STRONGBOW EXPLORATION INC.

CONSOLIDATED FINANCIAL STATEMENTS

JANUARY 31, 2017

(Expressed in Canadian Dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Strongbow Exploration Inc.

We have audited the accompanying consolidated financial statements of Strongbow Exploration Inc., which comprise the consolidated statements of financial position as at January 31, 2017 and 2016 and the consolidated statements of loss and comprehensive loss, cash flows, and changes in equity for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Strongbow Exploration Inc. as at January 31, 2017 and 2016 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Strongbow Exploration Inc.'s ability to continue as a going concern.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Professional Accountants

May 29, 2017

STRONGBOW EXPLORATION INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at January 31
(Expressed in Canadian dollars)

	2017	2016
ASSETS		
Current		
Cash	$ 1,721,363	$ 528,301
Marketable securities (Note 6)	218,800	91,200
Receivables (Note 7)	72,450	3,487
Prepaid expenses	68,248	21,484
	2,080,861	644,472
Deposits	9,300	9,300
Property, plant and equipment (Notes 4 and 9)	958,210	8,853
Royalties (Note 10)	992,335	-
Exploration and evaluation assets (Notes 4 and 11)	4,386,969	713,850
	$ 8,427,675	$ 1,376,475
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 8)	$ 276,362	$ 165,293
Asset retirement obligation (Note 15)	-	54,181
	276,362	219,474
Long-term liability (Note 12)	1,115,693	-
	1,392,055	219,474
CAPITAL AND RESERVES		
Capital stock (Note 13)	32,723,836	28,031,097
Commitment to issue shares (Note 11)	2,000,000	-
Share-based payment reserve (Note 13)	4,448,286	4,217,482
Investment revaluation reserve	13,289	(112,325)
Deficit	(32,149,791)	(30,979,253)
	7,035,620	1,157,001
	$ 8,427,675	$ 1,376,475

Nature and Continuance of Operations and Going Concern Assumption (Note 1)
Commitments (Note 18)
Subsequent Event (Note 21)

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

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

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

STRONGBOW EXPLORATION INC.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
YEAR ENDED JANUARY 31
(Expressed in Canadian dollars)

	2017	2016
EXPENSES		
Accretion (Notes 12 and 15)	$ 123,466	$ 388
Advertising and promotion	176,910	48,186
Depreciation (Note 9)	3,015	2,864
Insurance	25,940	13,688
Office, miscellaneous and rent	91,284	29,117
Professional fees	276,798	311,576
Generative exploration expense	18,393	41,598
Regulatory and filing fees	29,657	18,007
Share-based compensation (Note 13)	172,454	122,354
Salaries and benefits	226,383	83,947
Total operating expenses	(1,144,300)	(671,725)
Foreign exchange loss	(28,843)	(738)
Interest income	619	-
Write-off of exploration and evaluation assets (Note 11)	-	(425,051)
Loss before income taxes	(1,172,524)	(1,097,514)
Income tax recovery (Note 16)	1,986	-
Loss for the year	(1,170,538)	(1,097,514)
Other comprehensive loss for the year		
Unrealized gain (loss) on marketable securities	125,614	(105,200)
Total comprehensive loss for the year	$ (1,044,924)	$ (1,202,714)
Basic and diluted loss per share	$ (0.03)	$ (0.06)
Weighted average number of common shares outstanding	40,108,013	17,787,146

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

STRONGBOW EXPLORATION INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEAR ENDED JANUARY 31
(Expressed in Canadian dollars)

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	$ (1,170,538)	$ (1,097,514)
Items not involving cash:		
Accretion	123,466	388
Depreciation	3,015	2,864
Generative exploration costs	1,096	(1,231)
Share-based compensation	172,454	122,354
Income tax recovery	(1,986)	-
Write-off of exploration and evaluation assets	-	425,051
Changes in non-cash working capital items:		
Decrease (increase) in receivables	(68,963)	1,648
Increase in prepaid expenses	(46,764)	(14,778)
Increase (decrease) in accounts payable and accrued liabilities	(35,321)	127,163
Net cash used in operating activities	(1,023,541)	(434,055)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment (Note 4)	(1,012,397)	(2,169)
Acquisition of royalties (Note 10)	(1,500,000)	-
Acquisition of exploration and evaluation assets (Notes 4 and 11)	(1,066,704)	(63,850)
Increase in deposits	-	(4,300)
Expenditures to reduce asset retirement obligation	(55,385)	-
Net cash used in investing activities	(3,634,486)	(70,319)
CASH FLOWS FROM FINANCING ACTIVITIES		
Debt (Note 12)	1,500,000	-
Common shares issued - private placement financing, net	4,351,089	965,654
Net cash provided by financing activities	5,851,089	965,654
Change in cash during the year	1,193,062	461,280
Cash beginning of the year	528,301	67,021
Cash end of the year	$ 1,721,363	$ 528,301
Cash paid during the year for interest	$ -	$ -
Cash paid during the year for income taxes	$ -	$ -

Supplemental disclosure with respect to cash flows (Note 17)

