of property, plant and equipment (Note 8)	(108,715)	-
Acquisition of royalties (Note 9)	-	(1,500,000)
Increase in deposits	(31,458)	-
Expenditures to reduce asset retirement obligation	-	(42,937)
Net cash used in investing activities	(950,550)	(3,056,025)
CASH FLOWS FROM FINANCING ACTIVITIES		
Debt (Note 11)	-	1,500,000
Common shares issued – warrant exercise	113,900	-
Common shares issued – private placement financing, net	-	2,214,085
Net cash provided by financing activities	113,900	3,714,085
Change in cash during the period	(1,516,416)	385,064
Cash beginning of the period	1,721,363	528,301
Cash end of the period	$ 204,947	$ 913,365
Cash paid during the period for interest	$ -	$ -
Cash paid during the period for income taxes	$ -	$ -

Supplemental disclosure with respect to cash flows (Note 15)

The accompanying notes are an integral part of these consolidated condensed interim financial statements.

STRONGBOW EXPLORATION INC.
CONSOLIDATED CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
SIX MONTHS ENDED JULY 31
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Capital Stock			Reserves			
	Number of shares	Amount	Commitment to issue shares	Share-based payment reserve	Investment revaluation reserve	Deficit	Total
Balance at January 31, 2016	25,607,694	$28,031,097	$ -	$ 4,217,482	$ (112,325)	$(30,979,253)	$ 1,157,001
Private placement	18,283,000	2,285,375	-	-	-	-	2,285,375
Share issue costs	-	(101,054)	-	29,764			(71,290)
Property option agreement	2,000,000	400,000	-	-	-	-	400,000
Share-based compensation	-	-	-	42,309	-	-	42,309
Unrealized gain on marketable securities	-	-	-	-	198,400	-	198,400
Loss for the period	-	-	-	-	-	(309,373)	(309,373)
Balance at July 31, 2016	**45,890,694**	**$30,615,418**	**-**	**$ 4,289,555**	**$ 86,075**	**$(31,288,626)**	**$ 3,702,422**
Balance at January 31, 2017	60,573,360	$32,723,836	$2,000,000	$ 4,448,286	$ 13,289	$(32,149,791)	$ 7,035,620
Common shares issued upon warrant exercise	569,500	113,900	-	-	-	-	113,900
Share-based compensation	-	-	-	119,032	-	-	119,032
Unrealized loss on marketable securities	-	-	-	-	(11,650)	-	(11,650)
Loss for the period	-	-	-	-	-	(820,714)	(820,714)
Balance at July 31, 2017	**61,142,860**	**$32,837,736**	**$ 2,000,000**	**$ 4,567,318**	**$ 1,639**	**$(32,970,506)**	**$ 6,436,187**

The accompanying notes are an integral part of these consolidated condensed interim financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS AND GOING CONCERN ASSUMPTION

Strongbow Exploration Inc. (the "Company" or "Strongbow") is incorporated federally under the laws of the Canada Business Corporations Act ("CBCA"). The consolidated financial statements of the Company are presented in Canadian dollars, which is the functional currency of the Company. The Company trades on the TSX Venture Exchange ("TSX-V"), (TSX-V – SBW) and its head office is located at Suite 960 – 789 West Pender Street, Vancouver, BC, Canada V6C 1H2. The Company has two wholly-owned subsidiaries: Strongbow Alaska, Inc. which is incorporated under the laws of Alaska, USA and Strongbow Exploration (UK) Ltd., which was incorporated under the laws of the United Kingdom in February 2016.

The Company's principal business activity is the acquisition and exploration of exploration and evaluation assets. To date, the Company has not generated significant revenues from operations and is considered to be in the exploration stage.

The Company is in the process of acquiring and exploring its exploration and evaluation assets and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets and related deferred costs is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the financing necessary to complete the development of its exploration and evaluation assets and upon future profitable production.

These consolidated financial statements have been prepared on a going concern basis with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. However, the Company has sustained substantial losses from operations since inception and has no current source of revenue. Continued operations of the Company and further exploration on the remaining exploration and evaluation assets is dependent on the Company's ability to complete additional equity financings or generate profitable operations in the future. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported amounts of expenses and the classification of statement of financial position items if the going concern assumption was inappropriate. These adjustments could be material.

