

**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 June 27, 2019**

**Description of Business**

Strongbow Exploration Inc. ("Strongbow" or the "Company") is a Canadian mineral exploration and development 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 tungsten in Alaska and nickel in Northwest Territories, 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 months ended April 30, 2019, should be read in conjunction with the consolidated condensed interim financial statements of the Company for the three months ended April 30, 2019 and April 30, 2018, 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 MD&A was prepared under the supervision of Richard Williams, P.Geo.(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 Months Ended April 30, 2019 and for the Period ending June 27, 2019**

- Continued work on the design and construction of the proposed water treatment plant at South Crofty;
- Power supply sufficient for the mine dewatering phase and potential future mining operations has been installed;
- Settlement of \$1,500,000 loan advanced by Osisko Gold Royalties in return for the transfer of a royalty on Westhaven's Shovelnose project; and
- Continued work required for a potential listing on the UK Alternative Investment Market ("AIM").

**Activities Update for the Three Months Ended April 30, 2019 and for the Period ending June 27, 2019**

*South Crofty - background*

Strongbow's 100% 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 development in the Cornwall area, as demonstrated by the commitment of Cornwall Council to invest into common shares of the Company in conjunction with an AIM listing, and in the UK in general, as demonstrated by 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 tin project fits into Strongbow's objective of acquiring high quality mining assets in good jurisdictions in the strategic metals space. South Crofty comprises an underground permission (mine permit) area that covers 1,490 hectares, an area which includes twenty-six (26) former producing mines. Production records date back to 1592, with full-scale mining activities commencing in the mid-17th century. South Crofty closed in 1998 as a result of the tin price collapse of 1985 and impending changes to environment laws and related liabilities in the

late 1990s. The underground permission was granted in 2013 and is valid until 2071. The Company also holds planning permission to construct a new process plant, which was granted in 2011.

In February 2017, the Company announced completion of a Preliminary Economic Assessment (“PEA”) which can be found on the Company’s website ([www.strongbowexploration.com](http://www.strongbowexploration.com)) and under Strongbow’s issuer profile ([www.sedar.com](http://www.sedar.com)). The PEA indicates the project is potentially economically viable and technically feasible. The outcome of this PEA, the positive supply/demand dynamics of the tin market, the granting of a long life mine permit, support from Cornwall Council, together 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 again.

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

#### *Planning and design of the water treatment plant*

The South Crofty mine workings are presently flooded and dewatering activities are required as part of a feasibility study of reopening the mine. In March 2017, a water treatment trial was successfully completed at South Crofty. In October 2017 the Company received, from the Environment Agency, a mine waste permit with water discharge consent that will allow treatment and discharge of up to 25,000m<sup>3</sup>/day of mine-water, following construction and commissioning of a new water treatment plant (“WTP”). Mine dewatering is expected to take between eighteen and twenty-four months.

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

In June 2017, Strongbow announced that Siltbuster Process Solutions Ltd and Nomenca Ltd. (“Nomenca”) had been engaged to undertake process specification and outline design works for the WTP at South Crofty.

#### *Construction progress of the water treatment plant*

Construction progress of the WTP has included various enabling works and the placing of orders for a number of long lead items, including the mine dewatering pumps, variable speed drives and the shaft rising main pipe columns. The variable speed drives and the pipe columns were delivered to site in September and October 2018, respectively.

In March 2019, a successful factory acceptance test of the two mine dewatering pumps was completed in Frankenthal, Germany. The pumps were demonstrated running at various head/volume combinations to establish the pump performance and efficiency. The pumps are expected to be delivered to site in the summer of 2019.

Detailed design work for the WTP is continuing with Nomenca. The procurement process has also commenced, with Nomenca specifying the major mechanical equipment and identifying suitable sub-contractors for construction activities.

The preparation work for the laying of the concrete foundation slab for the WTP has been completed. It is anticipated that the work to pour the concrete foundation slab will commence in the middle of 2019.

Surveys have been successfully completed of New Cook’s Kitchen Shaft (the main access shaft at South Crofty) demonstrating that the shaft is open to the bottom. The existing guiderails within the shaft were also shown to be sufficiently robust to allow them to be used for the lowering of the pumping and ancillary equipment when dewatering activities commence.

