STRONGBOW EXPLORATION INC.

CONSOLIDATED FINANCIAL STATEMENTS

JANUARY 31, 2018

(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, 2018 and 2017 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, 2018 and 2017 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 11, 2018

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

		2018		2017 (Restated - Note 2)
ASSETS				
Current				
Cash	$	6,948,928	$	1,721,363
Marketable securities (Note 5)		515,521		218,800
Receivables (Note 6)		158,363		72,450
Deferred financing fees (Note 7)		406,311		-
Prepaid expenses		133,729		68,248
		8,162,852		2,080,861
Deposits		29,093		9,300
Property, plant and equipment (Note 9)		1,508,300		958,210
Royalties (Note 10)		1,500,000		1,500,000
Exploration and evaluation assets (Note 11)		5,741,629		4,386,969
	$	16,941,874	$	8,935,340
LIABILITIES				
Current				
Accounts payable and accrued liabilities (Note 8)	$	619,603	$	276,362
Debt (Note 12)		3,917,432		-
Royalty option (Note 12)		2,886,514		-
Long-term liability (Note 13)		1,283,047		1,115,693
		8,706,596		1,392,055
CAPITAL AND RESERVES				
Capital stock (Note 14)		35,180,604		32,723,836
Commitment to issue shares (Note 11)		2,000,000		2,000,000
Capital contribution (Note 13)		507,665		507,665
Share-based payment reserve (Note 14)		4,868,494		4,448,286
Investment revaluation reserve		61,357		13,289
Deficit		(34,382,842)		(32,149,791)
		8,235,278		7,543,285
	$	16,941,874	$	8,935,340

Nature and Continuance of Operations and Going Concern Assumption (Note 1)
Commitments (Note 16)
Subsequent Events (Note 22)

Approved and authorized on behalf of the Board on May 11, 2018:

"D. Grenville Thomas" Director *"Kenneth A. Armstrong"* 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)

	2018	2017
EXPENSES		
Accretion (Note 13)	$ 167,354	$ 123,466
Advertising and promotion	566,889	176,910
Depreciation (Note 9)	2,977	3,015
Generative exploration expense (recovery) (Note 11)	(105,156)	18,393
Insurance	43,633	25,940
Office, miscellaneous and rent (Note 15)	110,322	91,284
Professional fees (Note 15)	685,488	276,798
Regulatory and filing fees	23,278	29,657
Share-based compensation (Note 14)	420,208	172,454
Salaries and benefits (Note 15)	314,071	226,383
Total operating expenses	(2,229,064)	(1,144,300)
Foreign exchange loss	(11,169)	(28,843)
Interest income	-	619
Loss before income taxes	(2,240,233)	(1,172,524)
Income tax recovery (Note 17)	7,182	1,986
Loss for the year	(2,233,051)	(1,170,538)
Other comprehensive income for the year		
Unrealized gain on marketable securities (Note 5)	48,068	125,614
Total comprehensive loss for the year	$ (2,184,983)	$ (1,044,924)
Basic and diluted loss per share	$ (0.03)	$ (0.03)
Weighted average number of common shares outstanding	67,239,691	40,108,013

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)

		2018		2017
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the year	$	(2,233,051)	$	(1,170,538)
Items not involving cash:				
Accretion		167,354		123,466
Depreciation		2,977		3,015
Generative exploration costs (recovery)		(117,000)		1,096
Share-based compensation		420,208		172,454
Income tax recovery		(7,182)		(1,986)
Changes in non-cash working capital items:				
Increase in receivables		(85,913)		(68,963)
Increase in prepaid expenses		(65,481)		(46,764)
(Increase) / decrease in accounts payable and accrued liabilities		95,480		(35,321)
Net cash used in operating activities		(1,822,608)		(1,023,541)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of property, plant and equipment		(516,915)		(1,012,397)
Acquisition of royalties		-		(1,500,000)
Acquisition of exploration and evaluation assets		(1,315,745)		(1,066,704)
Increase in deposits		(19,793)		-
Expenditures to reduce asset retirement obligation		-		(55,385)
Net cash used in investing activities		(1,852,453)		(3,634,486)
CASH FLOWS FROM FINANCING ACTIVITIES				
Debt, net of transaction costs		4,037,442		992,335
Royalty option		2,886,514		-
Capital contribution		-		507,665
Common shares issued - private placement financing, net		2,162,868		4,351,089
Common shares issued - exercise of warrants		113,900		-
Increase in deferred financing fees		(298,098)		-
Net cash provided by financing activities		8,902,626		5,851,089
Change in cash during the year		5,227,565		1,193,062
Cash, beginning of the year		1,721,363		528,301
Cash, end of the year	$	6,948,928	$	1,721,363
Cash paid during the year for interest	$	-	$	-
Cash paid during the year for income taxes	$	-	$	-