As at July 31, 2017, the Company had current assets of $558,495 to settle current liabilities of $83,159. Although the Company has positive working capital of $475,336 as at July 31, 2017, the Company may be required to delay discretionary expenditures if additional financing cannot be obtained on reasonable terms. Failure to obtain additional financing when required may result in the loss of some or all of the Company's exploration and evaluation assets (Note 10).

On August 30, 2017, the Company announced the sale of a 1.5% royalty on the South Crofty project to Osisko Gold Royalties Ltd. ("Osisko") as well as a non-brokered private placement of common shares (Note 19).

2. BASIS OF PRESENTATION

Statement of Compliance

These consolidated condensed interim financial statements have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting ("IAS 34") using the same accounting policies and methods of application as the audited consolidated financial statements of the Company for the year ended January 31, 2017. These consolidated condensed interim financial statements do not include all disclosures required by International Financial Reporting Standards ("IFRS") for annual audited consolidated financial statements and accordingly should be read in conjunction with the Company's annual audited consolidated financial statements for the year ending January 31, 2017 prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

The policies applied in these consolidated condensed interim financial statements are based on IFRS issued and outstanding as of September 29, 2017, the date the Board of Directors approved the statements.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These condensed interim financial statements are expressed in Canadian dollars, the Company's functional and presentation currency, the currency of the primary economic environment in which it operates. These condensed interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as *financial instruments at fair value through profit and loss*, which are stated at their fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Accounting policies used in the preparation of these financial statements are consistent with those described in the Company's audited annual financial statements for the year ended January 31, 2017.

New Standards Not Yet Adopted

IFRS 9, *Financial Instruments* ("IFRS 9") is effective for annual periods beginning on or after January 1, 2018. IFRS 9 introduces new requirements for the classification and measurement of financial assets and liabilities as well as derecognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is amortized at cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest, otherwise it is at fair value through profit and loss.

IFRS 15, *Revenue from contracts with customers* ("IFRS 15") is effective for annual periods commencing on or after January 1, 2018. This new standard establishes a new control-based revenue recognition model which could change the timing of revenue recognition.

IFRS 16*, Leases* ("IFRS 16") is effective for annual periods commencing on or after January 1, 2019. This new standard eliminates the classification of leases as either operating leases or finance leases and introduces a single lessee accounting model which requires the lessee to recognize assets and liabilities for all leases with a term of longer than 12 months. Early adoption is permitted provided IFRS 15 has already been adopted or is applied from the same date.

The Company is currently assessing the impact of these new and amended accounting standards on its consolidated financial statements.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, marketable securities, receivables, accounts payable and accrued liabilities and debt. Cash is carried at fair value using a level 1 fair value measurement. The carrying value of receivables, accounts payable and accrued liabilities approximate their fair values due to their immediate or short-term maturity. Marketable securities are recorded at fair value based on the quoted market prices in active markets at the statement of financial position date, which is consistent with level 1 of the fair value hierarchy. Long term debt is recorded at the transaction value and subsequently carried at amortized cost.

The Company is exposed to a variety of financial risks by virtue of its activities, including credit risk, liquidity risk, foreign currency risk and equity market risk. The Company's objective with respect to risk management is to minimize potential adverse effects on the Company's financial performance. The Board of Directors provides direction and guidance to management with respect to risk management. Management is responsible for establishing controls and procedures to ensure that financial risks are mitigated to acceptable levels.

Credit risk

Credit risk is the risk of financial loss to the Company if a counter-party to a financial instrument fails to meet its contractual obligations. The Company's receivables consist primarily of sales tax receivables due from the federal government and receivables from companies with which the Company has exploration agreements or options. The maximum exposure to credit risk at the reporting date is the carrying value of the Company's receivables and cash.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise the funds required through future equity financings, asset sales, exploration option agreements, or a combination thereof. The Company has no regular cash flow from its operating activities. The Company manages its liquidity risk by forecasting cash flow requirements for its planned exploration and corporate activities, and anticipating investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of annual budgets and significant expenditures and commitments. Failure to realize additional funding, as required, could result in the delay or indefinite postponement of further exploration of the Company's properties, and could result in the Company being unable to meet the continued listing requirements of the TSX-V. As at July 31, 2017, the Company had current assets of $558,495 to settle current liabilities of $83,159. In September 2017, the Company completed a non-brokered private placement of 15,714,228 common shares at $0.14 per share for gross proceeds of $2,199,992 (Note 19).