#### *Delivery of power supply*

A new 11kV underground cable was installed by Western Power Distribution (“WPD”) from their sub-station to the mine site in February 2019. This cable will provide 5MW of electrical power, sufficient for the dewatering operations and future underground mining operations. Additionally, an agreement was signed with WPD to provide up to 12.8MW of power from the 33kV network for all future operations at the mine site.

Planning permission has been gained for the installation of two new electrical transformers associated with the new power supply at the New Cook’s Kitchen Shaft site and work has commenced on modifying the mine dry building to allow installation of the new electrical switch gear and the variable speed drives required for the dewatering pumps.

*Settlement of line of credit*

On March 16, 2016, the Company announced that it had drawn down \$1,500,000 from a line of credit with its largest shareholder, Osisko Gold Royalties Ltd (“Osisko”), for the purchase of the Mactung and Cantung tungsten royalties located in the Northwest Territories and Yukon, Canada.

The Company also holds a royalty on the Shovelnose gold project (“Shovelnose Royalty”) owned by Westhaven Ventures Inc (“Westhaven”), in which the Company is the holder of 1,000,000 common shares. Westhaven and the Company are related by virtue of a common director, Mr. D. Grenville Thomas.

On May 8, 2019, it was announced that the Company and Osisko have agreed that the Company will transfer ownership of the Shovelnose Royalty to Osisko for a purchase price equal to the amount of the line of credit provided by Osisko to the Company. The purchase price will be paid by Osisko by way of set-off against the outstanding debt in full satisfaction of the line of credit. Closing of the transaction is subject to shareholder approval given the related party nature of the proposed transaction.

*Preparation for listing of common shares in the UK*

In March 2018, the Company announced that it had entered into a side letter to the South Crofty share purchase agreement (“SPA”) with Galena Special Situations Master Fund Limited (“Galena”) and Tin Shield Production Inc. (“Tin Shield”) to amend the remaining payments due to Galena and Tin Shield (the “March 2018 side letter”) provided that the Company’s shares are listed on AIM before the end of 2018. The March 2018 side letter included a longstop date that if the Company fails to list on AIM by January 1, 2019, the March 2018 side letter shall not apply and the terms from the original SPA will remain in force. It has since been agreed with Galena and Tin Shield that the longstop date has been extended from January 1, 2019 to December 31, 2019.

In connection with the Company’s proposed AIM listing, WUML has entered into a conditional 5% tin warrant offtake agreement with Orion Mine Finance (*refer annual MD&A dated May 23, 2019 for further details*). The agreement is conditional on the AIM listing and Orion Mine Finance making an equity investment of no less than US\$3,000,000 in common shares of the Company as part of the listing.

Also in connection with the Company’s proposed AIM listing, Cornwall Council has agreed to invest £1,000,000 into common shares of the Company subject to completion of the AIM listing.

*Next steps - South Crofty*

The Company’s primary focus for the remainder of 2019 will be the design, construction and commissioning of the WTP, and thereafter commencement of mine dewatering (subject to financing). The Company is also in the process of listing its common shares on AIM in London, UK given the location of the Company’s most significant asset in the UK.

In the next 12 to 24 months (subject to financing), the Company plans to:

- Complete dewatering the mine;
- Drill exploration targets to demonstrate the potential to increase the current resource;
- Commence a feasibility study;
- Complete an underground drilling program to delineate a measured and indicated mineral resource and increase the indicated and inferred mineral resource once access to the underground workings is obtained;
- Complete basic and detailed engineering studies; and
- Construct process plant and underground facilities.

**Results of Operations**

The Company’s principal business activity is the acquisition, exploration and development of mineral properties located in stable jurisdictions and which are prospective for strategic metals. The Company’s flagship project is the past producing South Crofty underground tin mine in Cornwall, UK. The Company also has mineral property interests in the Yukon 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 three months ended April 30, 2019 (the “Current Quarter”), the Company recorded a comprehensive loss of \$534,730 as compared to a comprehensive loss of \$785,330 (\$0.01 loss per share) for the three months ended April 30, 2018 (the “Comparative Quarter”).

During the Current Quarter, expenses totaled \$514,373 as compared to expenses of \$873,406 in the Comparative Quarter. This decrease is mainly attributable to lower professional fees, lower accretion and no share-based compensation expense, offset by an increase in salaries and benefits and depreciation.