Supplemental disclosure with respect to cash flows (Note 18)

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)

	Number of Shares	Amount	Commitment to Issue Shares	Capital Contribution (Note 2)	Share-based Payment Reserve	Investment Revaluation Reserve	Deficit	Total
Balance at January 31, 2016	25,607,694	$ 28,031,097	$ -	$ -	$ 4,217,482	$ (112,325)	$ (30,979,253)	$ 1,157,001
								-
Private placements	32,965,666	4,487,775	-	-	-	-	-	4,487,775
Share issue costs	-	(195,036)	-	-	58,350	-	-	(136,686)
Commitment to issue shares	-	-	2,000,000	-	-	-	-	2,000,000
Asset acquisition	2,000,000	400,000	-	-	-	-	-	400,000
Capital contribution	-	-	-	507,665	-	-	-	507,665
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**	**507,665**	**4,448,286**	**13,289**	**(32,149,791)**	**7,543,285**
Private placements	15,714,228	2,199,992	-	-	-	-	-	2,199,992
Share issue costs	-	(37,124)	-	-	-	-	-	(37,124)
Common shares issued upon warrant exercise	569,500	113,900	-	-	-	-	-	113,900
Common shares issued pursuant to a property option agreement	1,000,000	180,000	-	-	-	-	-	180,000
Share-based compensation	-	-	-	-	420,208	-	-	420,208
Unrealized gain on marketable securities	-	-	-	-	-	48,068	-	48,068
Loss for the year	-	-	-	-	-	-	(2,233,051)	(2,233,051)
	77,857,088	**$ 35,180,604**	**$ 2,000,000**	**$ 507,665**	**$ 4,868,494**	**$ 61,357**	**$ (34,382,842)**	**$ 8,235,278**

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") exists under the laws of the *Canada Business Corporations Act* ("CBCA"). 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 was incorporated under the laws of Alaska, USA and Strongbow Exploration (UK) Ltd., which was incorporated under the laws of the United Kingdom.

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, 2018, the Company had current assets of $8,162,852 to settle current liabilities of $619,603. Although the Company has positive working capital of $7,543,249 as at January 31, 2018, 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 11, 2018, the date the Board of Directors approved the statements.

2. BASIS OF PRESENTATION - *Continued*

Adoption of New IFRS Pronouncements

The following standard was adopted during the year ended January 31, 2018. The adoption of this standard did not have a material effect on the consolidated financial statements.

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.

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. The Company has analyzed the impact of adopting IFRS 9 and anticipates that there will be no material changes as a result of adopting this new standard.

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. The adoption of IFRS 15 is not expected to have any impact on the Company's consolidated financial statements.

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 significant 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 evaluating the impact the standard is expected to have on its consolidated financial statements.

Prior Year Restatement

The Company has restated certain comparative January 31, 2017 balances related to the acquisition of the Mactung and Cantung royalties (the "Royalties") (Notes 10 and 13). During fiscal 2017, the Company recorded an acquisition cost of $992,335 for the Royalties, which represented the net present value of the interest-free line of credit provided by Osisko Gold Royalties Ltd ("Osisko"), a significant shareholder of the Company, which the Company used to acquire the Royalties. The acquisition cost should have been recorded at $1,500,000 with the difference between the acquisition cost and the net present value of the interest-free line of credit from Osisko being recorded as a capital contribution from Osisko within shareholders' equity. The effect on the statement of financial position as at January 31, 2017 is an increase in royalty assets of $507,665 and a corresponding increase in shareholders' equity for the capital contribution. There was no impact from this restatement on the statement of loss and comprehensive loss, nor was there any impact to the cash flows.

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.

3. SIGNIFICANT ACCOUNTING POLICIES - *Continued*

a) Significant Accounting Estimates and Judgments - *Continued*

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, whether or not the shares are publicly traded, the number of shares received, the trading value of the shares, and volume of shares, and if the shares are not publicly traded, 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) in July 2016 was determined to constitute an acquisition of assets (Note 11).

(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.