Foreign Currency Risk

The Company has exposure to foreign currency risk through its exploration and evaluation assets in the United States and the United Kingdom. To the extent that the Company has assets, liabilities or expenses denominated in US Dollars or UK Pounds Sterling, the Company will be affected by changes in exchange rates between the Canadian dollar and these currencies. The Company does not presently invest in foreign currency contracts to mitigate this risk. It is management's opinion that the Company is not exposed to significant foreign currency risk as at and for the three and six months ended July 31, 2017.

Interest rate risk

The Company is exposed to interest rate risk to the extent that the fair value or future cash flows of a financial instrument fluctuate due to changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of any short-term investment included in cash is limited because these investments, although readily convertible to cash, are generally held to maturity.

Equity market risk

The Company is exposed to equity price risk arising from its marketable securities, which are classified as available for sale. The Company plans to sell its marketable securities as market conditions permit, or as is required to finance the Company's operations from time-to-time.

(Expressed in Canadian dollars)

5. MARKETABLE SECURITIES

The Company holds 3,525,000 common shares in three TSX-V listed companies (January 31, 2017 – 2,225,000 common shares).

	July 31, 2017		January 31, 2017	
	Cost	**Fair Market Value****	Cost	Fair Market Value
Various public companies	**$ 335,800**	**$ 324,150**	$ 203,525	$ 218,800

**Includes 3,500,000 common shares (fair market value of $315,000) of Westhaven Ventures Inc. ("Westhaven") a company related to the Company by virtue of a common director (D. Grenville Thomas).

During the six months ended July 31, 2017, the Company received 1,300,000 common shares with an estimated fair value of $117,000 for the sale of its interest in the Skoonka Creek Gold Property to Westhaven (Note 10), which has been credited to generative exploration recovery on the condensed interim consolidated statement of loss and comprehensive loss.

6. RECEIVABLES

		July 31, 2017		January 31, 2017
Other receivables	**$**	**159**	$	823
VAT receivables		**6,862**		61,589
GST receivables		**5,964**		10,038
Total	**$**	**12,985**	$	72,450

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		July 31, 2017		January 31, 2017
Trade payables	**$**	**29,346**	$	230,433
Related party payable		**14,657**		3,097
Accrued liabilities		**39,156**		42,832
Total	**$**	**83,159**	$	276,362

(Expressed in Canadian dollars)

8. PROPERTY, PLANT AND EQUIPMENT

Cost	Computer Equipment	Furniture & Fixtures	Land & Site	Motor Vehicles	Water Treatment Plant (in progress)	Equipment	Total
As at January 31, 2017	$ 53,154	$ 6,000	$ 665,000	$ 33,000	$ -	$ 306,000	$1,063,154
Additions	-	-	-	-	108,715	-	108,715
As at July 31, 2017	**$ 53,154**	**$ 6,000**	**$ 665,000**	**$ 33,000**	**$ 108,715**	**$306,000**	**$1,171,869**
Accumulated Depreciation							
As at January 31, 2017	$ (44,919)	$ (700)	$ -	$ (5,775)	$ -	$ (53,550)	$ (104,944)
Depreciation	(1,235)	-	-	-	-	-	(1,235)
Capitalized depreciation	-	(530)	-	(4,084)	-	(37,868)	(42,482)
As at July 31, 2017	**$ (46,155)**	**$ (1,230)**	**$ -**	**$ (9,859)**	$ -	**$ (91,418)**	**$ (148,661)**
Net book value							
As at January 31, 2017	$ 8,235	$ 5,300	$ 665,000	$ 27,225	$ -	$ 252,450	$ 958,210
As at July 31, 2017	**$ 7,000**	**$ 4,770**	**$ 665,000**	**$ 23,141**	**$ 108,715**	**$ 214,583**	**$1,023,207**

9. ROYALTIES

Mactung and Cantung Royalty Acquisition

In March 2016, the Company purchased from Teck Resources Limited ("Teck") a 4% NSR on the Mactung tungsten project (one-half of which (2%) may be purchased by the property owner at any time for $2,500,000) and a 1% NSR on the Cantung tungsten project (collectively, the "Royalties"). The Mactung project (non-producing) is located in the Yukon and the Northwest Territories; the Cantung project (non-producing) is located in the Northwest Territories. The Company paid $1,500,000 to Teck upon closing of the acquisition and will make a further $1,500,000 payment to Teck on the earlier of a development decision at Mactung or the re-commencement of commercial production at Cantung.