Advertising and promotion expense (Current Quarter - \$149,778; Comparative Quarter - \$209,587) decreased due to the timing of activities in this expense category which includes travel expenses of the Company's executives relating to the continued development of the South Crofty tin project and investor meetings in the UK in anticipation of the proposed AIM listing. Other costs in this expense category include marketing advisory fees, attendance subscriptions at investor relations conferences, and monthly fees related to public relations in the UK and investor relations in North America.

Professional fees (Current Quarter - \$60,639; Comparative Quarter - \$205,930) include accounting and audit fees, legal expenses and consulting expenses. Professional fees decreased as some previously retained consultants were contracted as employees. In addition, the decrease is due to a lower level of legal and advisory fees incurred in respect of various corporate initiatives undertaken in the Comparative Quarter, including the expensing of certain costs related to the proposed AIM listing which are not eligible for capitalization.

Salaries and benefits expense (Current Quarter - \$180,323; Comparative Quarter - \$95,186) was higher as the Company's activity level increased as compared to the previous period with the result that compensation for the Company's executives was adjusted accordingly and some previously retained consultants were contracted as employees.

Share-based compensation expense (Current Quarter - \$Nil; Comparative Quarter - \$100,378) decreased as the Company's stock options were fully vested by January 31, 2019. The share-based compensation expense in the Comparative Quarter relates to the estimated fair value of the 2,540,000 stock options granted on November 6, 2017.

Insurance expense (Current Quarter - \$19,819; Comparative Quarter - \$12,667) rose slightly as the Company's activity levels and asset base have increased.

Office, miscellaneous and rent (Current Quarter - \$13,085; Comparative Quarter - \$48,726) decreased due to the implementation of IFRS 16 'Leases' with effect from 1 February 2019 whereby in the Comparative Quarter the rental cost on the Company's office in Vancouver was expensed. In the Current Quarter, rental payments on this office are no longer expensed but reduce the lease liability recognized at the date of transition of IFRS 16. Also, included in this expense category is a monthly fee of \$650 payable to North Arrow Minerals Inc. ("North Arrow"), a company related by virtue of two common directors, for storage and administrative support. Other miscellaneous costs include the Company's membership fee of the International Tin Association.

Accretion expense (Current Quarter - \$60,574; Comparative Quarter - \$191,488) relates to the future settlement of \$1.5 million for a line of credit from Osisko which was used to acquire the Cantung and Mactung royalties in March 2016 (accretion expense of \$24,496 in the Current Quarter; Comparative Quarter - \$44,479) and the convertible note financing with Osisko for \$7.17 million that closed on January 26, 2018 (accretion expense of \$36,078 in the Current Quarter). The total accretion expense for the convertible note financing was \$158,818 (Comparative Quarter - \$147,009), of which \$36,078 has been expensed in the Current Quarter and \$122,740 has been capitalized to property, plant and equipment. In the Comparative Quarter, the accretion charge was expensed in full, with capitalization of the accretion expense to property, plant and equipment taking place in the fourth quarter of the year ended January 31, 2019. As at April 30, 2019, the estimated net present values of the line of credit and the convertible note were \$1,500,000 and \$4,684,711, respectively.

Depreciation (Current Quarter - \$22,708; Comparative Quarter - \$568) increased due to the capitalization of a right-to-use real estate asset (the Vancouver office referred above) in accordance with IFRS 16, and its subsequent depreciation. Depreciation on assets at South Crofty is capitalized to exploration and evaluation assets. During the Current Quarter, capitalized depreciation decreased to \$11,904 (Comparative Quarter - \$22,649) reflecting the reduced depreciable asset base at South Crofty.

Other operating expenses incurred during the Current Quarter included regulatory and filing fees of \$7,447 (Comparative Quarter - \$8,876).

During the Current Quarter, an unrealized loss on marketable securities of \$220,400 and a foreign exchange gain of \$198,314 were recognized in comprehensive loss (Comparative Quarter – unrealized gain on marketable securities of \$107,249 and foreign exchange loss of \$21,100). The unrealized loss on marketable securities is primarily attributable to the lower market value of the Company's holding in Westhaven, which represent most of the value of the Company's marketable securities.