(vi) Valuation of debt and royalty option - the Company has issued a convertible note which is convertible into a 1.5% net smelter return royalty ("NSR") on all metals and minerals produced from the Company's South Crofty Project. The Company bifurcated the convertible note into debt and royalty option with the debt portion being the more easily measured value. The debt portion is initially recorded at its fair value using a 14% discount rate based on an estimated number of years to reach mine production. The debt will then be accreted over this estimated term. The remaining balance of the convertible note is attributed to the royalty option. The Company has determined that the royalty option is a non-financial liability.

b) Principles of Consolidation

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

3. SIGNIFICANT ACCOUNTING POLICIES – *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”)	United Kingdom	100%	Holding Company
Western United Mines Limited	United Kingdom	100% subsidiary of SBW UK	Exploration Company
Cornish Minerals Limited (Bermuda)	Bermuda	100% subsidiary of SBW UK	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 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 profit or loss 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.

Depreciation is provided for annually at the following rates:

Computer equipment	30% declining balance
Furniture & fixtures	20% declining balance
Motor vehicles	30% declining balance
Equipment	30% declining balance
Software	100% declining balance

The water treatment plant (in progress) is currently not depreciated. Depreciation will commence once the asset is complete and available for use.

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 profit or 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 first tested for impairment, then 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 and accrued liabilities, debt and long-term liability 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") and common shares in a private company. Securities which are traded in an active market, such as on a recognized securities exchange are presented at fair value based on quoted closing bid prices at the statement of financial position dates or the closing bid price on the last day the security traded if there were no trades at the statement of financial position date.

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 when information becomes available indicating that production will not occur in the future.

n) Deferred Financing Fees

Legal fees, professional fees and other expenses related to equity financings are deferred until these financings close, at which time they will be offset against proceeds from the financing to which they relate. Should the financings not close as contemplated, these deferred financing fees will be expensed.

o) Warrants Issued in Equity Financing Transactions

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate mineral properties. These equity financing transactions may involve issuance of common shares or units. A unit comprises a certain number of common shares and a certain number of share purchase warrants. Depending on the terms and conditions of each equity financing agreement, the warrants are exercisable into additional common shares prior to expiry at a price stipulated by the agreement. Warrants that are part of units are valued based on the residual value method and included in share capital with the common shares that were concurrently issued. Warrants that are issued as payment for an agency fee or other compensatory transactions costs are accounted for as share-based payments.

p) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale (a qualifying asset) are capitalized as part of the cost of the respective asset. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Where funds are borrowed specifically to finance a project, the amount capitalized represents the actual borrowing costs incurred. Where surplus funds are available for a short term from funds borrowed specifically to finance a project, the income generated from the temporary investment of such amounts is also capitalized and deducted from the total capitalized borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalized is calculated using a weighted average of rates applicable to relevant general borrowings of the Company during the period.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred. Even though exploration and evaluation assets can be qualifying assets, they generally do not meet the "probable economic benefits" test and are also rarely debt funded. Any related borrowing costs incurred during this phase are therefore generally recognized in profit or loss in the period they are incurred.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, marketable securities, receivables, accounts payable and accrued liabilities, debt and a long-term liability. The carrying value of receivables, accounts payable and accrued liabilities approximate their fair values due to their immediate or short-term maturity. Marketable securities which are publicly traded 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; marketable securities that are not publicly traded are recorded at fair value using estimates consistent with level 3 of the fair value hierarchy (inputs are not based on observable market data). Debt and the long-term liability are recorded at fair 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, equity market risk and commodity price 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.

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, 2018, the Company had current assets of $8,162,852 to settle current liabilities of $619,603.

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. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions.

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 monetary assets or 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, 2018.

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.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT - *Continued*

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.

Commodity price risk

The Company is exposed to price risk with respect to commodity prices. The ability of the Company to explore its exploration and evaluation assets and future profitability of the Company are directly related to the market price of commodities. The Company monitors commodity prices to determine appropriate actions to be undertaken.

5. MARKETABLE SECURITIES

The Company holds 3,525,000 common shares in three TSX-V listed companies (2017 – 2,225,000 common shares) and 38,638 common shares (2017 – Nil) in a private mineral exploration company located in the United Kingdom.

	January 31, 2018		January 31, 2017	
	Cost	**Fair Market Value****	Cost	Fair Market Value
Various public companies	$ 320,525	$ 391,050	$ 203,525	$ 218,800
Private company shares	124,471	124,471	-	-
	$ 444,996	**$ 515,521**	$ 203,525	**$ 218,800**

**Includes 3,500,000 (2017 – 2,200,000) common shares (fair market value of $385,000; 2017 - $209,000) of Westhaven Ventures Inc. ("Westhaven") a company related to the Company by virtue of a common director (D. Grenville Thomas).