Osisko, a significant shareholder of the Company, provided a $1,500,000 interest-free line of credit to the Company to complete the royalty acquisition. The estimated net present value of the payment on the acquisition date was $992,335 assuming a 15% discount rate (Note 11).

(Expressed in Canadian dollars)

10. EXPLORATION AND EVALUATION ASSETS

	January 31, 2017	Expended During the Period	**July 31, 2017**
Tin Properties, Alaska, USA			
Exploration costs	$ 17,339	$ 1,399	**$ 18,738**
Acquisition costs	725,692	-	**725,692**
Geological and assays	6,541	-	**6,541**
Office and salaries	3,506	-	**3,506**
	753,078	1,399	**754,477**
South Crofty, Cornwall, UK			
Exploration costs	186,952	161,543	**348,495**
Acquisition	2,843,374	-	**2,843,374**
Acquisition costs	37,554	48,762	**86,316**
Geological and assays	277,585	175,485	**453,070**
Office and salaries	288,426	332,818	**621,244**
	3,633,891	718,608	**4,352,499**
	$ 4,386,969	$ 720,007	**$ 5,106,976**

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its properties is in good standing.

10. EXPLORATION AND EVALUATION ASSETS – *Continued*

South Crofty Tin Project, Cornwall, UK

On July 11, 2016, the Company acquired, from administration, a 100% interest in the South Crofty Tin Project and associated mineral rights in Cornwall, UK. The Company, through its wholly-owned subsidiary Strongbow Exploration (UK) Limited owns a 100% interest in Western United Mines Limited ("WUML") and Cornish Minerals Limited (Bermuda) (collectively the "Companies"). The Companies hold the rights to the South Crofty underground mine permission area, plus additional mineral rights located in various parts of Cornwall, UK.

In addition to the cash and common share consideration of $1,853,374 paid on July 11, 2016, the Company agreed to the following additional payments and share issuances as part of the purchase and sale agreement with Galena Special Situations Fund ("Galena") and Tin Shield Production Ltd. ("Tin Shield") (collectively, the "Sellers"), whereby the Sellers would split the payments 52.5% to Galena and 47.5% to Tin Shield:

- Strongbow will make a $2,000,000 payment to the Sellers on the second anniversary of the approval vote by creditors for WUML's exit from administration (date set at June 10, 2018). While Strongbow has the right to settle 50% of this payment in cash, the Company expects that 100% of the payment will be settled with the issuance of common shares and recorded a commitment to issue shares totaling $2,000,000.
- Strongbow will issue 1,000,000 common shares to the Sellers upon receipt of a permit to increase water discharge from the old mine workings from 10,000m^3 per day to 25,000m^3 per day.
- Strongbow will issue 2,000,000 common shares to the Sellers on delivery of a positive feasibility study or commencement of commercial production, whichever occurs first.
- Strongbow will make a cash and / or common share payment to the Sellers equal to 25% of the Net Present Value ("NPV") of the project upon making a decision to go into production. In the event that Strongbow's market capitalization is less than the NPV of the project when a production decision is made, Strongbow will pay the equivalent of 25% of its market value to the Sellers and the balance (between the 25% of market value and 25% of the NPV of the project) will be paid out as a 5% Net Profits Interest from production.
- In the event that Strongbow transfers any assets, rights, or entitlements to certain mineral rights which are not part of the core mineral rights (the "Other Mineral Rights") to a third party before the agreed consideration has been paid to the Sellers, then the Sellers will be entitled to receive a payment equal to 10% of any consideration received for the Other Mineral Rights, to a maximum of $1,000,000.

Sleitat and Coal Creek Tin Properties, Alaska, U.S.A.