Other factors that affected the Company's loss in the Current Quarter include a finance cost relating to the unwinding of the discount on the lease liability recognized as a consequence of IFRS 16 (Current Quarter - \$2,718; Comparative Quarter - \$Nil) and interest income (Current Quarter - \$4,447; Comparative Quarter - \$1,927).

### **Assets and Liabilities**

Total assets decreased to \$17,829,912 as at April 30, 2019 as compared to total assets of \$17,977,524 as at January 31, 2019 due to the reported loss for the Current Quarter.

The Company's cash balance decreased from \$2,161,772 as at January 31, 2019 to \$1,449,550 as at April 30, 2019 principally as a result of ongoing development activities at South Crofty and expenditure at a corporate level.

Marketable securities decreased in value from \$1,168,932 as at January 31, 2019 to \$948,532 as at January 31, 2019. The decrease is primarily attributable to the lower market value of the Company's holding in Westhaven as noted above. As at April 30, 2019, the Company owned 1,000,000 common shares in Westhaven at a fair market value of \$630,000 (January 31, 2019 - \$850,000). Also included in marketable securities is the fair value of common shares held in private companies of \$316,732 which did not change from January 31, 2019. Most of this holding comprises common shares in Cornish Lithium.

Receivables, consisting mostly of sales tax receivables from the governments of Canada and the UK, increased slightly from \$14,676 as at January 31, 2019 to \$16,383 as at April 30, 2019. Prepaid expenses decreased to \$75,272 as at April 30, 2019 as compared to \$133,165 as at January 31, 2019 due to the timing of settling contractual obligations.

As at April 30, 2019, the Company capitalized \$582,758 in deferred financing fees. These fees include legal, accounting and other professional fees that the Company has incurred in respect of preparatory work for a possible listing on AIM in London, UK and will be applied against any proceeds from a listing on AIM. In the event that the Company does not proceed with an AIM listing, the deferred financing fees will be expensed.

Deposits remained constant at \$68,402 as at April 30, 2019, as compared to \$67,585 as at January 31, 2019. Included in this balance is a deposit placed with the electricity provider in Cornwall to secure the power supply for the future processing plant at South Crofty.

Property, plant and equipment ("PPE") assets increased to \$5,363,127 as at January 31, 2019 from \$4,999,617 as at January 31, 2019. The most significant item within PPE is the capitalization of the WTP at \$3,388,591 for which design and construction activities are underway. The WTP is treated as work in progress and is therefore not depreciated. Capitalized costs to the WTP during the Current Quarter were \$10,480. Also capitalized as at February 1, 2019, the Company's transitional date for the implementation of IFRS 16, was \$187,248 for the right-to-use real estate (the Vancouver office referred above) which was initially measured at the present value of the lease payments over the term of the lease expiring on April 30, 2021. During the Current Quarter borrowing costs of \$122,740 were capitalized to the WTP and land as approximately half the proceeds from the convertible note financing were used towards the design and construction of the WTP and purchase of the land surrounding New Kitchen's Shaft.

The capitalized royalty balance for the Mactung and Cantung royalties was \$1,500,000 as at April 30, 2019 and January 31, 2019.

Exploration and evaluation assets of \$7,825,888 as at April 30, 2019 represent 44% of total assets and increased from \$7,379,019 as at January 31, 2019. During the Current Quarter, the Company capitalized \$448,479 to exploration and evaluation assets, nearly all related to the South Crofty tin project, reflecting general expenditure at the site, such as salaries and benefits, utility expenses and general maintenance expenses of the mine.