During the year ended January 31, 2018, the Company received 1,300,000 common shares of Westhaven with a fair value of $117,000 for the sale of its interest in the Skoonka Creek Gold Property to Westhaven (Note 11), which has been credited against generative exploration recovery on the consolidated statement of loss and comprehensive loss.

During the year ended January 31, 2018, the Company received 38,638 common shares of a private company based in the United Kingdom pursuant to a property option agreement (Note 11) at a value of $124,471 (2017 – $Nil).

6. RECEIVABLES

	January 31, 2018	January 31, 2017
Other receivables	**$ 495**	$ 823
VAT receivables	**150,062**	61,589
GST receivables	**7,806**	10,038
Total	**$ 158,363**	$ 72,450

7. DEFERRED FINANCING FEES

Deferred financing fees of $406,311 (2017 - $nil) consist primarily of legal, accounting and related professional fees incurred in connection with a proposed listing of the Company's common shares and a concurrent financing on the Alternative Investment Market ("AIM") in London, UK. The deferred financing fees will be applied against the gross proceeds on completion of the equity financing. In the event that a listing and concurrent equity financing on AIM are not completed, the deferred financing fees will be expensed.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		January 31, 2018		January 31, 2017
Trade payables	**$**	**301,795**	$	230,433
Related party payable		**13,008**		3,097
Accrued liabilities		**304,800**		42,832
Total	**$**	**619,603**	$	276,362

9. PROPERTY, PLANT AND EQUIPMENT

Cost	Computer Equipment	Software	Furniture & Fixtures	Land & Site	Motor Vehicles	Water Treatment Plant (in progress)	Equipment	Total
As at January 31, 2016	$ 50,757	$ -	$ -	$ -	$ -	$ -	$ -	$ 50,757
Acquisition (Note 11)	-	-	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
Additions	31,426	29,171	20,294	-	-	560,718	21,535	663,144
Disposals	(2,169)	-	-	-	-	-	-	(2,169)
As at January 31, 2018	**$ 82,412**	**$ 29,171**	**$ 26,294**	**$ 665,000**	**$ 33,000**	**$ 560,718**	**$ 327,535**	**$ 1,724,129**
Accumulation Depreciation								
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)
Depreciation	(2,977)	-	-	-	-	-	-	(2,977)
Capitalized depreciation	(3,101)	(14,585)	(3,089)	-	(8,168)	-	(78,965)	(107,908)
As at January 31, 2018	**$ (50,997)**	**$ (14,585)**	**$ (3,789)**	**$ -**	**$ (13,943)**	**$ -**	**$ (132,515)**	**$ (215,829)**
Net book value								
As at January 31, 2017	$ 8,235	$ -	$ 5,300	$ 665,000	$ 27,225	$ -	$ 252,450	$ 958,210
As at January 31, 2018	**$ 31,414**	**$ 14,586**	**$ 22,505**	**$ 665,000**	**$ 19,057**	**$ 560,718**	**$ 195,020**	**$ 1,508,300**

10. ROYALTIES

Mactung and Cantung Royalty Acquisition

In March 2016, the Company purchased from Teck Resources Limited ("Teck") a 4% net smelter return royalty ("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 (Note 13).

11. EXPLORATION AND EVALUATION ASSETS

	January 31, 2017	Expended During the Year	**January 31, 2018**
Tin Properties, Alaska, USA			
Exploration costs	$ 17,339	$ 1,399	**$ 18,738**
Acquisition costs	725,692	49,040	**774,732**
Geological and assays	6,541	-	**6,541**
Office and salaries	3,506	-	**3,506**
	753,078	50,439	**803,517**
South Crofty, Cornwall, UK			
Exploration costs	186,952	331,634	**518,586**
Acquisition costs	2,880,928	191,472	**3,072,400**
Geological and assays	277,585	183,759	**461,344**
Office and salaries	288,426	721,827	**1,010,253**
Recovery (Note 5)	-	(124,471)	**(124,471)**
	3,633,891	1,304,221	**4,938,112**
	$ 4,386,969	$ 1,354,660	**$ 5,741,629**

11. EXPLORATION AND EVALUATION ASSETS - *Continued*

	January 31, 2016	Expended During the Year	**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 costs	-	2,880,928	**2,880,928**
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.