On July 24, 2015, the Company acquired the Sleitat and Coal Creek tin properties in Alaska (collectively, the "Properties") subject to the terms of a property purchase agreement (the "Agreement") with Osisko and Mr. R. Netolitzky, and their respective wholly-owned companies, Brett Alaska Resources Inc. ("Brett") and Thor Gold Alaska, Inc. ("Thor"). Thor held a 20% undivided interest in the Sleitat property and Brett held an 80% undivided interest in the Sleitat property and a 100% interest in the Coal Creek property. Mr. Netolitzky is a director of the Company and is therefore not at arm's length to the Company. The Company acquired the Properties for total consideration of 6,500,000 common shares of the Company allocated as to 5,000,000 common shares to Brett and 1,500,000 common shares to Thor, and a 2% Net Smelter Return ("NSR") royalty on the Properties. The NSR royalty was allocated 1.75% to Brett and 0.25% to Thor. The common shares were issued at $0.10 per share for a value of $650,000. In addition, property acquisition costs of $40,123 were incurred.

In addition to the shares and the NSR royalty, the Company granted Osisko a first right of refusal on the sale of any future royalties on any of its properties.

10. EXPLORATION AND EVALUATION ASSETS – *Continued*

Other Exploration Properties and Generative Exploration, Canada

Other Properties

The Company maintains a number of mineral rights in Saskatchewan and the Northwest Territories, including the Nickel King Project described below, as part of the Company's generative exploration programs.

Nickel King Project, NWT

The Company holds a 100% interest in a number of mining leases in the southern Northwest Territories. Certain of these mining leases are subject to a 3% NSR on base and precious metals production and an additional 2% gross overriding royalty ("GOR"). The Company may purchase the entire NSR at any time for $1,500,000 and the Company may purchase one-half (1%) of the GOR at any time for $2,500,000. During the year-ended January 31, 2014, the Company wrote off all capitalized acquisition and exploration expenditures due to limited exploration activities over the preceding three fiscal years. The Company maintains its interest in the underlying mining leases for the Nickel King Project by making annual lease payments of $5,883.

Gold and Base Metal Properties, British Columbia

Skoonka Creek Gold Property

In May 2017, the Company sold its 65.74% interest in the Skoonka Creek Gold Property ("Skoonka") to Westhaven. Almadex Minerals Ltd. ("Almadex"), also agreed to sell its 34.26% interest in the Skoonka property to Westhaven. Under the terms of the property purchase agreement amongst Strongbow, Almadex and Westhaven, Westhaven issued a total of 2,000,000 common shares to Strongbow and Almadex, of which 1,300,000 common shares were allocated to Strongbow and 700,000 common shares were allocated to Almadex. In addition, Almadex retained a 2% net smelter return royalty on Skoonka. Westhaven is related to the Company by virtue of a common director (D. Grenville Thomas). The 1,300,000 common shares received were recorded at a value of $117,000 and credited to generative exploration costs (recovery) on the consolidated condensed interim statements of loss and comprehensive loss.

(Expressed in Canadian dollars)

11. LONG-TERM LIABILITIES

Line of Credit

On March 15, 2016, Osisko, a significant shareholder of the Company, provided a $1,500,000 interest-free line of credit (the "Loan") to the Company to complete the acquisition of two royalties from Teck (Note 9). The Company must repay the Loan upon any sale of the Mactung project by the Government of the Northwest Territories; the Loan is secured by the royalties. Repayment of the Loan will be by conveyance of the royalties to Osisko at Osisko's election at any time after the sale of the Mactung project by the Government of the Northwest Territories, or in cash under certain other circumstances. Any failure to repay the Loan is considered an event of default (a "Default"). In the event of a Default, the $1,500,000 principal will be repayable immediately in cash and interest of 5% will also be payable, calculated from the drawdown date of the Loan to the date of repayment. The Loan is secured by a charge on the two royalties.

		Six Months Ended July 31, 2017		Year Ended January 31, 2017
Opening balance	**$**	**1,115,693**	$	-
Estimated present value of payment obligation at acquisition		**-**		992,335
Accretion		**80,067**		123,358
Ending balance	**$**	**1,195,761**	$	1,115,693

The estimated present value of this payment obligation has been calculated using a discount rate of 15%. As at the March 2016 acquisition date, we assumed that the Mactung Project would be sold within a three year period, thereby triggering a repayment of the $1.5 million line of credit.

12. CAPITAL AND RESERVES

Authorized Share Capital

At July 31, 2017, the authorized share capital is an unlimited number of common shares without par value. All issued shares are fully paid.

Share issuances

During the period ended July 31, 2017 the Company issued 569,500 common shares upon the exercise of warrants for gross proceeds of $113,900.