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

	January 31, 2019	Expended during the period	April 30, 2019
<b>Tin Properties, Alaska, USA</b>			
Exploration costs	\$ 18,834	\$ -	\$ 18,834
Tenure costs	173,529	-	173,529
Geological and assays	6,388	-	6,388
Office and remuneration costs	3,586	-	3,586
Asset acquisition	656,134	-	656,134
Foreign currency translation	<u>-</u>	<u>18,222</u>	<u>18,222</u>
	<u>858,471</u>	<u>18,222</u>	<u>876,693</u>
<b>South Crofty, Cornwall, UK</b>			
Exploration costs	829,678	61,904	891,582
Tenure and utility costs	721,165	44,208	765,373
Office and remuneration costs	1,841,412	216,476	2,057,888
Capitalized depreciation	296,380	11,904	308,284
Asset acquisition	3,023,374	-	3,023,374
Recovery of costs	(191,461)	-	(191,461)
Foreign currency translation	<u>-</u>	<u>94,155</u>	<u>94,155</u>
	<u>6,520,548</u>	<u>428,647</u>	<u>6,949,195</u>
	<u>\$ 7,379,019</u>	<u>\$ 448,479</u>	<u>\$ 7,825,888</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 increased to \$1,903,193 as at April 30, 2019 from \$270,016 as at January 31, 2019 principally due to the line of credit provided by Osisko in connection with the acquisition of the Cantung and Mactung royalties being classified as current as at April 30, 2019 (January 31, 2019 – non-current). As noted above, agreement has been reached with Osisko for the settlement of the line of credit in return for the transfer of a royalty on the Shovelnose property held by Westhaven. As this agreement was substantially negotiated prior to April 30, 2019, the line of credit has been classified as current at the reporting date. Also included in current liabilities is the current portion of the lease liability of \$82,358 (January 31, 2019 - \$Nil) arising from the implementation of IFRS 16, and accounts payable and accrued liabilities of \$320,853 (January 31, 2019 - \$270,016) which has increased due to the timing of settlement of supplier invoices.

Total long-term liabilities decreased to \$7,655,794 as at April 30, 2019 from \$8,887,911 as at January 31, 2019 due to the reclassification of the line of credit to current, offset by the recognition of the long-term portion of the lease liability of \$84,569 arising from the implementation of IFRS 16 and accretion of \$158,818 in the Current Quarter related to the convertible note financing with Osisko. The convertible note financing is split between debt and royalty components of \$4,684,711 and \$2,886,514, respectively (see note 11 of the consolidated condensed interim financial statements for the three months ended April 30, 2019).

### **Summary of Quarterly Results**

The following table sets out selected unaudited quarterly financial information of the Company 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.

Quarter ending	Interest income \$	Income (loss) from continued operations \$	Basic income (loss) per share from income (loss) \$	Fully diluted income (loss) per share <sup>(*)</sup> from income (loss) \$
April 30, 2019	4,447	(534,730)	(0.01)	(0.01)
January 31, 2019	8,907	(565,184)	(0.01)	(0.01)
October 31, 2018	Nil	2,288,318	0.03	0.03
July 31, 2018	18,516	(611,828)	(0.01)	(0.01)
April 30, 2018	1,927	(785,330)	(0.01)	(0.01)
January 31, 2018	Nil	(1,055,784)	(0.01)	(0.01)
October 31, 2017	Nil	(356,553)	(0.00)	(0.00)
July 31, 2017	Nil	(360,039)	(0.01)	(0.01)

\* Based on the treasury share method for calculating diluted earnings.

Following the acquisition of the South Crofty tin project in July 2016 and increased activity levels for the Company, quarterly losses have generally risen largely due to higher expenses. Preparatory work for an AIM listing in recent quarters has also contributed to an increase in losses with the timing of such work impacting the quarterly results. The Company's expenses also include non-cash expenses such as accretion (related to the Company's financing activities) and share-based compensation, which varies depending on when stock options are granted and vest. Since February 1, 2018 quarterly results have also been impacted by unrealized and realized gains (losses) on marketable securities recognized in income (loss) which previously were recognized in comprehensive income (loss).

### **Liquidity and Capital Resources**

The Company's working capital reduced to \$1,169,302 as at April 30, 2019 as compared to working capital of \$3,761,287 as at January 31, 2019 principally due to the reclassification of the line of credit to current. Cash decreased by \$714,348 in the Current Quarter (Comparative Quarter – \$2,524,412) to \$1,449,550 as at April 30, 2019 (cash of \$2,161,772 as at January 31, 2019), which was offset by a foreign currency translation gain of \$2,126 arising from cash balances denominated in British pounds (Comparative Quarter - \$Nil). Net cash used in operations during the Current Quarter was \$338,214 (Comparative Quarter - \$661,443). Changes in working capital items during the Current Quarter included an increase in receivables of \$1,707, a decrease of \$57,892 in prepaid expenses and an increase in payables and accrued liabilities of \$29,763.

