

**Form 51-102F1**  
**Interim Management's Discussion and Analysis ("MD&A")**  
**for**  
**Strongbow Exploration Inc. ("Strongbow" or the "Company")**

Containing information up to and including September 29, 2017

**Description of Business**

Strongbow Exploration Inc. ("Strongbow" or the "Company") is a Canadian mineral exploration company building a portfolio of strategic metals assets in North America and the United Kingdom. Its flagship project is the past producing South Crofty underground tin mine in Cornwall, UK. The Company acquired rights to the South Crofty tin project in Cornwall, UK in July 2016 and it maintains an interest in exploration properties which are prospective for tin and nickel in addition to holding a royalty on two tungsten assets (non-producing) located in the Northwest Territories and Yukon, Canada. Shares of the Company trade on the TSX Venture Exchange ("TSX-V") under the symbol SBW.

The following discussion and analysis of the Company's financial condition and results of operations for the three and six months ended July 31, 2017, should be read in conjunction with the consolidated condensed interim financial statements of the Company for the three and six months ended July 31, 2017 and July 31, 2016, together with the notes thereto. These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and specifically, in accordance with International Accounting Standards 34, Interim Financial Reporting ("IAS 34"). This Interim MD&A contains forward-looking statements that are based on certain estimates and assumptions and involve risks and uncertainties. Actual results may vary materially from management's expectations. Refer to the "Forward-Looking Statements" section which appears later in this MD&A.

Unless otherwise noted, all currency amounts are stated in Canadian dollars.

Disclosure of a scientific or technical nature which appears in this Interim MD&A was prepared under the supervision of Richard Williams, P.Geol.(BC). Mr. Williams is the Company's President, CEO and a director; he is a "Qualified Person" as that term is defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101").

**Highlights for the Three and Six Months Ended July 31, 2017 and the Period ending September 29, 2017**

- Completion and filing of a Preliminary Economic Assessment ("PEA") and technical report prepared pursuant to NI 43-101 guidelines for the South Crofty tin project;
- Completion of water treatment trials at the South Crofty tin project and filing of a permit application to discharge treated mine-water at a rate of up to 25,000 cubic metres per day;
- Engagement of engineering firms to start design of the proposed water treatment plant at South Crofty;
- Sale of the Company's 65.74% interest in the Skoonka Gold Property to Westhaven Ventures Inc.;
- Execution of a binding letter of intent to sell a 1.5% NSR royalty on the South Crofty tin project; and
- Closing of a non-brokered private placement for gross proceeds of \$2.2 million.

**Activities Update for the Three and Six Months Ended July 31, 2017 and the period ending September 29, 2017**

*South Crofty - Background*

Strongbow's 100-percent owned South Crofty tin project is located in the Central Mining District of Cornwall, in the towns of Pool and Camborne, South West England. It is management's view that South Crofty represents one of the best tin opportunities currently available globally. Strong support for new mine development locally, and in the UK in general, is demonstrated by the recent start-up of Wolf Minerals' Drakelands tungsten-tin mine, located in the neighbouring county of Devon, the development of Dalradian Resources' Curraghinalt gold project in Northern Ireland, and Sirius Minerals' York Potash project in North Yorkshire. Management views these developments as positive for the potential future re-development of South Crofty.

The acquisition of the South Crofty project fits into Strongbow's objective of acquiring high quality mining assets in the strategic metals space. South Crofty comprises an Underground Mine Permission area that covers 1,490 Hectares, an area which includes twenty six (26) former producing mines. Production records date back to 1592, but full-scale

mining activities commenced in the mid-17th century. The mine closed in 1998 as a result of the tin price collapse of 1985 and impending changes to environment laws and liabilities in the late 1990s. A new Mine Permit was granted in 2013, and is valid until 2071. The Company also has planning permission to construct a new 1,000 tonne per day process plant.

The Company's 100% interest in South Crofty is held indirectly through Western United Mines Limited, which is a wholly-owned subsidiary of Strongbow Exploration (UK) Limited, itself a wholly-owned subsidiary of the Company.