During the six months ended July 31, 2016, the Company issued 18,283,000 units at $0.125 per unit in a non-brokered private placement for gross proceeds of $2,285,375. Each Unit consisted of one common share and one whole share purchase warrant (the "Subscriber Warrant"). Each Subscriber Warrant allows the holder to purchase one common share of Strongbow at a price of $0.20 for a three year period following closing, subject to the acceleration right described below. The Company paid a 5% finder's fee in cash of $43,500 and issued 348,000 warrants (the "Finder's Warrants") equivalent to 5% of the subscription introduced by the finder with an estimated fair value of $29,764. In addition, the Company incurred additional share issue costs of $27,790. The Finder's Warrants have the same exercise terms as the Subscriber Warrants and are subject to the acceleration right described below.

Acceleration Right - Warrants
If on any 20 consecutive trading days the closing price of the Company's common shares (or the closing bid, if no sales were reported on a trading day) as quoted on the TSX-V (or such other stock exchange, quotation system or market on which such shares are then listed) is greater than $0.50 during the term of the Warrants, then the Company may accelerate the expiry date of the Warrants to the 30th day after the date on which the Company gives notice to the subscriber of such acceleration in accordance with the Warrant. Any Warrants not exercised on or before such 30th business day will expire and will no longer be exercisable to acquire shares.

(Expressed in Canadian dollars)

12. CAPITAL AND RESERVES - *Continued*

Share issuances - *Continued*

The finder's warrants issued as part of the June and July 2016 private placement were valued at $29,764 based upon the Black-Scholes valuation model using the following assumptions:

	Assumptions
Risk-free interest rate	**0.55~0.56%**
Expected dividend yield	**0%**
Expected stock price volatility	**216%**
Expected option life in years	**3 years**
Forfeiture rate	**0%**

In July 2016, in connection with the acquisition of the South Crofty tin project (Note 10) the Company also issued 2,000,000 common shares with a value of $400,000.

Stock options and warrants

The Company has a "10% rolling" stock option plan (the "Plan"). The maximum aggregate number of common shares issuable pursuant to options awarded under the stock option plan and outstanding from time to time may not exceed 10% of the issued and outstanding common shares from time to time.

Under the terms of the Plan, options will be exercisable over periods of up to five years as determined by the Board of Directors and must have an exercise price not less than the closing market price of the Company's shares prevailing on the day that the option is granted. Under the Plan, the Board of Directors may from time to time authorize the grant of options to directors, officers, employees and consultants of the Company and its subsidiaries, or employees of companies providing management or consulting services to the Company or its subsidiaries

The Plan provides that the directors have the discretion to impose vesting of options and that, unless otherwise specified by the directors, vesting will occur generally as to 25% on the grant date and 25% every six months thereafter. In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares on a yearly basis or 2% if the optionee is engaged in investor relations activities or is a consultant.

As at July 31, 2017 the following stock options and warrants were outstanding:

	Number of Shares		Exercise Price	Number Exercisable	Expiry Date
Options	2,220,000	$	0.11	2,220,000	October 23, 2020
	2,700,000		0.15	1,620,000	January 3, 2022
Warrants	10,619,416	$	0.20	10,619,416	November 23, 2018**
	2,766,666		0.20	2,766,666	November 25, 2018**
	1,610,000		0.20	1,610,000	December 21, 2018**
	14,620,000		0.20	14,620,000	June 28, 2019**
	3,861,000		0.20	3,861,000	July 15, 2019**
	150,000		0.20	150,000	July 19, 2019**

***subject to the Acceleration Right described above*

There were no changes to the outstanding stock options during the six months ended July 31, 2017.

(Expressed in Canadian dollars)

12. CAPITAL AND RESERVES - *Continued*

Stock options and warrants – *Continued*

As at July 31, 2017, the following stock options were outstanding:

	Number of Options	Weighted Average Exercise Price
Balance, January 31, 2017 and July 31, 2017	**4,920,000**	**$ 0.13**
Number of options currently exercisable as at July 31, 2017	**3,840,000**	**$ 0.13**

Warrants

During the six months ended July 31, 2017 a total of 569,500 warrants were exercised for gross proceeds to the Company of $113,900 and 4,430,500 warrants expired without exercise.