South Crofty Tin Project, Cornwall, UK

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

This transaction was 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 was 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:

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	**2,000,000**
Transaction costs	**781,586**
	$ 3,853,374

11. EXPLORATION AND EVALUATION ASSETS – *Continued*

South Crofty Tin Project, Cornwall, UK – Continued

Net Assets Acquired		
Equipment	$	**345,000**
Land and site		**665,000**
Exploration and evaluation assets		**2,843,374**
	$	**3,853,374**

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

- 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 (issued November 1, 2017 at a value of $180,000).
- 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.

In March 2018 the Company and the Sellers executed a Side Letter to alter certain of these payments (Note 22).

On January 26, 2018, Strongbow completed a secured convertible note financing with Osisko for gross proceeds of $7,170,000 (Note 12) which will be convertible into a 1.5% NSR on all metals and minerals produced from the South Crofty Project at Osisko’s option. The Note is secured by a first-ranking lien on all of Strongbow’s assets, including its interest in South Crofty. Proceeds from the Note are intended to be used to construct a water treatment plant at South Crofty and for general working capital.

Cornish Lithium Exploration Option Agreement

In January 2017, one of the Company’s indirect, wholly-owned subsidiaries and Cornish Lithium Limited (“CLL”), a private, UK company, entered into an exploration option agreement whereby CLL has the right to explore for, and potentially develop, lithium in hot springs brines and associated geothermal energy from the Company’s mineral rights in Cornwall, UK. The Company will have a 25% free carried interest in the first project to have a bankable feasibility study completed on it, after which the Company will be required to contribute its share of development costs or be diluted. The Company will have a 10% free carried interest on subsequent development projects as well as a 2% gross revenue royalty payable from the production of metals from brines or from any geothermal energy produced and sold by CLL.

11. EXPLORATION AND EVALUATION ASSETS – *Continued*

Cornish Lithium Exploration Option Agreement - Continued

Under the terms of the agreement, CLL agreed to issue common shares with a value US$50,000 concurrently with its first financing (received – August 2017) and, to keep the agreement in good standing, to issue CLL common shares with a value of US$50,000 on the first (received – January 2018), second, third and fourth anniversary of the agreement. From the fifth anniversary date of the agreement, CLL will make annual payments of US$100,000, in cash or common shares of CLL, at its election. From the tenth anniversary date of the agreement, CLL will make annual payments of US$500,000 in cash or common shares of CLL, at its election, of which 50% of the payment will be considered an advance royalty payment. The Company recorded a recovery against exploration and evaluation assets of $124,471 (January 31, 2017 - $Nil) for the fair value or the CLL shares received.

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

On July 24, 2015, the Company acquired the Sleitat and Coal Creek tin properties in Alaska (collectively, the "Properties") subject to the terms of a property purchase agreement (the "Agreement") with Osisko and Mr. R. Netolitzky, and their respective wholly-owned companies, Brett Alaska Resources Inc. ("Brett") and Thor Gold Alaska, Inc. ("Thor"). Thor held a 20% undivided interest in the Sleitat property and Brett held an 80% undivided interest in the Sleitat property and a 100% interest in the Coal Creek property. Mr. Netolitzky was a director of the Company at the time of the acquisition and was 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% NSR on the properties. The NSR 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, the Company granted Osisko a first right of refusal on the sale of any future royalties on any of its properties.

Other Exploration Properties and Generative Exploration, Canada

Nickel King Project, NWT

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

Gold and Base Metal Properties, British Columbia

Skoonka Creek Gold Property

In May 2017, the Company sold its 65.74% interest in the Skoonka Creek Gold Property ("Skoonka") to Westhaven. Almadex Minerals Ltd. ("Almadex"), also agreed to sell its 34.26% interest in the Skoonka property to Westhaven. Under the terms of the property purchase agreement amongst Strongbow, Almadex and Westhaven, Westhaven issued a total of 2,000,000 common shares to Strongbow and Almadex, of which 1,300,000 common shares were allocated to Strongbow and 700,000 common shares were allocated to Almadex. In addition, Almadex retained a 2% NSR on Skoonka. Westhaven is related to the Company by virtue of a common director (D. Grenville Thomas). The 1,300,000 common shares received were recorded at a value of $117,000 and credited to generative exploration costs (recovery) since the property had no carrying value.