#### *Preliminary Economic Assessment – South Crofty*

In February 2017, the Company announced the completion of a PEA, authored by P&E Mining Consultants Inc. of Ontario, Canada in accordance with guidelines found in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101"). A technical report, including the PEA, can be found under Strongbow's issuer profile on Sedar ([www.sedar.com](http://www.sedar.com)).

The PEA indicates that the project is potentially economically viable and technically feasible and, in management's opinion, its completion is another significant step in advancing South Crofty to a production decision. The outcome of this PEA, coupled with the strong potential to materially add to the Lower Mine tin-only Mineral Resource, supports management's belief that South Crofty can become an operating mine once again.

#### *Water Treatment Trials - November 2016 to March 2017*

In March 2017, a water treatment trial was successfully completed at South Crofty. The purpose of the trial was to demonstrate that suspended solids and dissolved metals in mine-water (principally iron oxide, manganese and arsenic) could be successfully extracted, to allow discharge of treated mine water that meets Environment Agency ("EA") requirements into the nearby Red River. Untreated mine water is presently discharging continuously into the Red River, so the proposal to build a permanent water treatment facility and treat the water during the dewatering phase represents an extremely significant, and sustainable improvement over the current conditions of the Red River environment.

At the end of April 2017, the Company submitted a Discharge Consent permit application to the EA. The Company's application is for a permit to treat and discharge up to 25,000m<sup>3</sup> of mine- water per day. This will allow the mine to be dewatered over an 18 - 24 month period. WS Atkins, a leading global engineering and project management consultancy, assisted the Company in preparing the application to the EA for a mine waste permit with water discharge consent. The Company anticipates receiving the discharge consent before the end of calendar 2017.

Details of the water treatment process are provided in the Company's corporate presentation, which is available on its website: [www.strongbowexploration.com](http://www.strongbowexploration.com).

The cost to construct a permanent water treatment facility (approximately US\$6.0M) is included as part of the estimated USD\$118.7 million pre-production capital cost (incl. contingency) outlined in the PEA.

Upon receipt of an increased water discharge permit, the Company will be required to issue 1,000,000 common shares to the Galena Special Situations Fund and Tin Shield Production Ltd., pursuant to the terms of the acquisition agreement for the South Crofty project from March 2016.

#### *Permitting Status – South Crofty Tin Project*

Once the Company receives a mine waste permit with water discharge consent, the South Crofty project will be fully permitted, with the following in place:

- a mining license valid to 2071;
- planning permission to construct new surface process facilities;
- the ability to dewater the mine; and
- tailings from mining operations will be deposited back into the mine in the form of paste back fill. The South Crofty mine has an estimated 8,000,000 m<sup>3</sup> of void space from historic mining activity.

### *Royalty Sale*

On August 28, 2017, Strongbow and Osisko Gold Royalties Ltd. ("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 from the EA, 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 EA for the construction and operation of a 25,000m<sup>3</sup> /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 is subject to certain conditions, including the approval of the TSX Venture Exchange. Osisko owns approximately 31% of the Company's issued and outstanding common shares. John Burzynski, a director of both Osisko and Strongbow did not participate in the negotiation of the business terms of the LOI and he abstained from approval of the LOI.

### *Next steps - South Crofty*

In June 2017, Strongbow announced that Siltbuster Process Solutions Ltd. and Nomenca Ltd. had been engaged to undertake process specification and outline design works for a water treatment plant at South Crofty.

In addition to this work on the water treatment plant, in the next 12 to 24 months (subject to financing), the Company plans to:

- Drill exploration targets to demonstrate the potential to increase the current resource;
- Commence a Feasibility Study;
- Commence dewatering the mine;
- Complete an underground drilling program to delineate Measured Mineral Resource and increase the Indicated Mineral Resource once access to the underground workings is obtained;
- Complete basic and detailed engineering; and
- Construct process plant and underground facilities.

### *Sale of Interest in Skoonka Creek Gold Project to Westhaven*

In May 2017, Strongbow concluded the sale of its 65.74% interest in the Skoonka Creek Gold Property to Westhaven Ventures Inc. ("Westhaven"). The Company received 1,300,000 common shares of Westhaven.