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

STRONGBOW EXPLORATION INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEAR ENDED JANUARY 31
(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, 2015	9,107,694	$26,415,443	$ -	$ 4,095,128	$ (7,125)	$(29,881,739)	$ 621,707
Private placement	10,000,000	1,000,000	-	-	-	-	1,000,000
Share issue costs	-	(34,346)	-	-	-	-	(34,346)
Property option agreement	6,500,000	650,000	-	-	-	-	650,000
Share-based compensation	-	-	-	122,354	-	-	122,354
Unrealized loss on marketable securities	-	-	-	-	(105,200)	-	(105,200)
Loss for the year	-	-	-	-	-	(1,097,514)	(1,097,514)
Balance at January 31, 2016	**25,607,694**	**28,031,097**	**-**	**4,217,482**	**(112,325)**	**(30,979,253)**	**1,157,001**
Private placements	32,965,666	4,487,775	-	-	-	-	4,487,775
Share issue costs	-	(195,036)	-	58,350	-	-	(136,686)
Commitment to issue shares (Note 11)	-	-	2,000,0000 0,000	-	-	-	2,000,000
Asset acquisition (Note 4)	2,000,000	400,000	-	-	-	-	400,000
Share-based compensation	-	-	-	172,454	-	-	172,454
Unrealized gain on marketable securities	-	-	-	-	125,614	-	125,614
Loss for the year	-	-	-	-	-	(1,170,538)	(1,170,538)
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**

The accompanying notes are an integral part of these consolidated 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 January 31, 2017, the Company had current assets of $2,080,861 to settle current liabilities of $276,362. Although the Company has positive working capital of $1,804,499 as at January 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 11).

2. BASIS OF PRESENTATION

Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These consolidated financial statements have been prepared on a historical basis except for certain financial assets measured at fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

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

2. BASIS OF PRESENTATION – *Continued*

Adoption of New IFRS Pronouncements

The following standards were adopted during the year ended January 31, 2017. The adoption of these standards did not have a material effect on the consolidated financial statements.

IFRS 11, *Accounting for Acquisitions of Interests in Joint Operations* ("IFRS 11") is effective for annual periods beginning on or after January 1, 2016. IFRS 11 has been amended to provide specific guidance on accounting for the acquisition of an interest in a joint operation that is a business.

IAS 16 & IAS 38, *Clarification of Acceptable Methods of Depreciation and Amortization* ("IAS 16" and "IAS 38") are effective for annual periods beginning on or after January 1, 2016. These standards have been amended to (i) clarify that the use of a revenue-based depreciation and amortization method is not appropriate, and (ii) provide a rebuttable presumption for intangible assets.

IAS 1, *Presentation of Financial Statements* ("IAS 1") is effective for annual periods beginning on or after January 1, 2016 and has been amended as part of an overall disclosure initiative to improve the effectiveness of disclosure in financial statements.

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.

IAS 12, *Income Taxes* ("IAS 12") is effective for annual periods beginning on or after January 1, 2017 and has been amended to clarify the recognition of a deferred tax asset for unrealized losses.

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.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Significant Accounting Estimates and Judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed by management on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the revision affects both current and future periods.

Significant areas requiring the use of management judgment and estimates include:

(i) Recorded costs of exploration and evaluation assets are not intended to reflect present or future values of these properties. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that changes in future conditions could require a material change in the recognized amount.

(ii) The determination of deferred tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.

(iii) Option or sale agreements, under which the Company may receive shares as payment, require the Company to determine the fair value of the shares received. Many factors can enter into this determination, including, if public shares, the number of shares received, the trading value of the shares, and volume of shares, and if non-public shares, the underlying asset value of the shares, or value of the exploration and evaluation asset interests under option or sale. This determination is highly subjective and does not necessarily provide a reliable single measure of the fair value of the shares received.

(iv) Business combinations - the determination of whether a set of assets acquired and liabilities assumed constitute a business may require the Company to make certain judgments, taking into account all facts and circumstances. A business is presumed to be an integrated set of activities and assets capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or economic benefits. The acquisition of Western United Mines Limited and Cornish Minerals Limited (Bermuda) was determined to constitute an acquisition of assets (Note 4).

(v) Share-based payments - the Company uses the Black-Scholes Option Pricing Model for the valuation of share-based payments. Option pricing models require the input of the subjective assumptions including expected price volatility, interest rate, expiry date, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company’s net loss and share-based payment reserve.

b) Principles of Consolidation

These consolidated financial statements include the financial statements of Company and the subsidiaries listed in the following table:

3. SIGNIFICANT ACCOUNTING POLICIES – *Continued*

b) Principles of Consolidation – *Continued*

Name of Subsidiary	Place of Incorporation	Ownership Interest	Principal Activity
Strongbow Alaska, USA	Alaska, USA	100%	Exploration Company
Strongbow Exploration (UK) Limited (“SBW UK Ltd.”)	United Kingdom	100%	Holding Company
Western United Mines Limited	United Kingdom	100% subsidiary of SBW UK Ltd.	Exploration Company
Cornish Minerals Limited (Bermuda)	Bermuda	100% subsidiary of SBW UK Ltd.	Exploration Company

Subsidiaries are entities controlled by the Company. Control exists when the Company possesses power over an investee, has exposure to variable returns from the investee and has the ability to use its power over the investee to affect its returns. All inter-company transactions and balances have been eliminated upon consolidation.

c) Foreign currencies

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiaries is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates* (“IAS 21”).