As at July 31, 2017, the following warrants were outstanding:

	Number of Warrants	Weighted Average Exercise Price
Opening balance, January 31, 2017	38,627,082	$ 0.20
Warrants exercised	(569,500)	0.20
Warrants expired	(4,430,500)	0.20
Ending balance, July 31, 2017	**33,627,082**	**$ 0.20**

Share-based compensation

During the six months ended July 31, 2017 and July 31, 2016, the Company granted no stock options.

During the year ended January 31, 2017, the Company granted 2,800,000 stock options to directors, officers, employees and consultants with an estimated fair value of $287,981; shortly after the grant date, 100,000 stock options were cancelled. As at July 31, 2017, the stock options were 60% vested. The stock options are exercisable at $0.15 until January 3, 2022.

During the six months ended July 31, 2017, the Company recorded share-based compensation expense of $119,032 (July 31, 2016 - $42,309). The Company estimated a fair value of $287,981 for the 2,800,000 stock options granted in January 2017 using the following assumptions:

	Assumptions
Risk-free interest rate	**1.11%**
Expected dividend yield	**0%**
Expected stock price volatility	**100%**
Expected option life in years	**5 years**
Forfeiture rate	**0%**

(Expressed in Canadian dollars)

13. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties not disclosed elsewhere in these financial statements (see also Notes 10 and 11):

a) Paid $9,000 to North Arrow for office space and administrative services (July 31, 2016 - $9,000);

b) Paid $23,463 for office rent (July 31, 2016 - $23,550) to Helio Resource Corp. ("Helio"), a company with two common directors, and $3,432 (July 31, 2016 - $2,310) as a cost reimbursement; and

c) Entered into an office lease assignment agreement with Helio (Note 16) whereby Helio's existing security deposit with the landlord of $10,964 was transferred to the Company upon payment of an additional $6,664 to Helio; Helio had held a $4,300 security deposit from the Company pursuant to a sublease agreement for office space.

Included in payables is $1,575 due to North Arrow (January 31, 2017 - $Nil) for reimbursement of shared administrative expenses and $13,083 (January 31, 2017 - $3,097) due to Helio for rent and the reimbursement of other expenses.

Key management includes the Company's directors and officers. Compensation awarded to key management was as follows:

	Three Months Ended		**Six Months Ended**	
	July 31, 2017	July 31, 2016	**July 31, 2017**	July 31, 2016
Salaries and benefits[1]	**$ 103,046**	$ 40,000	**$ 206,092**	$ 80,000
Share-based payments[2]	**36,077**	14,602	**95,182**	40,022
Total	**$ 139,123**	$ 54,602	**$ 301,274**	$ 120,000

[1] Allocated $130,000 (July 31, 2016 - $80,000) to salaries and benefits and $76,092 (July 31, 2016 - $Nil) to professional fees.
[2] Share-based payments are the fair value of options that have been granted and vested to directors and key management personnel.

14. ASSET RETIREMENT OBLIGATION

	Six Months Ended July 31, 2017	Year Ended January 31, 2017
Opening balance	**$ -**	$ 54,181
Reduction in asset retirement obligation	**-**	(55,385)
Accretion	**-**	108
Change in estimate	**-**	1,096
Ending balance	**$ -**	$ -

The Company had recorded an asset retirement obligation, which reflected the present value of the estimated amount of undiscounted cash flow required to satisfy the asset retirement obligation in respect of the Nickel King and Dumas Lake properties.

During the year ended January 31, 2017, the Company paid $62,658 to complete the clean-up of the Nickel King property of which $55,385 reduced the asset retirement obligation to zero while the rest of the cost was recognized as generative exploration on the consolidated statements of loss and comprehensive loss. The $1,096 change in estimate was recorded as a reduction of generative exploration costs.

(Expressed in Canadian dollars)

15. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

During the six months ended July 31, 2017 the significant non-cash transactions were:

a) The recognition of an $11,650 unrealized loss on marketable securities through the investment revaluation reserve;

b) Included in exploration and evaluation assets is capitalized depreciation of $42,482 and $13,538 which relates to accounts payable and accrued liabilities;

c) Included in deposits is $6,664 which relates to accounts payable and accrued liabilities; and

d) A $117,000 recovery of generative exploration costs was recognized on the consolidated condensed interim statements of loss and comprehensive loss, representing the estimated fair value of 1,300,000 common shares of Westhaven received (Note 5).