D. Grenville Thomas, a Director of both Strongbow and Westhaven, did not participate in the negotiation of the business terms of the transaction and he abstained from the approval of the property purchase agreement.

In considering the sale of this property interest, management considered Strongbow's existing shareholding in Westhaven through the previous sale of the Shovelnose Gold Project. Management was of the opinion that the sale of Strongbow's interest in the Skoonka Creek Gold Project will allow Strongbow to continue to focus its efforts on the South Crofty tin project in the UK, while retaining exposure to future exploration success at Skoonka Creek, Shovelnose, and the Spences Bridge Gold Belt in general, through ownership of a total of 3,500,000 Westhaven common shares. With the acquisition of the Skoonka Creek Gold Project, Westhaven will hold a 100% interest in over 33,000 hectares within the prospective Spences Bridge Gold Belt.

### *Non-brokered Private Placement*

On August 30, 2017 Strongbow announced a non-brokered private placement of common shares at \$0.14 per share. On September 11, 2017, Strongbow issued 9,500,000 common shares to Osisko at \$0.14 per share for gross proceeds of \$1,330,000. Osisko is Strongbow's largest shareholder. The second and third tranches of the private placement closed on September 15th and September 21st, respectively, and a further 6,214,228 common shares were issued for gross proceeds of \$869,992. Strongbow paid a 5% cash finder's fee of \$23,957 on certain subscriptions from arm's

length investors.

In total, Strongbow issued 15,714,228 common shares at \$0.14 per share for total gross proceeds of \$2,199,992. All of the common shares issued in the private placement are subject to a four month hold period which will expire four months from the date the common shares were issued. Strongbow now has 76,857,088 common shares outstanding, of which 23,833,333 common shares are held by Osisko, representing 31.0% of Strongbow's issued and outstanding share capital.

### **Results of Operations**

The Company's principal business activity is the acquisition and exploration of mineral properties which are prospective for strategic metals; the Company is focused on assets in Cornwall, UK and in North America. In addition to South Crofty in the UK, the Company has mineral property interests in Saskatchewan and the Northwest Territories, Canada as well as in Alaska, U.S.A. Management expects that South Crofty will be the Company's primary focus in the coming months.

During the six months ended July 31, 2017 (the "**Current Period**"), the Company recorded a loss of \$820,714 (\$0.01 loss per share) as compared to a loss of \$283,581 (\$0.01 loss per share) for the six months ended July 31, 2016 (the "**Comparative Period**"). Comprehensive loss for the Current Period totaled \$832,364 as compared to a comprehensive loss of \$85,181 in the Comparative Period. During the Current Period, the Company recorded an unrealized loss on marketable securities of \$11,650 as compared to an unrealized gain on marketable securities of \$198,000 in the Comparative Period.

During the Current Period, expenses totaled \$814,246 as compared to expenses of \$310,305 in the Comparative Period. With the exception of a decrease in regulatory and filing fees, all expense categories increased from the Comparative Period. These increases are a reflection of the Company's current activity level, and focus on the South Crofty tin project in the UK. In the Comparative Period, the Company's main focus was negotiating the acquisition of the South Crofty tin project and satisfying the related regulatory requirements of that acquisition, which closed in July 2016. In the Current Period, the Company completed and filed a PEA and technical report, completed water treatment trials and filed a related permit application (these costs are capitalized to exploration and evaluation assets) and engaged in a greater number of marketing events and related travel. As a consequence, the Company's cost for advertising and promotion expense (Current Period - \$270,629; Comparative Quarter - \$47,723) increased significantly; this expense item includes travel expenses primarily related to South Crofty in Cornwall, UK as well as the cost for attendance fees at several investor relations conferences and monthly fees related to public relations in the UK and investor relations in North America.