The consolidated statements of financial position have been translated to the Canadian dollar in accordance with IAS 21. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at rates prevailing at the date when the fair value was determined. All gains and losses on translation of these foreign currency transactions are included in the statements of loss and comprehensive loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

The Company’s presentation currency is the Canadian dollar (“$”).

d) Share-based compensation

The Company grants share purchase options to buy common shares of the Company to directors, officers, employees and service providers. The board of directors grants such options for periods of up to five years, with vesting periods determined at its sole discretion and at prices equal to or greater than the closing market price on the day preceding the date the options were granted. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value of the options is measured at the grant date, using the Black-Scholes option pricing model. The fair value of the share purchase options considers the terms and conditions upon which the share purchase options were granted. The fair value of the options granted is recognized as a share-based compensation expense with a corresponding increase in equity. The fair value is measured at the grant date and each tranche is recognized on a graded-vesting basis over the period during which the options vest. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share purchase options that are expected to vest.

Share-based compensation arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity settled share-based payment transactions and measured at the fair value of goods or services received. If the fair value of the goods or services received cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or the services.

3. SIGNIFICANT ACCOUNTING POLICIES – *Continued*

e) Income taxes

Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in profit or loss.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the period end and, adjusted for amendments to tax payable with regards to previous years.

Deferred taxes are recorded using the statement of financial position liability method. Under the statement of financial position liability method, deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

The following temporary differences do not result in deferred tax assets or liabilities:

- the initial recognition of assets or liabilities that do not affect accounting or taxable profit; and
- goodwill

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

f) Loss per share

Basic loss per share is computed by dividing loss available to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted loss per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on the loss per share. For the years presented this calculation proved to be anti-dilutive.

g) Property, Plant and Equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

The initial cost of property, plant and equipment is comprised of its purchase price and any directly attributable costs in bringing the assets to their working condition and location for its intended use. Expenditures incurred after the assets have been put into operation, such as repairs, maintenance and overhaul costs, are normally recognized as an expense in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have improved the condition of the assets beyond the originally assessed standard of performance, the expenditures are capitalized as an additional cost of property, plant and equipment.

Property, plant and equipment is recorded at cost less accumulated depreciation. Depreciation is provided for annually at the following rates:

Computer equipment	30% declining balance
Furniture & fixtures	20% declining balance
Motor vehicles	30% declining balance
Plant & equipment	30% declining balance

The remaining useful lives, residual values and depreciation method are reviewed and adjusted, if appropriate, at each financial year-end to ensure that the periods and method of depreciation are consistent with the expected pattern of economic benefits from the items of property, plant and equipment.

3. SIGNIFICANT ACCOUNTING POLICIES – *Continued*

g) Property, Plant and Equipment – *Continued*

The carrying value of property, plant and equipment is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of property, plant and equipment is derecognized when either it has been disposed or when it is permanently withdrawn from use and no future economic benefits are expected from its use or disposal. Any gains or losses arising on the retirement and disposal of an item of property, plant and equipment are included in the statement of loss and comprehensive loss in the period of retirement or disposal.

h) Exploration and evaluation assets

Exploration and evaluation assets are capitalized under tangible assets on an individual prospect basis until such time as an economic ore body is defined or the prospect is abandoned. No costs are capitalized until the legal right to explore the property has been obtained. When it is determined that such costs will be recouped through development and exploitation, the capitalized expenditure is transferred to tangible assets and depreciated over the expected productive life of the asset. Costs for a producing prospect are amortized on a unit-of-production method based on the estimated life of the ore reserves, while costs for the prospects abandoned are written off.

Impairment review for deferred exploration and evaluation assets is carried out on a project by project basis, with each project representing a single cash generating unit. An impairment review is undertaken when indicators of impairment arise but typically when one or more of the following circumstances apply:

- Unexpected geological occurrences are identified that render the resource uneconomic;
- Title to the asset is compromised;
- Fluctuations in metal prices render the project uneconomic;
- Variation in the currency of operations; and
- A threat to political stability in the country of operation exists.

From time to time, the Company may acquire or dispose of properties pursuant to the terms of option agreements. Due to the fact that these options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as exploration and evaluation assets or recoveries when the payments are made or received.

The recoverability of the amounts capitalized for the undeveloped exploration and evaluation assets is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to farm out its exploration and evaluation assets, the ability to obtain the necessary financing to complete their development and future profitable production or proceeds from the disposition thereof.

i) Impairment

At the end of each reporting period the carrying amounts of the Company’s assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm’s length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss. For an asset that does not generate independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

3. SIGNIFICANT ACCOUNTING POLICIES – *Continued*

i) Impairment – *Continued*

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

j) Financial Instruments

Financial instruments are classified into one of the following categories:

- financial instruments at fair value through profit or loss ("FVTPL");
- available-for-sale ("AFS") financial instruments;
- held-to-maturity investments;
- loans and receivables; and
- other financial liabilities.