12. DEBT AND ROYALTY OPTION

On January 26, 2018, Strongbow completed a convertible note financing (the "Note") with Osisko, a significant shareholder of the Company, for gross proceeds of $7,170,000. The Note is convertible into a 1.5% NSR on all metals and minerals produced from the South Crofty Project (the "Osisko NSR"). The Note 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 Osisko NSR, Osisko has the right to realize upon its security and become the owner of all of Strongbow's assets.

Osisko may not make a demand on the Note until the commencement of commercial production at the South Crofty Project (or otherwise upon the occurrence of an event of default). No interest is to be payable on the principal amount outstanding under the Note until December 31, 2021 (or otherwise on the occurrence of an event of default), after which time interest will accrue at an annual rate of 10%. If commercial production is not achieved at the South Crofty Project by December 31, 2025, all amounts owing under the Note would become due and payable.

Concurrently with this transaction, Strongbow and Osisko entered into a governance and financing agreement containing, among other things, the grant to Osisko of an option to purchase the Royalty in exchange for the Note (the "Royalty Option"). If, as and when Osisko exercises the Royalty Option, Strongbow and its affiliates will enter into a royalty agreement with Osisko (the "Royalty Agreement"), and Strongbow's performance and payment obligations will continue to be secured by the first ranking lien of Osisko. Once Strongbow has made royalty payments in excess of US$7.5 million, the scope of the first ranking liens will be reduced.

Strongbow received gross proceeds of $7,170,000 from the sale of the Note, which has been recorded at a fair value of $4,283,486 using a 14% discount rate. The carrying value of the debt, net of transaction costs totalling $366,054, will be accreted up to the debt's face value over the estimated term of the debt. As at January 31, 2018, the accretion was determined to be immaterial. The difference between the gross proceeds received and the fair value recorded for the Note has been recorded as a Royalty Option. The Royalty Option is a non-financial liability that has been recorded at a cost of $2,886,514; transaction costs of $246,673 allocated to the Royalty Option on a pro-rata basis have been expensed in professional fees on the Consolidated Statements of Loss and Comprehensive Loss.

13. LONG-TERM LIABILITY

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.

		Year Ended January 31, 2018		Year Ended January 31, 2017
Opening balance	**$**	**1,115,693**	$	-
Estimated present value of payment obligation at acquisition		**-**		992,335
Accretion		**167,354**		123,358
Ending balance	**$**	**1,283,047**	$	1,115,693

The estimated present value of this payment obligation has been calculated using a discount rate of 15%. As at the March 2016 acquisition date, the Company estimated that the Mactung Project would be sold within a three-year period, thereby triggering a repayment of the $1.5 million line of credit. The $507,665 difference between the acquisition cost and the net present value of the loan has been treated as a capital contribution to the Company from Osisko, since Osisko is a significant shareholder of the Company.

14. CAPITAL AND RESERVES

Authorized Share Capital

At January 31, 2018, the authorized share capital is an unlimited number of common shares without par value. All issued shares are fully paid.

Share issuances –Year Ended January 31, 2018

The Company issued, on a private placement basis, 15,714,228 common shares at $0.14 per common share for gross proceeds of $2,199,992 and 569,500 common shares upon the exercise of warrants for gross proceeds of $113,900. The Company also issued 1,000,000 common shares at a value of $180,000 pursuant to the terms of the South Crofty acquisition agreement (Note 11).

Share issuances – Year Ended January 31, 2017

a) 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

b) The Company completed a second 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

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.

c) In July 2016, in connection with the acquisition of the South Crofty tin project (Note 11) the Company also issued 2,000,000 common shares with a value of $400,000.

14. CAPITAL AND RESERVES - *Continued*

The finder's warrants issued as part of the private placements which closed in June, July, November and December 2016 were 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 option 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.

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

The Plan provides that the directors have the discretion to impose vesting of options and that, unless otherwise specified by the directors, vesting will occur generally as to 20% on the grant date and 20% every three months thereafter, becoming fully vested one-year from the date of grant. In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares on a yearly basis or 2% if the optionee is engaged in investor relations activities or is a consultant.