Professional fees (Current Period - \$223,811; Comparative Quarter - \$49,491) include accounting and audit fees, general legal expenses and consulting expenses. All of these expenses increased significantly as compared to the six months ended July 31, 2016. Salary expense (Current Period - \$151,740; Comparative Period - \$89,034) also increased as the Company's activity level increased as compared to the previous years and compensation for the Company's executives was adjusted accordingly. Share-based compensation expense of \$119,032 (Comparative Period - \$42,309) relates to the estimated fair value of the 2,800,000 stock options granted on January 3, 2017, which were 60% vested as of July 31, 2017.

Office, miscellaneous and rent of \$42,021 (Comparative Period - \$40,129) includes monthly office rental expense of \$3,975 which is payable to Helio Resource Corp. ("Helio"), a company related by virtue of two common directors. In July 2017, the Company and Helio entered into a lease assignment agreement for office space in Vancouver. As part of that agreement, Helio's security deposit with the landlord of \$10,964 was assigned to Strongbow and Strongbow reimbursed Helio for the difference between this amount and the \$4,300 deposit already held by Helio. The Company also pays a monthly fee of \$1,500 to North Arrow Minerals Inc. ("North Arrow"), a company related by virtue of two common directors. These payments commenced in September 2015.

Accretion expense (Current Period - \$80,067; Comparative Period - \$108) relates to a future payment of \$1.5 million for a line of credit from Osisko which was used to acquire the Cantung and Mactung royalties during the Comparative Period; as at July 31, 2017 the estimated net present value of the line of credit was \$1,195,761. Depreciation (Current Period - \$1,235; Comparative Period - \$1,328) decreased slightly in the Current Period. Depreciation on assets at South Crofty is capitalized to exploration and evaluation assets. During the Current Period, capitalized depreciation totaled \$42,482 (Comparative Period - \$Nil).

The generative exploration recovery of \$111,039 (Comparative Period - \$7,173 expense) includes an estimated fair

value of \$117,000 for 1,300,000 common shares received from Westhaven for the sale of the Company's interest in the Skoonka Gold project in BC, as well as fees for technical analysis not related to a specific property interest. Other expenses incurred during the Current Period included regulatory and filing fees of \$14,586 (Comparative Period - \$24,071), and insurance expense of \$22,164 (Comparative Period - \$8,939).

Other factors that affected the Company's loss in the Current Period included a foreign exchange loss (Current Period - \$6,468; Comparative Period - \$313 gain) and interest income (Current Period - \$Nil; Comparative Period - \$619).

#### Current Quarter

During the three months ended July 31, 2017 (the "**Current Quarter**"), the Company recorded a loss of \$360,039 (\$0.01 loss per share) as compared to a loss of \$124,233 (\$0.01 loss per share) for the three months ended July 31, 2016 (the "**Comparative Quarter**"). Comprehensive loss for the Current Quarter totaled \$338,839 as compared to a comprehensive loss of \$124,633 in the Comparative Quarter. During the Current Quarter, the Company recorded an unrealized gain on marketable securities of \$21,200 as compared to an unrealized gain on marketable securities of \$400 in the Comparative Quarter.

Expenses in the Current Quarter were significantly higher than in the Comparative Quarter (\$358,891 versus \$150,465) despite a generative exploration recovery of \$117,000 in the Current Quarter (\$5,878 expense in the Comparative Quarter). An explanation for the increases in advertising and promotion (Current Quarter - \$132,287; Comparative Quarter - \$29,926), professional fees (Current Quarter - \$143,243; Comparative Quarter - \$24,023), share-based compensation expense (Current Quarter - \$45,117; Comparative Quarter - \$15,437) and salaries and benefits (Current Quarter - \$74,041; Comparative Quarter - \$44,851) can be found above.

#### Assets and Liabilities

Total assets decreased to \$7,715,107 as at July 31, 2017 as compared to total assets of \$8,427,675 as at January 31, 2017. The largest decrease was in the Company's cash balance, from \$1,721,363 as at January 31, 2017 to \$204,947 as at July 31, 2017. Marketable securities increased in value from \$218,800 as at January 31, 2017 to \$324,150 as at July 31, 2017 due to the receipt of 1,300,000 Westhaven common shares from the sale of the Skoonka property. Receivables, consisting mostly of sales tax receivables from the governments of Canada and the UK decreased from \$72,450 as at January 31, 2017 to \$12,985 as at July 31, 2017. Prepaid expenses also decreased significantly: \$16,413 as at July 31, 2017 as compared to \$68,248 as at January 31, 2017.