The classification is determined at initial recognition and depends on the nature and purpose of the financial instrument.

(i) Financial instruments at FVTPL

Financial instruments are classified as FVTPL when the financial instrument is held for trading or it is designated as FVTPL.

A financial instrument is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future;
- it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial instruments classified as FVTPL are stated at fair value with any resultant gain or loss recognized in profit or loss. The net gain or loss recognized incorporates any dividend or interest earned on the financial instrument.

The Company has classified its cash as FVTPL.

(ii) AFS financial instruments

Investments held by the Company that are classified as AFS are stated at fair value. Gains and losses arising from changes in fair value are recognized directly in equity in the investment revaluation reserve. Interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets are recognized directly in profit or loss rather than equity. When an investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognized in the investment revaluation reserve is included in profit or loss for the period.

The fair value of AFS monetary assets denominated in a foreign currency is translated at the spot rate at the statement of financial position date. The change in fair value attributable to translation differences due to a change in amortized cost of the asset is recognized in profit or loss, while all other changes are recognized in equity.

The Company has classified its marketable securities as AFS.

(iii) Held-to-maturity investments

Held-to-maturity investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs.

3. SIGNIFICANT ACCOUNTING POLICIES – *Continued*

j) Financial Instruments – *Continued*

(iv) Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are initially recognized at the transaction value and subsequently carried at amortized cost less impairment losses. The impairment loss of receivables is based on a review of all outstanding amounts at year end. Bad debts are written off during the year in which they are identified. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The Company has classified its receivables as loans and receivables.

(v) Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

Fair value through profit or loss: This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in profit or loss.

Other financial liabilities: These are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expenses over the corresponding period. The effective interest rate is the rate that exactly discounts estimated future cash payments over the expected life of the financial liability, or, where appropriate, a shorter period.

The Company has classified its accounts payable, accrued liabilities and long term liabilities as other financial liabilities.

(vi) Effective interest method

The effective interest method calculates the amortized cost of a financial instrument and allocates interest income over the corresponding period. The effective interest rate is the rate that discounts estimated future cash flows over the expected life of the financial instrument, or, where appropriate, a shorter period.

Income is recognized on an effective interest basis for debt instruments other than those financial instruments classified as FVTPL.

(vii) Impairment of financial assets

Financial instruments, other than those at FVTPL, are assessed for indicators of impairment at each period end. Financial instruments are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial instrument, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments; or
- it has become probable that the borrower will enter bankruptcy or financial reorganization.

3. SIGNIFICANT ACCOUNTING POLICIES - *Continued*

j) Financial Instruments – *Continued*

For financial instruments carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial instrument's original effective interest rate.

The carrying amount of all financial instruments, excluding trade receivables, is directly reduced by the impairment loss. The carrying amount of trade receivables is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease relates to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss. On the date of impairment reversal, the carrying amount of the financial instrument cannot exceed its amortized cost had impairment not been recognized.

(viii) Derecognition of financial assets

A financial instrument is derecognized:
- when the contractual right to the asset's cash flows expire; or
- if the Company transfers the financial instrument and all risks and rewards of ownership to another entity.

(ix) Derecognition of financial liabilities

Financial liabilities are derecognized when the Company's obligations are discharged, cancelled or they expire.

(x) Fair Value Hierarchy

The inputs used in making fair value measurements, are classified within a hierarchy that prioritizes their significance. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

k) Environmental rehabilitation

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbances are caused by the exploration or development of exploration and evaluation assets due to statutory, contractual, constructive or legal obligations. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises.

The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as exploration and evaluation assets. The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to exploration and evaluation assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period. The costs of rehabilitation projects that were included in the rehabilitation provision are recorded against the provision as incurred.

3. SIGNIFICANT ACCOUNTING POLICIES – *Continued*

l) Marketable Securities

Marketable securities are measured at fair value and consist of shares in public companies listed on the TSX-Venture Exchange (“TSX-V”).

m) Royalty Interests

Royalty interests in mineral properties include acquired royalty interests in exploration stage properties. In accordance with *IAS 38 Intangible Assets*, the cost of acquired royalty interests in mineral properties is capitalized as intangible assets.

Acquisition costs of royalty interests on exploration stage mineral properties, where there are no estimated reserves, are not amortized. At such time as the associated exploration stage mineral interests are converted to estimated reserves, the cost basis is amortized over the remaining life of the mineral property, using the estimated reserves. The carrying values of exploration stage mineral interests are evaluated for impairment at such time as information becomes available indicating that production will not occur in the future.