During the Current Quarter, the Company used \$335,831 (Comparative Quarter – \$1,852,490) for investing activities, including \$16,580 for the acquisition of PPE and \$318,433 for general expenditure primarily related to South Crofty which was capitalized to exploration and evaluation assets. In the Comparative Quarter, \$205,078 was incurred on exploration and evaluation assets, primarily related to South Crofty, and \$617,352 was incurred on PPE, mainly for additions related to the WTP.

Net cash used in financing activities was \$40,303 in the Current Quarter (Comparative Quarter - \$37,479). The Company paid \$23,039 in principal and interest payments on the lease liability related to the Vancouver office and paid deferred financing fees of \$17,264. In the Comparative Quarter, the Company received \$1,833 from the exercise of warrants and paid deferred financing fees of \$39,312.

As at April 30 2019, the Company had certain minimum commitment for premises, utility providers and mineral lease owners under contractual agreements. Please see the "Commitments" section below for further details.

Funding requirements are forecast with reference to the Company's planned exploration, development and corporate activities and anticipating investing and financing activities. Actual funding requirements may vary from those planned due to a number of factors, including results from exploration and development activities and the Company's ability to raise additional funds at favourable terms. The Company has historically relied on equity financings and asset sales, or a combination thereof to finance its activities, although the convertible note financing with Osisko provided a complementary funding source for the Company.

Equity financings at the Company's stage of development are challenging in the current economic environment and commodity cycle. Equity financings also result in dilution to existing shareholders which increases as the share price decreases. Market volatility and economic uncertainties have the potential to make future equity financings challenging. The Company's ability to raise equity financing is impacted by 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 Company also cannot raise additional financing through securitisation of its assets since the convertible note financing completed with Osisko is secured by a first ranking lien on all of the assets of Strongbow and its subsidiaries.

## **Risks and Uncertainties**

### *Liquidity and going risks*

The Company's financial condition and future prospects are significantly affected by the ability of the Company to obtain the financing necessary to complete the exploration and development of its mineral properties and upon future profitable production. Since the Company has not generated significant revenues from operations and is considered to be in the exploration stage, liquidity risk and going concern are the most significant risks faced by the Company at the present time.

As at April 30, 2019, the Company had current assets of \$3,072,495 to settle current liabilities of \$1,903,193. Although the Company has positive working capital of \$1,169,302 as at April 30, 2019, the Company anticipates significant expenditures will be required to operate the WTP at the South Crofty tin project. The Company may be required to delay or indefinitely postpone discretionary expenditure, including the construction and operation of the WTP, if additional financing cannot be obtained on reasonable terms within the next twelve months. Failure to obtain such additional financing will cause a delay in the Company's plan to advance the South Crofty tin project towards a production decision, or an inability to maintain title to its mineral properties in good standing. Furthermore, failure to realize additional funding, as required, could result in the Company being unable to meet the continued listing requirements of the TSX-V.

The Company's consolidated condensed interim financial statements for the three months ended April 30, 2019 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 and development of its mineral properties is dependent on the Company's ability to obtain additional financing and 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 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.

In January 2018, the sale of a royalty was concluded with Osisko through a convertible note to progress the design and construction of the WTP at South Crofty. The convertible note financing completed in January 2018 is secured by a first ranking lien on all of the assets of Strongbow and its subsidiaries. If an event of default occurs under either the note or the royalty agreement, Osisko has the right to realize upon its security and become the owner of all such assets.

### *Foreign currency risk*

The Company has its most significant exposure to foreign currency risk through expenditure incurred on its mineral properties in the United Kingdom. Most of the Company's expenditure incurred on its mineral properties is in British pounds, therefore the fluctuation of the Canadian dollar in relation to this currency will consequently have an impact on the value of the Company's assets. The Company does not presently invest in foreign denominated currency contracts to mitigate this risk, but will closely monitor this risk depending on the amount and currency of any fundraising for the development of the South Crofty tin project.

### *Credit risk*

The Company's receivables consist primarily of sales tax receivables due from the Canadian and UK governments. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. The maximum exposure to credit risk is the carrying value of the Company's receivables and cash.

### *Equity market risk*

The Company is exposed to equity price risk arising from its marketable securities. 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.