Deposits increased from \$9,300 to \$34,094 due to the issuance of a refundable security deposit placed with the provider of electricity at South Crofty and a security deposit for Vancouver office premises of \$10,964. Plant and equipment ("PPE") assets increased to \$1,023,207 as at July 31, 2017 from \$958,210 as at January 31, 2017 due to the capitalization of \$108,715 for the water treatment plant (work in progress) following the submission of the Company's permit application at the end of April, 2017. The royalty balance capitalized remained unchanged from the year-end at \$92,335.

Exploration and evaluation assets of \$5,106,976 as at July 31, 2017 represent 66% of total assets and increased from \$4,386,969 as at January 31, 2017. During the Current Period, the Company capitalized \$720,007 to exploration and evaluation assets, almost entirely related to the South Crofty tin project.

A summary of the Company's capitalized exploration and evaluation assets is as follows:

	January 31, 2017	Expended During the Period	July 31, 2017
<b>Tin Properties, Alaska, USA</b>			
Exploration costs	\$ 17,339	\$ 1,399	\$ 18,738
Acquisition costs	725,692	-	725,692
Geological and assays	6,541	-	6,541
Office and salaries	<u>3,506</u>	<u>-</u>	<u>3,506</u>
	<u>753,078</u>	<u>1,399</u>	<u>754,477</u>
<b>South Crofty, Cornwall, UK</b>			
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	<u>288,426</u>	<u>332,818</u>	<u>621,244</u>
	<u>3,633,891</u>	<u>718,608</u>	<u>4,352,499</u>
	<u>\$ 4,386,969</u>	<u>\$ 720,007</u>	<u>\$ 5,106,976</u>

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.

Current liabilities, consisting of accounts payable and accrued liabilities decreased to \$83,159 as at July 31, 2017 from \$276,362 as at January 31, 2017. Total long-term liabilities increased to \$1,195,761 as at July 31, 2017 from \$1,115,693 as at January 31, 2017 due to accretion of \$80,067 in the Current Period; this liability relates to a future re-payment of the \$1,500,000 line of credit provided by Osisko in connection with the Cantung and Mactung royalty acquisition (see Note 11 of the consolidated condensed interim financial statements for the three and six months ended July 31, 2017).

### **Summary of Quarterly Results**

The following table sets out selected unaudited quarterly financial information of Strongbow Exploration Inc. and is derived from the Company's consolidated condensed interim financial statements prepared by management. The Company's consolidated condensed interim financial statements are prepared in accordance with IFRS and are expressed in Canadian dollars.

<b>Quarter Ending</b>	<b>Interest Income</b> \$	<b>Loss from Continued Operation and Net Loss</b> \$	<b>Basic Loss per share<sup>(1)</sup> from Loss</b> \$	<b>Fully Diluted Loss per share<sup>(1)</sup> – from Net Loss</b> \$
July 31, 2017	Nil	(360,039)	(0.01)	(0.01)
April 30, 2017	Nil	(460,675)	(0.01)	(0.01)
January 31, 2017	Nil	(517,070)	(0.01)	(0.01)
October 31, 2016	Nil	(369,887)	(0.01)	(0.01)
July 31, 2016	Nil	(124,233)	(0.00)	(0.00)
April 30, 2016 <sup>(2)</sup>	619	(159,348)	(0.01)	(0.01)
January 31, 2016	Nil	(277,903)	(0.00)	(0.00)
October 31, 2015	Nil	(101,043)	(0.00)	(0.00)

(1) Based on the treasury share method for calculating diluted earnings.

(2) Opening retained earnings for the second quarter ending July 31, 2016 has been adjusted to reflect the capitalization of expenses from the three months ending April 30, 2016 related to the acquisition of the South Crofty tin project (described above and in Notes 4 and 11 to the audited consolidated financial statements for the year ended January 31, 2017).