4. ACQUISITION OF THE SOUTH CROFTY TIN PROJECT

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 pursuant to an agreement between the Company, Galena Special Situations Fund (“Galena”), and Tin Shield Production Ltd. (“Tin Shield”). Through its wholly-owned subsidiary Strongbow Exploration (UK) Limited, the Company now 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. Material terms of the acquisition are as follows, all references to currency being in Canadian dollars unless otherwise specified:

- The Company entered into a purchase and sale agreement with the administrator managing the affairs of the Companies and the sole shareholder of the Companies (also in administration) to acquire the shares of the Companies and to fund the exit of WUML and Cornish Minerals Limited (UK) from administration by reaching a settlement of the claims owed to unsecured creditors. The unsecured creditors approved the proposal on June 10, 2016. Strongbow paid ₤143,000 ($248,820) for the exit from administration.
- Galena, the only secured creditor, converted all debt owed to it into common shares of WUML and Strongbow acquired these shares, in return for future milestone payments, thereby completing the acquisition of 100% of the shares of the Companies.
- The UK holding company Cornish Minerals Limited (in administration) released the intra group indebtedness owed to it by WUML, amounting to £11,525,758.
- Upon closing of the acquisition, Strongbow reimbursed Tin Shield $318,000 for operating costs incurred for the project from November 1, 2015 to February 29, 2016; Strongbow assumed responsibility for the monthly project operating costs as of March 2016. Also upon closing, Strongbow made a payment of US$80,000 to Tin Shield to refund a shareholder loan made to Tin Shield.
- On July 11, 2016, Strongbow issued 2,000,000 common shares with a value of $400,000 for the acquisition. A total of 1,050,000 common shares were issued to Galena and 950,000 common shares were issued to Tin Shield. The common shares are subject to a hold period that will expire November 12, 2016.

Certain additional payments and share issuances pursuant to the acquisition agreement are payable in the future. A summary of this additional consideration can be found in Note 11.

This transaction has been accounted for as an asset acquisition as at the time of the transaction, neither WUML nor Cornish Minerals Limited (Bermuda) met the definition of a business. The consideration paid has been allocated to the acquired assets based on their fair value at the July 11, 2016 date of acquisition. The purchase price of the acquisition has been primarily allocated as follows:

4. ACQUISITION OF THE SOUTH CROFTY TIN PROJECT – *Continued*

Purchase price		
Common shares issued (2,000,000 shares)	$	**400,000**
Exit from administration		**248,820**
Tin Shield reimbursement for operating costs		**318,000**
Tin Shield payment (US $80,000)		**104,968**
Commitment to issue shares (Note 11)		**2,000,000**
Transaction costs		**781,586**
	$	**3,853,374**
Net Assets Acquired		
Equipment	$	**345,000**
Land and site		**665,000**
Exploration and evaluation assets		**2,843,374**
	$	**3,853,374**

5. 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 January 31, 2017, the Company had current assets of $2,080,861 to settle current liabilities of $276,362.

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 year ended January 31, 2017.

(Expressed in Canadian dollars)

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT - *Continued*

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.

6. MARKETABLE SECURITIES

The Company holds 2,225,000 common shares in three TSX-V listed companies (January 31, 2016 – 2,295,000 common shares).

	January 31, 2017		January 31, 2016	
	Cost	**Fair Market Value****	Cost	Fair Market Value
Various public companies	**$ 203,525**	**$ 218,800**	$ 203,525	$ 91,200

**Includes 2,200,000 common shares (fair market value of $209,000) of Westhaven Ventures Inc. ("Westhaven") a company related to the Company by virtue of a common director.

7. RECEIVABLES

	January 31, 2017	January 31, 2016
Other receivables	**$ 823**	$ -
VAT receivables	**61,589**	-
GST receivables	**10,038**	3,487
Total	**$ 72,450**	$ 3,487

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	January 31, 2017	January 31, 2016
Trade payables	**$ 230,433**	$ 51,228
Related party payable	**3,097**	4,528
Accrued liabilities	**42,832**	109,537
Total	**$ 276,362**	$ 165,293

(Expressed in Canadian dollars)

9. PROPERTY, PLANT AND EQUIPMENT

	Computer Equipment	Furniture & Fixtures	Land & Site	Motor Vehicles	Equipment	Total
Cost						
As at January 31, 2015	$ 48,588	$ -	$ -	$ -	$ -	$ 48,588
Additions	2,169	-	-	-	-	2,169
As at January 31, 2016	50,757	-	-	-	-	50,757
Acquisition (Note 4)	-	6,000	665,000	33,000	306,000	1,010,000
Additions	2,397	-	-	-	-	2,397
As at January 31, 2017	**$ 53,154**	**$ 6,000**	**$ 665,000**	**$ 33,000**	**$ 306,000**	**$1,063,154**
Accumulated Depreciation						
As at January 31, 2015	$ (39,040)	$ -	$ -	$ -	$ -	$ (39,040)
Charge for the year	(2,864)	-	-	-	-	(2,864)
As at January 31, 2016	(41,904)	-	-	-	-	(41,904)
Depreciation	(3,015)	-	-	-	-	(3,015)
Capitalized depreciation	-	(700)	-	(5,775)	(53,550)	(60,025)
As at January 31, 2017	**$ (44,919)**	**$ (700)**	**$ -**	**$ (5,775)**	**$ (53,550)**	**$ (104,944)**
Net book value						
As at January 31, 2016	$ 8,853	$ -	$ -	$ -	$ -	$ 8,853
As at January 31, 2017	**$ 8,235**	**$ 5,300**	**$ 665,000**	**$ 27,225**	**$ 252,450**	**$ 958,210**

10. 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 12).