During the six months ended July 31, 2016 the significant non-cash transactions were:

a) The issuance of 2,000,000 common shares with a value of $400,000 for a property acquisition (Note 10);

b) The fair value of $1,010,000 in property, plant and equipment acquired and the fair value of $849,793 in exploration and evaluation assets acquired from a property acquisition (Notes 8 and 10); and

c) The recognition of a $198,400 unrealized gain on marketable securities through the investment revaluation reserve.

16. COMMITMENTS

As at July 31, 2017, the Company is committed to minimum future lease payments for office premises and other monthly contractual payments to consultants as follows:

Year ending January 31, 2018	$	123,588
Year ending January 31, 2019	$	110,176
Year ending January 31, 2020	$	91,033
Year ending January 31, 2021	$	91,585
Year ending January 31, 2022	$	22,896

The Company's lease costs may be reduced due to recoveries through sub-leases.

17. CAPITAL MANAGEMENT

The capital of the Company consists of the items included in capital and reserves. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company. The Company's objective for capital management is to plan for the capital required to support the Company's ongoing acquisition and exploration of its exploration and evaluation assets and to provide sufficient funds for its corporate activities.

The Company's exploration and evaluation assets are in the exploration stage. As an exploration stage company, the Company is currently unable to self-finance its operations. The Company has historically relied on equity financings and, in recent years, asset sales or exploration option agreements to finance its operations. In order to carry out the Company's planned exploration programs and to pay for administrative costs, the Company will spend its existing working capital and raise additional funds as required. To effectively manage the Company's capital requirements, the Company's management has in place a planning and budgeting process. The Company is not subject to any externally imposed capital requirements.

18. SEGMENTED INFORMATION

The Company operates in one business segment, being the exploration and evaluation of mineral properties in North America and the United Kingdom as follows:

	As at July 31, 2017				As at January 31, 2017			
	Canada	**United States**	**UK**	**Total**	Canada	United States	UK	Total
Deposits	$ 15,964	$ -	$ 18,130	**$ 34,094**	$ 9,300	$ -	$ -	**$ 9,300**
Property, plant and equipment	$ 7,000	$ -	$ 1,016,207	**$ 1,023,207**	$ 8,235	$ -	$ 949,975	**$ 958,210**
Royalties	$ 992,335	$ -	$ -	**$ 992,335**	$ 992,335	$ -	$ -	**$ 992,335**
Exploration and evaluation assets	$ -	$ 754,477	$ 4,352,499	**$ 5,106,976**	$ -	$ 753,078	$ 3,633,891	**$4,386,969**

19. SUBSEQUENT EVENTS

Royalty Sale with Osisko

On August 28, 2017, Strongbow and Osisko entered into a binding letter of intent (“LOI”) whereby Strongbow agreed to sell a 1.5% Net Smelter Returns royalty (the "Royalty") to Osisko on all metals and minerals produced from the South Crofty tin project in Cornwall, UK, for $7.17 million. Concurrently with the Royalty sale, Osisko agreed to participate in a non-brokered private placement (described below).

Proceeds from both the Royalty sale and the private placement will be used, subject to receipt of permits, to construct a water treatment plant at South Crofty and for general working capital.

The Royalty will be structured as a secured convertible note (the "Note") and be secured by a first ranking lien on the Company's assets. The Note will be convertible into the Royalty upon the earliest date at which the Company is able to grant such a Royalty in a manner satisfactory to Osisko, in its sole discretion (the "Conversion"). The Note may only be drawn upon once all required permits are received from the Environment Agency for the construction and operation of a 25,000m^3 /day waste-water treatment plant. The term of the Note will be the earlier of Conversion or two years from the date of draw-down.

Completion of the Royalty sale and the private placement is subject to certain conditions, including the approval of the TSX Venture Exchange.

Non-brokered Private Placement

In September 2017, Strongbow completed a non-brokered private placement of 15,714,228 common shares at $0.14 per share for total gross proceeds of $2,199,992. Osisko acquired 9,500,000 common shares at a cost of $1,330,000 in this private placement. All of the common shares issued in the private placement are subject to a hold period which will expire in January 2018, being four months from the date the common shares were issued. Strongbow paid a 5% cash finder’s fee of $23,957 on certain subscriptions from arm’s-length subscribers.