The Company's quarterly losses are most affected by the write-off of exploration and evaluation assets, which typically cannot be predicted in advance and by quarterly expenses associated with running a publicly-traded company. The Company was in a "care and maintenance" phase for most of the years ending January 31, 2015 and January 31, 2016. Following a recapitalization of the Company in July 2015, the Company's activity levels started to increase, resulting in a corresponding increase to the quarterly loss.

### **Liquidity and Capital Resources**

The Company's working capital as at July 31, 2017 was \$475,336 as compared to working capital of \$1,804,499 as at January 31, 2017. Cash decreased by \$1,516,416 in the Current Period (Comparative Period – increased by \$385,064) to \$204,947 as at July 31, 2017 (cash of \$1,721,363 as at January 31, 2017). Net cash used in operations during the Current Period totalled \$679,766 (Comparative Period - \$272,996). Changes in non-cash working capital items during the Current Period included a decrease in receivables of \$59,465; an increase in payables and accrued liabilities of \$53,687 and a decrease of \$51,836 in prepaid expenses.

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. In addition, the Company announced its intention to sell a 1.5% NSR on the South Crofty tin project to Osisko, for \$7,170,000. Proceeds from the sale of the royalty will be used to construct a water treatment plant for mine dewatering, subject to receipt of the required permits and regulatory approvals.

During the Current Period, the Company used \$950,550 (Comparative Period - \$3,056,025) for investing activities. During the Current Period, the Company completed and filed a PEA and related technical report for the South Crofty tin project and completed water treatment trials at the project (see "*Activities Update*" above). In the Comparative Period, \$1,500,000 was spent to acquire the Mactung and Cantung royalties, \$160,960 was spent on exploration and the balance of \$1,352,128 related to the acquisition of South Crofty. In addition, \$42,937 was spent to reduce an asset retirement obligation at the Nickel King project.

Cash flows from financing activities provided \$113,900 in the Current Period, from the exercise of warrants. In the Comparative Period, the Company received \$1,500,000 for an interest free line of credit provided by Osisko to fund the Cantung and Mactung royalty acquisition in March 2016 and \$2,214,085 (net) from a unit private placement.

As at July 31, 2017, the fair value of the Company's marketable securities was \$324,150 (\$218,800 as at January 31, 2017), of which \$315,000 is the estimated fair value of 3,500,000 common shares of Westhaven. Westhaven and the Company are related by virtue of a common director, Mr. D. Grenville Thomas. The Company's marketable securities have been classified as current assets as it is the Company's intention to sell its holdings if market conditions are favourable however, there can be no assurance that the Company will be able to sell its marketable securities when required to finance its activities.

As at July 31, 2017, the Company had certain minimum commitment for premises and consulting agreements. Please see the "*Commitments*" section below for further details.

The Company's financial statements have been prepared on the basis 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 are dependent on the Company's ability to complete equity financings or generate profitable operations in the future. The Company's financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

Actual funding requirements may vary from those planned due to a number of factors, including results from exploration activities and the Company's ability to raise additional funds at favourable terms. Equity financings at the Company's stage of development continue to be challenging in the current economic environment, and result in dilution to existing shareholders. Dilution to existing shareholders from an equity financing increases as the share price decreases. In addition, market volatility and economic uncertainties have the potential to make future financing challenging. The Company's ability to generate cash is very much affected by the current market conditions, its share price and third party interest in its assets. The Company has no credit facilities that can be used for ongoing operations because it has no operating cash flow; the line of credit provided by Osisko in March 2016 was solely to fund the acquisition of the Cantung and Mactung royalties (see Notes 9 and 11 of the consolidated condensed interim financial statements for the three and six months ended July 31, 2017 for details).

### Risks and Uncertainties

The Company's financial condition and future prospects are significantly affected by overall economic conditions. The Company has no source of operating revenue and relies on equity financings and, in recent years, the sale of marketable securities acquired from exploration option and purchase and sale agreements or non-material property interests to finance its operations and in particular, to further exploration on its properties. Liquidity risk and going concern are the most significant risks faced by the Company at the present time, given its early stage of development.