(Expressed in Canadian dollars)

11. EXPLORATION AND EVALUATION ASSETS

	January 31, 2015	Expended During the Year	Write-off of Costs	January 31, 2016
Tin Properties, Alaska, USA				
Exploration costs	$ -	$ 17,339	$ -	$ 17,339
Acquisition costs	-	690,123	-	690,123
Geological and assays	-	6,388	-	6,388
	-	713,850	-	713,850
Gold and Base Metal Properties, British Columbia				
Exploration costs	33,764	-	(33,764)	-
Acquisition costs	44,467	-	(44,467)	-
Geological and assays	66,942	-	(66,942)	-
Office and salaries	456,278	-	(456,278)	-
Retirement costs	3,600	-	(3,600)	-
	605,051	-	(605,051)	-
	$ 605,051	$ 713,850	$ (605,051)	$ 713,850

	January 31, 2016	Expended During the Year	Write-off of Costs	**January 31, 2017**
Tin Properties, Alaska, USA				
Exploration costs	$ 17,339	$ -	$ -	**$ 17,339**
Acquisition costs	690,123	35,569	-	**725,692**
Geological and assays	6,388	153	-	**6,541**
Office and salaries	-	3,506	-	**3,506**
	713,850	39,228	-	**753,078**
South Crofty, Cornwall, UK				
Exploration costs	-	186,952	-	**186,952**
Acquisition *(Note 4)*	-	2,843,374	-	**2,843,374**
Acquisition costs	-	37,554	-	**37,554**
Geological and assays	-	277,585	-	**277,585**
Office and salaries	-	288,426	-	**288,426**
	-	3,633,891	-	**3,633,891**
	$ 713,850	$ 3,673,119	$ -	**$ 4,386,969**

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.

11. 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. A description of this acquisition can be found in Note 4. The Company, through its wholly-owned subsidiary Strongbow Exploration (UK) Limited now owns a 100% interest in 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 consideration paid on July 11, 2016 (Note 4), the Company agreed to the following additional payments and share issuances as part of the purchase and sale agreement with Galena and 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 Gold Royalties Ltd. ("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. Closing of the acquisition of the Properties and a private placement financing resulted in Osisko and Brett holding together 7,000,000 shares of the Company or 27.3% of the post-closing issued shares of the Company as at the date of the acquisition.

11. EXPLORATION AND EVALUATION ASSETS – *Continued*

Other Exploration Properties and Generative Exploration, Canada

Other Properties

The Company maintains a number of mineral claims in British Columbia, 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 mineral claims and 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 mineral claims and mining leases for the Nickel King Project by making annual lease payments of $5,883.

Gold and Base Metal Properties, British Columbia

Shovelnose Property

The Company acquired, by staking, a 100% interest in certain mineral claims comprising the Shovelnose property in October 2005. The Company expanded the Shovelnose property by staking additional mineral claims in November 2008.

In January 2011, the Company signed an option agreement with Westhaven whereby Westhaven could earn up to a 70% interest in the Shovelnose property. A director of the Company is also a director of Westhaven. This agreement was subsequently amended in June 2014 and July 2015.

On September 9, 2015, the Company and Westhaven entered into a property purchase agreement. The Company sold its interest in the Shovelnose property in exchange for 2,000,000 common shares of Westhaven (received) and a 2% NSR which can be reduced to 1%, at Westhaven's option, for $500,000.

As at January 31, 2016, the Company wrote-off capitalized exploration and evaluation assets of $605,051 related to the Shovelnose property. This write-off was reduced by $180,000, being the estimated fair value of the Westhaven common shares received, to $425,051 for the year ended January 31, 2016.

(Expressed in Canadian dollars)

12. 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 10). 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.

At the March 15, 2016 acquisition date, Strongbow recorded a long-term liability of $992,335 which represents the estimated present value of this payment obligation, using a discount rate of 15%. As at the 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. Accretion expense of $123,358 for the year ended January 31, 2017 increased the estimated present value of this liability to $1,115,693.

13. CAPITAL AND RESERVES

Authorized Share Capital

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

Share issuances

a) During the year ended January 31, 2017, the Company completed a non-brokered private placement of 18,283,000 Units at a price of $0.125 per Unit for gross proceeds of $2,285,375 between June 28th and July 19th, 2016. 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 the Company at a price of $0.20 until thirty-six (36) months from the closing date, subject to the Acceleration Right described below. In connection with this financing, the Company paid a 5% finder's fee in cash of $43,500, paid other share issue costs of $27,781 and issued 348,000 warrants (the "Finder's Warrants"). The Finder's Warrants have the same exercise terms as the Subscriber Warrants and are subject to the Acceleration Right described below.

Closing Date	Number of Units	Gross Proceeds	Warrant Expiry Date
June 28, 2016	14,360,000	$1,795,000	June 28, 2019
July 15, 2016	3,773,000	$471,625	July 15, 2019
July 19, 2016	150,000	$18,750	July 19, 2019

(Expressed in Canadian dollars)

13. CAPITAL AND RESERVES - *Continued*

Share issuances - *Continued*

b) Completed a non-brokered private placement financing of 14,682,666 Units at a price of $0.15 per Unit for gross proceeds of $2,202,400 between November 23rd and December 21st, 2016. 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 until twenty-four (24) months from the closing date, subject to the Acceleration Right described below. In connection with this financing, the Company paid a 5% finder's fee in cash of $47,013, paid other share issue costs of $18,392 and issued 313,416 warrants (the "Finder's Warrants") equivalent to 5% of the subscriptions introduced by the finder. The Finder's Warrants have the same exercise terms as the Subscriber Warrants and are subject to the Acceleration Right described below.