As at January 31, 2018 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	2,700,000	January 3, 2022
	2,540,000		0.20	508,000	November 3, 2022
Warrants*	10,619,416	$	0.20	10,619,416	November 23, 2018
	2,766,666		0.20	2,766,666	November 25, 2018
	1,610,000		0.20	1,610,000	December 21, 2018
	14,620,000		0.20	14,620,000	June 28, 2019
	3,861,000		0.20	3,861,000	July 15, 2019
	150,000		0.20	150,000	July 19, 2019

**all of the outstanding warrants are subject to the Acceleration Right described above*

14. CAPITAL AND RESERVES - *Continued*

Stock options and warrants – *Continued*

Stock option transactions for the years ended January 31, 2018 and 2017 are summarized as follows:

	Number of Options	Weighted Average Exercise Price
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
Granted	2,540,000	0.20
Balance, January 31, 2018	**7,460,000**	**$ 0.16**
Number of options currently exercisable as at January 31, 2018	**5,428,000**	**$ 0.14**

Warrants

During the year ended January 31, 2018 a total of 569,500 warrants were exercised for gross proceeds to the Company of $113,900 and 4,430,500 warrants expired without exercise.

Warrant transactions for the years ended January 31, 2018 and 2017 are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, January 31, 2016	5,000,000	$ 0.20
Issued	33,627,082	0.20
Balance, January 31, 2017	38,627,082	0.20
Warrants exercised	(569,500)	0.20
Warrants expired	(4,430,500)	0.20
Balance, January 31, 2018	**33,627,082**	**$ 0.20**

Share-based compensation

During the year ended January 31, 2018, the Company granted 2,540,000 (2017 – 2,800,000) stock options to directors, officers, employees and consultants with an estimated fair value of $445,420 (2017 - $287,981).

During the year ended January 31, 2018, the Company recorded share-based compensation expense of $420,208 (2017 - $172,454) for options granted and vested.

The Company used the following assumptions to estimate a fair-value for the stock options granted in 2018 and 2017:

	Year Ended January 31, 2018	Year Ended January 31, 2017
Risk-free interest rate	**1.63%**	1.11%
Expected dividend yield	**0%**	0%
Expected stock price volatility	**174%**	100%
Expected option life in years	**5 years**	5 years
Forfeiture rate	**0%**	0%

15. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties not disclosed elsewhere in these financial statements (see also Notes 10, 11, 12 and 13):

a) Paid $18,000 to North Arrow Minerals Inc. ("North Arrow"), a company with two common directors, for office space and administrative services (January 31, 2017 - $18,000);

b) Paid $18,436 for office rent (2017 - $42,428) to Helio Resource Corp. ("Helio"), a company with two common directors, and $7,944 (2017 - $5,230) as a cost reimbursement; and

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

Included in payables is $Nil (2017 - $3,097) due to Helio for rent and the reimbursement of other expenses; $2,000 due to North Arrow for administrative services (2017 - $Nil) and $11,008 (2017 - $Nil) due to KEA Minerals, a company controlled by Owen Mihalop, Strongbow's Chief Operating Officer.

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

	Year Ended	
	January 31, 2018	January 31, 2017
Salaries and benefits[1]	**$ 425,414**	$ 243,268
Share-based payments[2]	**314,616**	145,094
	$ 740,030	$ 388,362

[1] Allocated $273,333 (2017 - $201,667) to salaries and benefits and $152,081 (2017 - $41,601) 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.

16. COMMITMENTS

As at January 31, 2018, the Company is committed to minimum future lease payments for office premises and other monthly contractual payments to consultants and for utility payments as follows (certain lease costs may be reduced through sub-lease recoveries):

Year ending January 31, 2019	$ 176,056
Year ending January 31, 2020	$ 92,928
Year ending January 31, 2021	$ 92,579
Year ending January 31, 2022	$ 23,145

17. INCOME TAXES

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

	2018	2017
Loss before income taxes	**$ (2,240,233)**	$ (1,172,524)
Expected income recovery	**(603,000)**	(305,000)
Permanent difference	**113,000**	45,000
Change in statutory, foreign tax, foreign exchange rates and other	**(74,182)**	(110,986)
Share issue cost	**(109,000)**	(36,000)
Adjustment to prior year's provision versus statutory returns	**(82,000)**	26,000
Changes in unrecognized deductible temporary differences	**748,000**	379,000
Income tax recovery	**$ (7,182)**	$ (1,986)

In September 2017, the British Columbia ("BC") government proposed changes to the general corporate income tax rate to increase the rate from 11% to 12% effective January 1, 2018 and onwards. This change in tax rate was substantively enacted on October 26, 2017. The relevant deferred tax balances have been remeasured to reflect the increase in the Company's combined Federal and Provincial (BC) general corporate income tax rate from 26% to 27%.