The Company's audited consolidated financial statements for the year ended January 31, 2017 and its consolidated condensed interim financial statements for the three and six months ended July 31, 2017 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 its 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. The Company's 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, and was subsequently able to raise a further \$2,199,992 from a non-brokered private placement which closed in September 2017, the Company may be required to delay discretionary expenditures if additional financing cannot be obtained on reasonable terms within the next twelve months. Failure to obtain additional financing may cause a delay in the Company's plan to develop the South Crofty project or an inability to meet its ongoing commitments.

Historically, the majority of the Company's expenses have been denominated in Canadian Dollars, so its exposure to foreign exchange risk was limited. The Company's foreign exchange exposure increased with the acquisition of the South Crofty tin project located in the UK in July 2016, thereby increasing the Company's exposure to foreign exchange risk as the majority of exploration expenses for this property are being incurred in UK Pounds Sterling. At the present time, the Company does not hedge its foreign exchange exposures.

The majority of the Company's receivables consist of sales tax receivables due from the federal government, receivables from companies with which the Company has exploration agreements and receivables from related parties. The maximum amount of the Company's exposure to credit risk with respect to its receivables is the carrying value of those receivables as at the financial position date.

### Outstanding Share Data

The Company's authorized capital is unlimited common shares without par value. As at September 29, 2017, there were 76,857,088 common shares issued and outstanding.

As at September 29, 2017, the Company had the following stock options and warrants outstanding:

	Number of Shares	Exercise Price	Number Exercisable	Expiry Date
<b>Options</b>	2,220,000	\$ 0.11	2,220,000	October 23, 2020
	2,700,000	0.15	1,620,000	January 3, 2022
<b>Warrants*</b>	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	50,000	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

*\*All warrants are subject to an Acceleration Right as follows:*

*Acceleration Right – 2016 non-brokered private placement financings*

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 TSXV (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.

During the year ended January 31, 2017, the Company granted 2,800,000 stock options (January 31, 2016 – 2,220,000) to directors, officers, employees and consultants with an estimated fair value of \$287,981; shortly after the grant 100,000 stock options were cancelled. As at July 31, 2017 these stock options were 60% vested. Total share-based compensation recognized during the six months ended July 31, 2017 was \$119,032 (July 31, 2016 - \$42,309).

The fair value of the January 2017 stock option grant was estimated on the date of grant using the Black-Scholes option pricing model, with the following assumptions:

	<b>Grant Dated January 3, 2017</b>
Risk-free interest rate	<b>1.11%</b>
Expected dividend yield	<b>0%</b>
Expected stock price volatility	<b>100%</b>
Expected option life in years	<b>5 years</b>
Forfeiture rate	<b>0%</b>

The finder's warrants issued as part of the private placement financings which closed in June and July, 2016 were recorded as share issuance costs during the year ended January 31, 2017 and valued at \$29,764 based upon the Black-Scholes valuation model using the following assumptions:

	<b>Assumptions</b>
Risk-free interest rate	<b>0.55~0.56%</b>
Expected dividend yield	<b>0%</b>
Expected stock price volatility	<b>216%</b>
Expected warrant life in years	<b>3 years</b>
Forfeiture rate	<b>0%</b>

### **Transactions with Related Parties**

The Company entered into the following transactions with related parties during the six months ended July 31, 2017:

- 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, 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 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:

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

<sup>1</sup> Allocated \$130,000 (July 31, 2016 - \$80,000) to salaries and benefits for the CEO (Richard Williams) and the CFO (Zara Boldt) and \$76,092 (July 31, 2016 - \$Nil) to professional fees for consulting payments made to KEA Mineral Services, a consulting company controlled by the COO (Owen Mihalop).

<sup>2</sup> Share-based payments are the fair value of options that have been granted and vested to directors and key management personnel.

### **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.

In addition, the Company has certain future cash and common share payments agreed to in connection with its acquisition of South Crofty. Please see Note 11 of the audited consolidated financial statements for the years ended January 31, 2017 and 2016 for details.