Closing Date	Number of Units	Gross Proceeds	Warrant Expiry Date
November 23, 2016	10,356,000	$1,553,400	November 23, 2018
November 25, 2016	2,766,666	$415,000	November 25, 2018
December 21, 2016	1,560,000	$234,000	December 21, 2018

In July 2015, the Company completed a non-brokered private placement of 10,000,000 units at a price of $0.10 per unit for gross proceeds of $1,000,000. Each unit consisted of one common share and one-half of one common share purchase warrant. Each full warrant entitles the holder to purchase one common share of the Company at a price of $0.20 until July 24, 2017. As part of this private placement, the Company paid cash finders' fees totalling $19,500.

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.

The finder's warrants issued as part of the private placement financings which closed in June, July, November and December 2016 have been recorded as share issuance costs and valued at $58,350 based upon the Black-Scholes valuation model using the following assumptions:

	Assumptions
Risk-free interest rate	**0.55~0.83%**
Expected dividend yield	**0%**
Expected stock price volatility	**100%**
Expected warrant life in years	**2-3 years**
Forfeiture rate	**0%**

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.

Options will be exercisable over periods of up to five years as determined by the Board of Directors and are required to 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.

(Expressed in Canadian dollars)

13. CAPITAL AND RESERVES - *Continued*

Stock options and warrants - *Continued*

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 and, for investors relations persons, on an equal 12 month vesting schedule under which no more than 25% vests in any quarter. 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.

Any options granted pursuant to the Plan will terminate generally within 90 days of the option holder ceasing to act as a director, officer or employee of the Company, unless such cessation is on account of death. The Plan provides that if a change of control, as defined therein, occurs, all shares subject to option will immediately become vested and may thereupon be exercised in whole or in part by the option holder.

As at January 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	540,000	January 3, 2022
Warrants	5,000,000	$	0.20	5,000,000	July 24, 2017
	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*

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, January 31, 2015	302,500	$ 3.60
Granted	2,220,000	0.11
Expired	(168,500)	2.09
Balance, January 31, 2016	2,354,000	0.42
Granted	2,800,000	0.15
Expired/Forfeited	(234,000)	3.21
Balance, January 31, 2017	**4,920,000**	**$ 0.13**
Number of options currently exercisable as at January 31, 2017	**2,760,000**	**$ 0.12**

(Expressed in Canadian dollars)

13. CAPITAL AND RESERVES - *Continued*

Stock options and warrants – *Continued*

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, January 31, 2015	-	$ -
Issued	5,000,000	0.20
Balance, January 31, 2016	5,000,000	0.20
Issued	33,627,082	0.20
Balance, January 31, 2017	**38,627,082**	**$ 0.20**

Share-based compensation

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 (January 31, 2016 – $171,524). Total share-based compensation recognized for granted and vested options during the year ended January 31, 2017 was $172,454 (January 31, 2016 - $122,354).

The fair value of each stock option grant is estimated on the date of grant using the Black-Scholes option pricing model, with the following range of assumptions:

	Year Ended January 31, 2017	Year Ended January 31, 2016
Risk-free interest rate	**1.11%**	0.84%
Expected dividend yield	**0%**	0%
Expected stock price volatility	**100%**	100%
Expected option life in years	**5 years**	5 years
Forfeiture rate	**0%**	0%

(Expressed in Canadian dollars)

14. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties not disclosed elsewhere in these financial statements (see also Notes 11, 12 and 13):

a) Charged rent of $Nil (January 31, 2016 - $526) to North Arrow Minerals Inc. ("North Arrow"), a company with two common directors;

b) Paid $18,000 to North Arrow for office space and administrative services (January 31, 2016 - $12,664); and

c) Paid $42,428 for office rent (January 31, 2016 - $20,563) to Helio Resource Corp. ("Helio"), a company with two common directors, and $5,230 (January 31, 2016 - $1,474) as a cost reimbursement. Helio holds a $4,300 security deposit from the Company pursuant to a sublease agreement for office space.

Included in payables is $Nil due to North Arrow (January 31, 2016 - $4,528) for reimbursement of shared administrative expenses and $3,097 (January 31, 2016 - $Nil) 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:

	Year Ended			
		January 31, 2017		January 31, 2016
Salaries and benefits[1]	**$**	**243,268**	$	84,167
Share-based payments[2]		**145,094**		115,740
Total	**$**	**388,362**	$	199,907

[1] Included in salaries and benefits are $201,667 (2016 - $76,167) and $41,601 (2016 - $8,000) in professional fees.
[2] Share-based payments are the fair value of options that have been granted and vested to directors and key management personnel.