Commodity price risk

The Company is exposed to price risk with respect to commodity prices, in particular tin. The ability of the Company to explore and develop its mineral properties and the future profitability of the Company are directly related to the market price of commodities. The Company does not presently invest in commodity hedges to mitigate this risk.

**Outstanding Share Data**

The Company's authorized capital is unlimited common shares without par value.

As at June 27, 2019, there were 86,768,585 common shares issued and outstanding.

As at June 27, 2019, the Company had the following stock options and warrants outstanding:

	Number of shares	Exercise price	Number exercisable	Expiry date
<b>Options</b>	2,020,000	\$ 0.11	2,020,000	October 23, 2020
	2,450,000	\$ 0.15	2,450,000	January 3, 2022
	2,340,000	\$ 0.20	2,340,000	November 3, 2022
<b>Warrants*</b>	14,605,000	\$ 0.20	14,605,000	June 28, 2019
	3,621,000	\$ 0.20	3,621,000	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 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 warrants. Any warrant not exercised on or before such 30th business day will expire and will no longer be exercisable to acquire shares.

During the period ended April 30, 2019 and April 30, 2018, the Company granted no stock options. In the Current Quarter the Company recorded \$Nil in share-based compensation expense (Comparative Quarter - \$100,378).

**Transactions with Related Parties**

The Company entered into the following transactions with related parties during the three months ended April 30, 2019 and 2018:

- a) Paid \$1,950 to North Arrow, a company with two common directors (D. Grenville Thomas and Kenneth A. Armstrong), for office space and administrative services (April 30, 2018 - \$4,500); and
- b) Paid \$Nil as a cost reimbursement (April 30, 2018 - \$1,263) to Helio Resource Corp., a company with two common directors (D. Grenville Thomas and Richard Williams).

Included in accounts payable and accrued liabilities is \$Nil due to North Arrow for information technology support services (January 31, 2019 - \$4,000); and \$350 (January 31, 2019 - \$2,511) and \$Nil (January 31, 2019 - \$3,552) due to Matthew Hird, Strongbow's Chief Financial Officer and Owen Mihalop, Strongbow's Chief Operating Officer, respectively, for the reimbursement of expenses.

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

	Three months ended	
	April 30, 2019	April 30, 2018
Salaries and benefits <sup>1</sup>	\$ 144,008	\$ 115,111
Share-based payments <sup>2</sup>	-	68,170
<b>Total</b>	<b>\$ 144,008</b>	<b>\$ 183,281</b>

- 1 Allocated \$139,508 (April 30, 2018 - \$75,000) to salaries and benefits and \$4,500 (April 30, 2018 - \$40,111) to professional fees.
- 2 Share-based payments are the fair value of options that have been granted and vested to directors and key management personnel).

### **Commitments**

As at April 30, 2019 the Company is committed to minimum future lease payments for office premises, and monthly contractual payments to utility providers and mineral lease owners as follows:

Period ending January 31, 2020	\$ 99,648
Year ending January 31, 2021	\$ 121,501
Year ending January 31, 2022	\$ 25,996
Year ending January 31, 2023 and 2024	\$ 3,504

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 notes 8 and 14 of the consolidated condensed interim financial statements for the three months ended April 30, 2019 and 2018.

In addition to the above commitments, the Company is liable to make payments to owners of mineral properties within the underground mine permission area of the South Crofty Tin Project which the Company leases for the purposes of ore extraction. Upon commencement of the mining phase, payment to owners will take the form of either:

- an advance payment of \$87,500 per annum during periods when there is no production from the respective owner's mineral rights, or
- a NSR payable on ore extracted from property that falls within the mineral rights held by the owner which varies according to the prevailing tin price.

### **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 3 of the consolidated condensed interim financial statements for the three months April 30, 2019 and 2018.

### **Capital Management**

A description of the Company's capital management can be found in note 13 of the consolidated condensed interim financial statements for the three months ended April 30, 2019 and 2018.

### **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, 2019 and 2018. These estimates and judgements did not change for the three months ended April 30, 2019.

### **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 months ended April 30, 2019 and 2018 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 Company's ability to construct and operate the WTP within the terms of the applicable regulatory requirements; the Company's ability to comply with the terms of the convertible note financing pursuant to the sale by the Company of a 1.5% NSR on South Crofty, 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 can be found above, 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.