### **Financial Instruments**

A description of the Company's financial instruments and the financial risks to which the Company is exposed can be found in Note 4 of the consolidated condensed interim financial statements for the three and six months ended July 31, 2017 and 2016.

### **Capital Management**

A description of the Company's capital management can be found in Note 17 of the consolidated condensed interim financial statements for the three and six months ended July 31, 2017 and 2016.

### **Significant Accounting Estimates and Judgments**

A description of the Company's significant accounting estimates and judgments can be found in Note 3a of the audited consolidated financial statements for the years ended January 31, 2017 and 2016. These estimates and judgments did not change for the three and six months ended July 31, 2017.

### **Additional Disclosure for Venture Issuers Without Significant Revenue**

Additional disclosure concerning the Company's general and administrative expenses and exploration and evaluation assets is provided in the Company's consolidated statement of financial position, statement of changes in equity, statement of loss and comprehensive loss and the exploration and evaluation assets note contained in its consolidated condensed interim financial statements for the three and months ended July 31, 2017 and 2016 prepared in accordance with IFRS. These statements are available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Additional Information**

Additional information relating to the Company is on SEDAR at [www.sedar.com](http://www.sedar.com) and is available on the Company's website at [www.strongbowexploration.com](http://www.strongbowexploration.com).

### **Forward-Looking Statements**

This Interim MD&A may contain "forward-looking statements" within the meaning of Canadian securities legislation and the United States Private Securities Litigation Reform Act of 1995. These forward-looking statements are made as of the date of this MD&A and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by law.

Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events and include, but are not limited to, statements with respect to sources of and anticipated financing requirements, the Company's ability to continue as a going concern, the Company's ability to evaluate and develop the South Crofty tin project, including, but not limited to: obtaining the required consents and permissions for further development of the South Crofty tin project; assumptions included in the PEA and the likelihood that any of these assumptions will be realized; project growth opportunities for South Crofty; obtaining financing when required and on terms acceptable to the Company; the Company's ability to maintain its exploration and evaluation assets in good standing, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, success of exploration activities, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage.

These forward-looking statements include, among others, statements with respect to the Company's objectives for the ensuing year, our medium and long-term goals, and strategies to achieve those objectives and goals, as well as statements with respect to our beliefs, plans, objectives, expectations, anticipations, estimates and intentions. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," and words and expressions of similar import are intended to identify forward-looking statements. In particular, statements regarding the Company's future operations, future exploration and development activities or other development plans and estimated future financing requirements contain forward-looking statements.

All forward-looking statements and information are based on the Company's current beliefs as well as assumptions made by and information currently available to the Company concerning anticipated financial performance, business prospects, strategies, acquisitions, financings, regulatory developments, development plans, exploration and development activities and commitments. Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution readers not to place undue reliance on these statements as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates and intentions expressed in such forward-looking statements.

These factors include, but are not limited to, developments in world financial and commodity markets, risks relating to fluctuations in the Canadian dollar and other currencies relative to the US dollar and the UK Pound Sterling, changes in exploration plans due to exploration results and changing budget priorities of the Company or its joint venture partners, changes in project parameters as plans continue to be refined; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing, the effects of competition in the markets in which the Company operates, the impact of changes

in the laws and regulations regulating mining exploration and development, judicial or regulatory judgments and legal proceedings, operational and infrastructure risks and the Company's anticipation of and success in managing the foregoing risks. The Company cautions that the foregoing list of factors that may affect future results is not exhaustive. When relying on our forward-looking statements to make decisions with respect to the Company, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by the Company or on the Company's behalf, except as required by law.

A summary of the acquisition and exploration activities for the Company follows, as well as a description of other corporate activities. These summaries include some discussion of management's future exploration plans. The reader is cautioned that actual results, performance or achievements may be materially different from those implied or expressed in these statements. The Company's exploration programs are subject to change from time to time, based on the analysis of results and changing corporate priorities, exploration targets and funding considerations.

### **Approval**

The Board of Directors of the Company has approved the disclosure contained in this Interim MD&A. A copy of this Interim MD&A will be provided to anyone who requests it.