15. ASSET RETIREMENT OBLIGATION

		Year Ended January 31, 2017		Year Ended January 31, 2016
Opening balance	**$**	**54,181**	$	55,024
Reduction in asset retirement obligation		**(55,385)**		-
Accretion		**108**		388
Change in estimate		**1,096**		(1,231)
Ending balance	**$**	**-**	$	54,181

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)

16. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2017	2016
Loss before income taxes	**$ (1,172,524)**	$ (1,097,514)
Combined federal and provincial income tax rate	**26%**	26%
Expected income recovery	**(305,000)**	(285,000)
Permanent difference	**45,000**	32,000
Change in statutory, foreign tax, foreign exchange rates and other	**(242,986)**	(265,000)
Share issue cost	**(36,000)**	(9,000)
Impact of disposal of subsidiary	**-**	-
Adjustment to prior year's provision versus statutory returns	**26,000**	(520,000)
Changes in unrecognized deductible temporary differences	**511,000**	1,047,000
Income tax expense (recovery)	**$ (1,986)**	$ -

The significant components of the Company's unrecorded deferred tax assets and liabilities are as follows:

	2017	2016
Deferred tax assets (liabilities)		
Exploration and evaluation assets	**$ 4,443,000**	$ 4,201,000
Equipment	**18,000**	6,000
Canadian eligible capital (CEC)	**96,000**	96,000
Share issue costs	**34,000**	9,000
Marketable securities	**-**	15,000
Royalty	**132,000**	-
Debt with accretion	**(100,000)**	-
Allowable capital losses	**954,000**	954,000
Non-capital losses available for future period	**1,541,000**	1,326,000
	7,118,000	6,607,000
Unrecognized deferred tax assets	**(7,118,000)**	(6,607,000)
Net deferred tax assets	**$ -**	$ -

The significant components of the Company's unrecognized temporary differences and tax losses are as follows:

	2017	Expiry dates	2016
Marketable securities	**$ -**	not applicable	$ 112,000
Equipment	**86,000**	not applicable	23,000
Share issue costs	**130,000**	2018 to 2021	35,000
Debt with accretion	**(384,000)**	not applicable	-
Investment tax credits	**717,000**	2027 to 2037	717,000
CEC	**368,000**	not applicable	368,000
Exploration and evaluation assets	**14,779,000**	not applicable	14,825,000
Allowable capital losses	**3,671,000**	not applicable	3,671,000
Non-capital losses available for future period	**5,964,000**	-	5,087,000
Canada	**5,773,000**	2028 to 2037	5,056,000
USA	**34,000**	2021 to 2037	31,000
UK	**113,000**	not applicable	-

(Expressed in Canadian dollars)

17. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

During the year ended January 31, 2017 the significant non-cash transactions were:

a) The issuance of 2,000,000 common shares with a value of $400,000 to acquire the South Crofty tin project and the commitment to issue common shares with a value of $2,000,000 on or before June 10, 2018, pursuant to the acquisition agreement (Note 4);

b) The recognition of a $125,614 unrealized gain on marketable securities through the investment revaluation reserve and a related income tax recovery of $1,986;

c) Included in exploration and evaluation assets is capitalized depreciation of $60,025, and $146,390 which relates to accounts payable and accrued liabilities; and

d) The recording of share issuance costs of $58,350 from finder's warrants.

During the year ended January 31, 2016 the significant non-cash transactions were:

a) The issuance of 6,500,000 common shares with a value of $650,000 for two property acquisitions;

b) The recognition of a $105,200 unrealized loss on marketable securities through the investment revaluation reserve; and

c) The receipt of 2,000,000 common shares with a value of $180,000 for the sale of the Company's interest in the Shovelnose property.

18. COMMITMENTS

As at January 31, 2017, the Company is committed to minimum future lease payments for office premises and other monthly/one-time payments as follows:

Year ending January 31, 2018	$	146,495
Year ending January 31, 2019	$	15,300

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

Subsequent to January 31, 2017, the Company entered into an investor relations contract, resulting in a minimum six-month commitment of $5,000 per month.

19. 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.

(Expressed in Canadian dollars)

20. 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 January 31, 2017				As at January 31, 2016		
	Canada	**United States**	**UK**	**Total**	Canada	United States	Total
Deposits	$ 9,300	$ -	$ -	**$ 9,300**	$ 9,300	$ -	$ 9,300
Property, plant and equipment	$ 5,300	$ -	$ 952,910	**$ 958,210**	$ 8,853	$ -	$ 8,853
Royalties	$ 992,335	$ -	$ -	**$992,335**	$ -	$ -	$ -
Exploration and evaluation assets	$ -	$ 753,078	$ 3,633,891	**$4,386,969**	$ -	$ 713,850	$ 713,850

21. SUBSEQUENT EVENT

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. The Skoonka property is located in the Spences Bridge Gold Belt in southern British Columbia, Canada. Under the terms of the property purchase agreement amongst Strongbow, Almadex and Westhaven, Westhaven will issue a total of 2,000,000 common shares to Strongbow and Almadex, of which 1,300,000 common shares will be allocated to Strongbow and 700,000 common shares will be allocated to Almadex. In addition, Almadex shall retain a 2% net smelter return royalty on Skoonka. The agreement is subject to regulatory approval. Westhaven is related to the Company by virtue of a common director.