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

	2018	2017
Deferred tax assets (liabilities)		
Exploration and evaluation assets	**$ 4,152,000**	$ 4,179,000
Equipment	**137,000**	18,000
Canadian eligible capital (CEC)	**-**	96,000
Share issue costs	**113,000**	34,000
Allowable capital losses	**991,000**	954,000
Non-capital losses available for future period	**2,077,000**	1,441,000
	7,470,000	6,722,000
Unrecognized deferred tax assets	**(7,470,000)**	(6,722,000)
Net deferred tax assets	**$ -**	$ -

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

	2018	Expiry dates	2017
Equipment	**$ 570,000**	not applicable	$ 86,000
Share and debt issue costs	**418,000**	2019 to 2022	130,000
Investment tax credits	**717,000**	2028 to 2038	717,000
CEC	**-**	not applicable	368,000
Exploration and evaluation assets	**13,576,000**	not applicable	14,025,000
Allowable capital losses	**3,671,000**	not applicable	3,671,000
Non-capital losses available for future period	**7,389,000**	2026 to 2037	5,964,000
Canada	**6,847,000**	2029 to 2038	5,773,000
USA	**24,000**	2036 to 2038	34,000
UK	**518,000**	not applicable	113,000

18. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

During the year ended January 31, 2018 the significant non-cash transactions were:

a) The recognition of an $48,068 unrealized gain on marketable securities through the investment revaluation reserve and a related income tax recovery of $7,183;

b) Included in exploration and evaluation assets is capitalized depreciation of $107,909 and $21,867 which relates to accounts payable and accrued liabilities;

c) Included in deferred financing fees is $108,213 which relates to accounts payable and accrued liabilities;

d) Included in property, plant and equipment is $144,060 which relates to accounts payable and accrued liabilities;

e) Included in transaction costs (netted against debt) is $120,010 which relates to accounts payable and accrued liabilities;

f) Exploration and evaluation assets have been reduced by $124,471 which represents the estimated fair value of common shares of a private company received pursuant to a property option agreement (Notes 5 and 11); and

g) A $117,000 recovery of generative exploration costs was recognized representing the estimated fair value of 1,300,000 common shares of Westhaven received (Note 5).

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 11);

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.

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. There were no changes to the Company's approach to capital management during the year.

20. ASSET RETIREMENT OBLIGATION

As at January 31, 2018 and 2017, the Company has no asset retirement obligations. 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.

21. 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, 2018				As at January 31, 2017			
	Canada	United States	United Kingdom	**Total**	Canada	United States	United Kingdom	**Total**
Deposits	$ 10,964	$ -	$ 18,129	$ 29,093	$ 9,300	$ -	$ -	$ 9,300
Property, plant and equipment	7,572	-	1,500,727	1,508,300	5,300	-	952,910	958,210
Royalties	1,500,000	-	-	1,500,000	1,500,000	-	-	1,500,000
Exploration and evaluation assets	-	803,517	4,938,112	5,741,629	-	753,078	3,633,891	4,386,969

22. SUBSEQUENT EVENTS

In March 2018, the Company, Galena and Tin Shield entered into a Side Letter to the Share Purchase Agreement dated March 16, 2016. The Side Letter alters the terms of the deferred cash and share compensation payable to the Sellers in connection with the acquisition of the South Crofty Tin Project (as described in Note 11 above), provided that the Company's shares are listed on AIM prior to January 1, 2019.

Upon admission to AIM, the Company will pay US$6,000,000 to the Sellers (the "AIM Listing Payment"), of which US$3,000,000 will be payable in cash with the balance of US$3,000,000 to be settled through the issuance of Strongbow common shares. Pricing of the Strongbow common shares will be based on the common shares issued as part of the AIM listing and will have the same rights as the common shares listed on AIM. In the event that the AIM listing occurs after June 10, 2018, the Company will make the $2,000,000 payment due to the Sellers on June 10, 2018, and this payment will be applied against the AIM Listing Payment.

When completed, the AIM Listing Payment will replace the following payment obligations under the SPA:

- The $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);
- The issuance of 2,000,000 common shares to the Sellers on delivery of a positive feasibility study or commencement of commercial production, whichever occurs first.

If a production decision is made for the South Crofty Tin Project, the Company will make a second payment of US$6,000,000 (payable in cash and/or common shares at the Company's election) to the Sellers within five business days of the completion and release to the Company of proceeds from any debt or equity financings to be used for project development (the "Development Payment"). The Development Payment will replace the Company's obligation to 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 the Company does not complete a listing on AIM prior to January 1, 2019, the terms of the SPA will continue without amendment and the Side Letter will terminate. The Side Letter is subject to regulatory approval.